

Annual Report 2001  
**Nordea Bank Danmark**

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

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## Nordea Bank Danmark Group - five-year financial summary

Income statement (DKK m)	(EUR m)		2000	1999	1998	1997
	2001	2001				
Net interest income	8,111	1,091	7,548	7,053	6,982	6,729
Dividend income	305	41	300	263	183	169
Net fees and commissions receivable	1,845	248	3,233	2,543	2,283	1,938
Net interest and fees receivable	10,261	1,380	11,081	9,859	9,448	8,836
Securities and foreign exchange result	214	29	1,485	1,024	1,394	1,187
Other operating income	341	46	368	306	701	408
Profit before expenses	10,816	1,455	12,934	11,188	11,544	10,432
Expenses and depreciation	6,688	899	8,025	7,842	7,030	6,562
Provisions for bad and doubtful debts (net)	1,066	143	216	513	649	449
Profit on shares in associated and group undertakings	-4	-1	303	347	166	284
Operating profit before tax	3,059	411	4,996	3,180	4,031	3,705
Tax	991	133	145	117	97	86
Profit for the year	2,068	278	4,851	3,063	3,934	3,619
Minority interests	-	-	27	-	-	-
Profit for the year after minority interests	2,068	278	4,824	3,063	3,934	3,619

Balance sheet at 31 December (DKK bn)	(EUR bn)		2000	1999	1998	1997
	2001	2001				
<b>Assets</b>						
Cash in hand and balances due from credit institutions	101	14	77	68	82	80
Lending	277	37	272	266	233	211
Ordinary loans and advances	153	21	166	165	151	134
Mortgage loans	100	13	87	80	69	53
Reverse repos	24	3	19	20	13	24
Debt securities and shares etc	136	18	121	104	100	82
Other assets	46	6	42	33	33	28
Total assets	559	75	512	470	447	401
<b>Liabilities</b>						
Balances due to credit institutions	158	21	115	97	117	103
Deposits	172	23	177	169	162	160
Repos	15	2	9	9	7	14
Debt securities in issue	133	18	122	128	99	79
Mortgage bonds	116	16	89	82	74	55
Other liabilities	70	9	71	49	45	37
Capital resources	26	3	27	28	25	21
Shareholders' equity	17	2	19	20	19	17
Total liabilities	559	75	512	470	447	401

Ratios and key figures (DKK except percentages)	2001	2000	1999	1998	1997
Pre-tax return on equity (%)	17.8	25.3	16.1	22.3	22.4
Post-tax return on equity (%)	12.1	24.5	15.5	21.7	21.9
Total capital ratio (%)	9.7	9.7	10.1	9.5	9.3
Tier 1 capital ratio (%)	6.7	6.9	7.3	7.5	7.4
Number of employees (full-time equivalents) at 31 December*	8,687	9,856	9,966	10,015	9,668
Cost/income ratio (%)**	72	62	72	66	65
Cost ratio (%)***	62	62	61	70	62

EUR 1 = DKK 7.4357 at year-end 2001.

\* Excluding employees in unconsolidated companies.

\*\* The reciprocal of the Danish Financial Supervisory Authority's ratio "Income/cost ratio (not %)". The cost/income ratio is defined as the sum total of expenses and depreciation and provisions for bad and doubtful debts as % of the sum total of profit before expenses and profit on shares in associated and group undertakings.

\*\*\* Expenses and depreciation as % of profit before expenses.

The 2001 figures are affected by the fact that with effect for accounting purposes from 1 January 2001 Nordea Bank Danmark A/S split off the Asset Management and Investment Banking activities into independent banks and merged with the related part of the former parent company. The comparative figures have not been restated compared to previous years.

## Nordea Bank Danmark A/S - five-year financial summary

Income statement (DKK m)	(EUR m)		2000	1999	1998	1997
	2001	2001				
Net interest income	7,029	945	6,351	5,963	6,011	5,917
Dividend income	304	41	292	255	182	165
Net fees and commissions receivable	2,053	276	2,777	2,279	1,998	1,746
Net interest and fees receivable	9,386	1,262	9,421	8,497	8,191	7,828
Securities and foreign exchange result	78	10	1,300	999	1,349	1,189
Other operating income	225	30	182	232	629	268
Profit before expenses	9,689	1,302	10,903	9,728	10,169	9,285
Expenses and depreciation	6,310	849	7,043	6,907	6,265	5,783
Provisions for bad and doubtful debts (net)	1,106	149	207	446	579	437
Profit on shares in associated and group undertakings	780	105	1,179	713	622	582
Operating profit before tax	3,052	410	4,831	3,088	3,948	3,647
Tax	984	132	8	25	14	28
Profit for the year	2,068	278	4,824	3,063	3,934	3,619

Balance sheet at 31 December (DKK bn)	(EUR bn)		2000	1999	1998	1997
	2001	2001				
<b>Assets</b>						
Cash in hand and balances due from credit institutions	94	13	74	72	83	83
Lending	176	24	177	179	158	152
Ordinary loans and advances	152	21	158	159	146	128
Reverse repos	24	3	19	20	13	24
Debt securities and shares etc	132	18	113	96	93	74
Other assets	43	6	48	39	38	32
Total assets	445	60	412	385	372	341
<b>Liabilities</b>						
Balances due to credit institutions	162	22	120	101	122	104
Deposits	173	23	176	182	173	174
Repos	15	2	9	8	6	14
Debt securities in issue	17	2	22	29	11	6
Other liabilities	67	9	67	45	42	35
Capital resources	26	3	27	28	25	21
Shareholders' equity	17	2	19	20	19	17
Total liabilities	445	60	412	385	372	341

Ratios and key figures (DKK except percentages)	2001	2000	1999	1998	1997
Pre-tax return on equity (%)	17.8	24.4	15.7	21.8	22.0
Post-tax return on equity (%)	12.1	24.4	15.5	21.7	21.9
Total capital ratio (%)	10.1	10.2	10.4	10.3	9.9
Tier 1 capital ratio (%)	6.9	7.3	7.5	8.1	7.9
Number of employees (full-time equivalents) at 31 December*	8,380	9,164	9,293	9,370	9,079
Cost/income ratio (%)**	70	60	70	63	63
Cost ratio (%)***	65	65	71	62	62

EUR 1 = DKK 7,4357 at year-end 2001.

\* Excluding employees in unconsolidated companies.

\*\* The reciprocal of the Danish Financial Supervisory Authority's ratio "Income/cost ratio (not %)". The cost/income ratio is defined as the sum total of expenses and depreciation and provisions for bad and doubtful debts as % of the sum total of profit before expenses and profit on shares in associated and group undertakings.

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The 2001 figures are affected by the fact that with effect for accounting purposes from 1 January 2001 Nordea Bank Danmark A/S split off the Asset Management and Investment Banking activities into independent banks and merged with the related part of the former parent company. The comparative figures have not been restated compared to previous years.

# Definitions and specialist terms

## Capital resources

The sum of tier 1 capital and supplementary capital, see section 21a (1) of the Danish Commercial Banks and Savings Banks Act.

## Derivatives

Derivative instruments are financial contracts such as forward and futures contracts, forward rate agreements, swaps and options (as defined below). Derivatives are employed to establish, increase or reduce the market risk attached to investments in, for example, shares and bonds.

## Forward contract

An agreement between two parties to exchange, on a given future date, securities, currency or other assets at an agreed price. For instance, an importer may buy currency forward against Danish kroner to lock in the Danish kroner equivalent of a future invoice amount payable in a foreign currency.

## Forward rate agreement (FRA)

An agreement between two parties to fix an interest rate for a given period of time, possibly in connection with a future loan. FRAs are traded in international money markets and between banks and their customers. An FRA may, for instance, be used by a borrower to fix the interest payments on a 6-month money market loan to be raised in three months' time.

## Futures

An agreement to buy or sell securities, currency or other assets on a specific future date at a specified price. As opposed to forward contracts, futures contracts normally do not involve physical delivery of the underlying assets at maturity. Instead, the gain or loss (the difference between the market price at maturity and the contract price) is settled between the buyer and the seller. Futures contracts are standardised and are often traded on - and regulated by - international exchanges, including the Copenhagen Stock Exchange. Futures contracts are used, for example, by bondholders to hedge their exposure to movements in bond prices in a period of changing interest rates. This is done by

selling bond futures with an interest rate sensitivity equal to that of a given bond holding. If interest rates increase, the capital loss on the bond portfolio will be offset by a gain on the futures contract.

## Minority interests

The shareholding in a subsidiary which one does not hold is called minority shareholders or minority interests.

## Option

A contract which, against payment of a premium, grants the buyer the right, but not the obligation, to buy or sell an asset, for example a bond or a currency, at a fixed price on a future date. Conversely, the seller has an obligation to execute the deal at the agreed price but only if the buyer so wishes. Options are generally traded as standard contracts, normally on the international stock exchanges where futures are traded. Like futures, options can be used to hedge market risk but options are more flexible because they enable the buyer, against payment of the premium, to limit the risk of sustaining a loss without forgoing the chance of making a profit.

## Repurchase agreement (repo)

An agreement whereby a holder of assets, usually bonds, sells these to a counterparty and, at the same time, agrees to repurchase them at a fixed price on a specified future date. Repos are in effect deposits or collateralised loans and form an integral element in liquidity management in the Danish money market.

## Securities lending agreement

An agreement for the lending of securities. Unibank lends securities to international clearing centres against payment of commission and the provision of guarantees by banking syndicates. Clearing centres use securities lending agreements in the day-to-day settlement of securities transactions.

## Swap

An agreement between two parties to exchange future interest payments on two loans (interest rate swap). If the loans are denominated in different currencies, the underlying notional amounts are also exchanged - initially and again at expiry (currency swap). Swaps are traded between banks in international capital markets and between banks and their customers. For instance, a borrower may use an interest rate swap to exchange a stream of predetermined fixed-rate interest payments against interest payment dependent on the interest rate prevailing for the interest period.

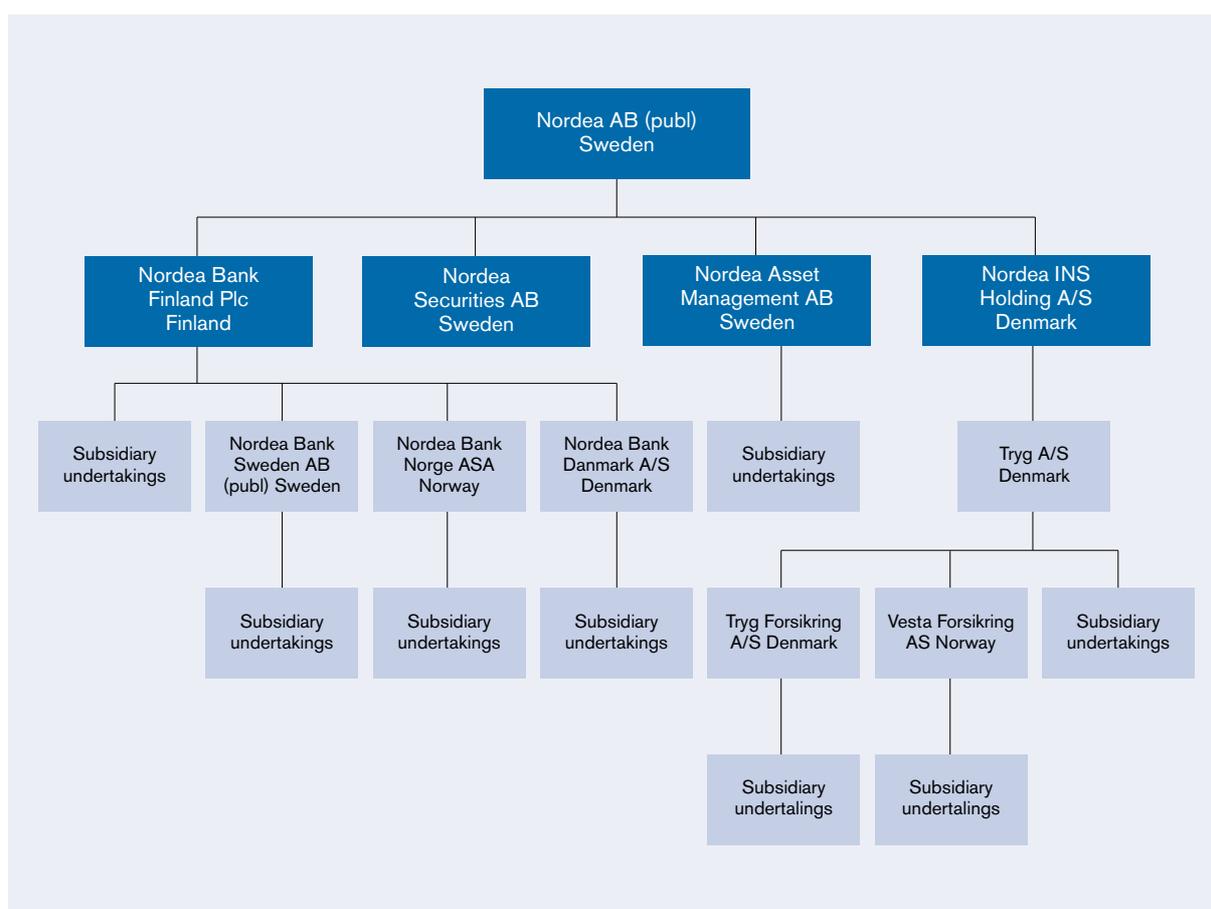
## Tier 1 capital

Mainly paid-up share capital, share premium account and reserves less, among other things, losses, if any, in the relevant financial year and the portfolio of own shares, see section 21a (2) and (3) of the Danish Commercial Banks and Savings Banks Act.

## Exchange rates applied

(The official rates of exchange of the Danish central bank at 31 December 2001)

<b>EUR</b>	743.57	<b>GBP</b>	1,218.57	<b>NOK</b>	93.24
<b>SEK</b>	79.89	<b>USD</b>	840.95		



# Nordea Bank Danmark

## Report of the Executive Management

### **Nordea Bank Danmark in brief**

Nordea Bank Danmark A/S (formerly Unibank A/S) carries on banking activities in Denmark. Moreover, the bank carries on mortgage lending activities through the subsidiary undertaking Nordea Kredit Realkreditatieselskab (formerly Unikredit Realkreditatieselskab) and financing, leasing and factoring activities through the subsidiary undertaking Nordea Finans Danmark A/S, both in Denmark.

Below is given a more detailed account of the changes in the legal structure in 2001. The new structure includes a split-off from Unibank A/S of the Asset Management operation and the Investment Banking operation into two new banks with effect for accounting purposes from 1 January 2001.

The activities of the Nordea Bank Danmark Group are integrated into the Nordea Group. The consolidated financial statements of this Group, including results by business area, contain the full financial reporting of the Nordea Bank Danmark Group. The Nordea Bank Danmark business comprises activities within Retail Banking, Corporate and Institutional Banking (CIB), Treasury and joint functions, including IT.

The ultimate parent company Nordea AB (publ) is listed on the stock exchanges in Stockholm, Helsinki and Copenhagen.

### **Profit and profitability**

Results for 2001 showed an increase in net interest income compared to 2000 but a decline in net fees and commissions receivable. Expenses also fell while provisions for bad and doubtful debts increased. Profit before tax was DKK 3,059m (EUR 411m), a decline on the previous year. The realised post-tax return on equity was 12.1%.

The risk-free interest rate was relatively stable until August 2001 at approximately 5% and fell evenly in the following period to approximately 3.5%.

The number of customers in Retail Banking was unchanged throughout 2001 whereas market shares of Danish lending (excluding mortgage lending) increased slightly from 23.1% to 24.2%, attributable to lending to corporate customers which grew from 26.8% to 28.3% (personal customers 18.4% to 18.5%). Mortgage lending exceeded DKK 100bn (EUR 13bn), the greater part to personal customers. Market shares of Danish deposits fell slightly from 23.5% to 22.6%, evenly distributed on personal and corporate customers (personal customers from 23.4% to 22.9% and corporate customers from 23.7% to 22.1%).

### **Income**

Net interest income primarily increased as a result of rising volumes and rising margins within corporate banking, which more than offset the decline following from the bank's advantage banking programme for personal customers. Fees and commissions receivable fell, partly as a result of the demerger, partly as a result of lower trading activity. There was an increase in income from mortgage refinancing, documentation fees and payment fees. Revaluation gains declined, mainly reflecting market developments but also due to the split-off of equity trading activities. Overall, profit before expenses and loan loss provisions fell by approximately DKK 2.1bn (approximately EUR 282m) of which approximately DKK 1.6bn (approximately EUR 215m) derive from the demergers.

### **Expenses**

Expenses declined significantly, among other things because of the demergers. Also the number of employees expressed as full-time equivalents fell by 1,169 from 9,856 to 8,687 of which approximately 575 are attributable to the demergers. The cost ratio (expenses and depreciation as % of profit before expenses) was 62% like last year. Expenses include restructuring costs of DKK 123m (EUR 16m) of which DKK 84m (EUR 11m) is related to the name change.

### *Provisions for bad and doubtful debts*

The provision ratio for the year increased from 0.1% in 2000 to 0.4% in 2001. The growth in provisions for bad and doubtful debts was attributable to corporate commitments, particularly within acquisition finance in CIB. The reversal stipulated by the Danish Financial Supervisory Authority of the provision in respect of the bank's guarantee concerning Varde Bank of DKK 150m (EUR 20m) has been booked in CIB. There was no substantial change in losses on commitments with personal customers.

### *Corporation tax*

The effective tax rate for 2001 was 32.4% of which 1.9% reflects the special Danish (deductible) tax on Danish banks' provisions for bad and doubtful debts at 1 January.

In Denmark Nordea Bank Danmark A/S is taxed on a pooled basis with the majority of its wholly owned subsidiary undertakings and the Danish corporation tax is recorded and paid by the bank. In previous years Unibank was taxed on a pooled basis with its Danish parent company, which recorded and paid the Danish corporation tax.

### **Financial structure**

At 31 December 2001 total assets were DKK 559bn (EUR 75bn), an increase of 9% on 31 December 2000. Shareholders' equity was DKK 17.4bn (EUR 2.3bn) against DKK 19.3bn (EUR 2.6bn) at 1 January 2001.

The Nordea Bank Danmark Group's total capital ratio was 9.7% (after proposed dividend for 2001) on a par with 31 December 2000 (before the demergers etc). The tier 1 capital ratio was 6.7% against 6.9% at 31 December 2000.

As a result of the implementation of the above-mentioned demerger and the below-mentioned merger, the shareholders' equity of Nordea Bank Danmark A/S (formerly Unibank A/S) was reduced by DKK 2.5bn (EUR 330m) to DKK 16.9bn (EUR 2.2bn). Accordingly, the capital ratios were reduced by approximately 0.8%.

### *Ratings*

Moody's Investors Service			Standard & Poor's			Fitch	
BFSR	Short	Long	Short	Long	Indiv	Short	Long
<b>B</b>	<b>P-1</b>	<b>Aa3</b>	<b>A-1</b>	<b>A+</b>	<b>B</b>	<b>F1+</b>	<b>AA-</b>

### *Risk management*

In the ordinary course of business, a bank is exposed to a variety of risks. These risks are credit and market risk. Additionally, the bank is exposed to operational and legal risk.

The aim of risk management in Nordea Bank Danmark is to ensure that the risks to which the bank is exposed are effectively monitored and kept within the relevant framework and limits established for the various types of risk.

The bank continuously reviews and adjusts its risk management to ensure that its risk management standards are constantly brought into line with the guidelines applicable to the Nordea Group, which are based on international standards and recommendations.

The bank's Board of Directors sets the framework and limits for the bank's exposure to risk within the framework established by the Nordea Group.

### *Credit risk*

Traditionally credit risk is associated with loans, credits and guarantees, and with balances due from credit institutions. Such risk arises where the borrower is unable or unwilling to make repayments at the due date.

The bank also incurs a credit risk when trading financial instruments and other securities. Customers use these instruments to hedge and control their exposure to market risk. The credit risk arises from trading activities where the bank is to receive payment in settlement of a transaction.

In addition, credit risk is associated with trading, primarily in foreign currency, in the form of settlement risk. This risk arises when the bank has to give a binding payment instruction to remit funds to a counterparty before the bank is certain that it has received the equivalent amount to the transaction as, for example, in a foreign exchange transaction.

Nordea Bank Danmark's credit risk is managed in conformity with the guidelines set by the Board of Directors and as set out in its credit directions and in the bank's credit policy.

### *Credit granting*

Nordea Bank Danmark's granting of credit is based on an individual assessment of each borrower's financial circumstances. Credits are granted on a well-informed and qualified basis

of an active credit assessment process involving an evaluation of customers' potential income and thus the ability to repay credit facilities granted. With the credit assessment a strategy is adopted for the development of each commitment.

The bank attaches great importance to decentralised granting of credit. With very few exceptions all credits to personal customers are granted in the bank's branch regions, a major portion by the individual branch offices and the rest by the credit team of the branch region.

All corporate customers have been assigned a customer responsible unit which, apart from large centrally served customers, is placed locally and is responsible for credit granting, sale, advice and profitability. Of the total number of approved corporate credits approximately 93% are approved locally in the branch regions while the remaining approximately 7% are approved from central quarters.

#### *Credit risk management and monitoring*

All corporate commitments are reviewed at least once a year. The review is based on up-to-date material required for decision-making, including financial statements and budgets.

At the same time, customers' creditworthiness is graded on the basis of their financial position supplemented with an analysis of their financial statements.

Personal customers' ability and willingness to repay loans and credits is rated by the bank's customer responsible units. For a number of years credit scoring has been used by the customer responsible units as a decision support tool. The intention is to increase the use of credit scoring to include small corporate customers.

#### *Portfolio control*

Management's control of the credit risk is made at portfolio level and supported by centrally prepared credit reports, including portfolio and deviation reports.

Uniform principles have been established for all levels describing contents and method according to which control should be made. In this way weak portfolios are identified.

On the basis of the ongoing reporting each level makes daily, monthly and quarterly control of the subordinate level. Regular credit follow-up discussions between the superior and subordinate levels are held with a view to

identifying weaknesses in the portfolio, including the implementation of initiatives.

The portfolio control is supported by annual spot checks the purpose of which is to check the quality of the credit portfolio.

#### **Market risk**

In Nordea Bank Danmark, market risk is defined as the risk of loss in market value as a result of movements in financial market variables such as interest rates, foreign exchange rates, equity prices and commodity prices. Market risk is assessed from a Euro base currency perspective.

The basic principle for most organisational units in Nordea Bank Danmark is that market risks are eliminated by matching assets, liabilities and off-balance-sheet items. This is achieved by transactions in Internal Bank in Group Treasury, which matches these units' funding and lending and carries out any further transactions needed to hedge the market risks.

However, Nordea Bank Danmark derives part of its earnings by the activities in designated dealing centres and position-taking units. These are authorised to expose themselves to market risk within clearly specified limits, and may only trade approved products.

An important key to successful risk management is a true and fair measurement of the market risks. As there is no single risk measure that captures all aspects of market risk, Nordea uses several risk measures including VaR models, stress testing, scenario simulation and other non-statistical risk measures such as basis point values, net open positions and option key figures.

VaR is used in Nordea Bank Danmark to measure linear interest rate, foreign exchange and equity risks. VaR is a statistical risk measure that estimates the maximum loss in market value that can be expected in a normal market environment within a given holding period and with a given probability. In Nordea, VaR is estimated based on the last two years' historical changes in market prices and rates with a holding period of 10 banking days and a probability of 99%. The VaR models provide an estimate of the size of the risk exposure and enable comparison of risk figures between different risk categories.

As all statistical models, the VaR estimates of the risk in Nordea Bank Danmark rely on various assumptions and depend on the quality of the

underlying historical data. To test the reliability of the VaR model, back tests are performed on a regular basis in accordance with the guidelines laid down by the Basle Committee on Banking Supervision. The VaR models have shown good statistical properties throughout 2001.

The market risk inherent in options and option-related instruments has particular so-called non-linear characteristics, which are not captured by the VaR models. Scenario simulations are used to capture this non-linear risk character in Nordea Bank Danmark's positions. The scenarios simulate movements in yield curves, foreign exchange rates, equity prices and volatility surfaces, which are calibrated to capture the most common market movements over a 10-day horizon. For each scenario, the profit/loss of the option portfolio including linear hedges is calculated and the worst outcome, ie the greatest loss in market value, constitutes the risk.

Nordea's VaR and scenario simulation measures are designed to estimate risk in a normal market environment. Therefore, Nordea estimates the losses that may occur under extreme market conditions when the VaR estimate is exceeded. The positions in Nordea Bank Danmark are included in the stress tests.

Market risk in Nordea Bank Danmark in 2001			
EURm	Measure		End 2001
Interest rate risk		VaR	31.4
		Non-linear risk simulation	24.0
Equity risk		VaR	13.8
		Non-linear risk simulation	0.0
Foreign exchange risk		VaR	2.4
		Non-linear risk simulation	1.6

### Composition of the Group

On 25 April 2001 the Board of Directors of Nordea AB (publ) decided to further develop Nordea's legal structure to support the Group's management structure and the transparency of the Group's financial reporting.

Accordingly, in early November the Board of Directors of Nordea Bank Danmark A/S (formerly Unibank A/S) split off the Asset Management and Investment Banking activities into independent legal entities (independent banks) with effect for accounting purposes from 1 January 2001. Immediately after the split-off an inverse vertical merger was made with the related part of the immediate parent company

Nordea Companies Denmark (NCD) A/S in that this company was also demerged in a corresponding manner.

The subsidiary undertakings which conducted business related to the split-off companies within Asset Management (for instance the banking subsidiary in Luxembourg) and Investment Banking (Nordea Securities AB, Stockholm) were included in the split-off, also with effect for accounting purposes from 1 January 2001.

Moreover the bank's branch office in Oslo has been closed down and the company structure in New York has been simplified.

### Outlook

The economic slowdown in Denmark and Europe is not expected to end until in the second half of 2002.

On average interest rates are anticipated to be lower in 2002 than in 2001, but showing an upward trend. The lower interest rates point towards reduced net interest income while the increase in deposits and lending points towards higher net interest income. All in all, net interest income is expected to remain unchanged in 2002.

The financial markets are expected to rally and income from trading activities to improve. A modest increase is expected in profit before expenses.

Expenses are expected to remain largely unchanged.

The level of loan loss provisions will depend on the general economic development in Denmark and Europe.

The result for the year will be influenced by conditions in the financial markets during 2002.

# Accounting policies

The 2001 figures are affected by the fact that with effect for accounting purposes from 1 January 2001 Nordea Bank Danmark A/S split off the Asset Management and Investment Banking activities into two independent legal entities, Nordea Asset Management Bank Danmark A/S and Nordea Securities Bank Danmark A/S, and merged with Nordea Uni Holding Danmark A/S, which became the immediate parent company in connection with the demerger of the former parent company Nordea Companies Denmark (NCD) A/S.

Nordea Bank Danmark A/S was previously taxed on a pooled basis with NCD, and the total Danish corporation tax, including deferred tax, was recorded and paid by NCD. As a result of the above change in the legal structure, the deferred tax liability of DKK 1,211m in NCD at 31 December 2001 has been taken over by Nordea Bank Danmark A/S, thereby reducing shareholders' equity. Consequently, Nordea Bank Danmark A/S will record and pay Danish corporation tax with effect from 1 January 2001.

The comparative figures have not been restated.

No changes have been made to the accounting policies applied in the previous year.

## **Basis of preparation**

### *Legislation*

The accounts of Nordea Bank Danmark A/S (formerly Unibank A/S) and the Nordea Bank Danmark Group have been prepared in accordance with the requirements for the presentation of accounts by Danish commercial banks and savings banks.

### *Consolidated accounts*

The consolidated accounts incorporate the accounts of the parent company and its subsidiary undertakings, which comply with the accounting policies of the Group.

In preparing the consolidated accounts, items of a uniform nature have been combined. The book value of the consolidated companies is offset

against the proportionate share of the subsidiary undertakings' net asset value. Intragroup balances, income and charges as well as gains and losses have been eliminated.

Subsidiary undertakings acquired are included in the consolidated accounts from the date of acquisition. Subsidiary undertakings sold are included in the consolidated accounts for the period up to the date of their disposal.

Goodwill arising on acquisition of subsidiary and associated undertakings is deducted from shareholders' equity.

Companies which are operated temporarily in settlement of previously contracted commitments or for the purpose of participating in the restructuring of the undertakings concerned, are not included in the consolidated accounts. Subject to an assessment in each case, subsidiary undertakings with minor and, compared with the parent company, insignificant activities have not been consolidated.

### *Intragroup transactions*

Transactions between Nordea Bank Danmark A/S and other group companies are made on market terms or settled on the basis of the actual costs incurred.

## **Principal accounting policies and valuations**

### *General*

Income and charges are stated on an accrual basis with the exception of a number of fees which are taken to income and charges when due. Interest accruing on non-performing commitments is not credited to the income statement.

### *Foreign currencies*

Assets and liabilities denominated in foreign currencies are translated into Danish kroner at the official rates of exchange of the Danish central bank at the balance sheet date.

Income and charges denominated in foreign currencies are translated into Danish kroner at the rates of exchange ruling on the date the transactions are booked. All adjustments are recorded in the income statement.

#### ***Credits***

Credits comprise balances due from credit institutions, ordinary loans and advances, mortgage loans and finance lease assets.

Credits are stated at their value on the date the transaction was made, net of principal payments and loan loss provisions.

Credits are critically reviewed on an ongoing basis to assess the risk of losses and, where necessary, write-offs or provisions have been made to cover losses.

Provisions against losses are made on an individual assessment and cover both the risk arising from the individual borrower's ability to repay and the risk associated with politically or financially unstable countries.

General provisions against losses on minor commitments are made on the basis of statistical analysis.

Amounts due from customers are written off against the provisions when it is considered that the customer will not be able to repay the amount due.

Fixed-income assets are written down to the market value of comparable assets. Certain fixed-income assets, the interest rate exposure of which is hedged, are not written down.

Mortgage loans, including amortisation accounts for cash loans, and related mortgage-backed bonds are stated in the balance sheet at nominal value, net of principal payments and loan loss provisions.

#### ***Securities***

Listed securities are marked to market. Unlisted securities which are not traded in a market are included at the lower of cost and market value based on a conservative estimate.

Shares in Nordea AB are marked to market.

#### ***Derivatives***

Derivatives include spot transactions, forward contracts, financial futures, swap contracts, forward rate agreements and options.

Derivatives are marked to market unless they are held for the purpose of hedging the interest rate exposure related to fixed-income assets and fixed-interest liabilities.

#### ***Shares in associated and group undertakings and other significant holdings of shares***

Shares in associated and group undertakings and other significant holdings of shares are stated according to the equity method.

Non-Danish krone assets and liabilities of foreign branches and subsidiary undertakings are translated into Danish kroner at the official rates of the Danish central bank ruling on the balance sheet date and non-Danish krone income statement items are translated at the average rates for the accounting period.

Companies which are operated temporarily in settlement of previously contracted commitments or for the purpose of participating in the restructuring of the companies concerned are recorded at the lower of cost and estimated value.

#### ***Tangible assets***

The bank includes land and buildings, and machinery and equipment at cost adjusted for any improvements, depreciation and write-downs made.

If the value of the assets is lower and the impairment in value is not considered temporary, such assets are entered at the lower value.

Depreciation is made on the basis of a conservative estimate of the assets' useful lives and residual value, if any.

Machinery and equipment are depreciated systematically over a maximum period of five years. Assets of less than DKK 100,000 are fully depreciated in the year of acquisition, except for assets acquired as part of a specific project, which are treated as one asset. Depreciation of buildings is provided on a straight line basis over a maximum period of 75 years. The cost of land is not depreciated.

#### ***Pension commitments***

Pension commitments are covered either in an independent pension fund or through an insurance company. There are no further pension commitments towards the staff.

### ***Taxation***

Nordea Bank Danmark A/S is taxed on a pooled basis with the majority of the company's subsidiary undertakings. The total Danish tax on the year's taxable income, including deferred tax, is recorded and paid by Nordea Bank Danmark A/S.

The estimated tax on the year's taxable income and the movement in provisions for deferred tax are charged to the income statement.

The accumulated deferred tax liability resulting from differences between the accounting and taxation treatment of assets and liabilities is shown in the balance sheet.

### ***Consolidated cash flow statement***

The cash flows are shown according to the indirect method on the basis of the profit for the year adjusted for illiquid items. The change for the year in cash and cash equivalents is the sum total of the adjusted profit and changes in assets and liabilities from 1 January to 31 December.

Cash and cash equivalents comprise cash in hand, balances at call due from central banks, bills eligible for refinancing with central banks, balances at call and day-to-day balances with credit institutions, and liquid securities. The liquid securities are adjusted for bonds applied and received in connection with repos/reverse repos.

## Nordea Bank Danmark Group and Nordea Bank Danmark A/S Income statement

(DKKm)	Note	Group		Parent company	
		2001	2000	2001	2000
Interest receivable	25	27,910	28,718	20,916	21,990
Interest payable	26	19,799	21,170	13,887	15,639
<b>Net interest income</b>		<b>8,111</b>	<b>7,548</b>	<b>7,029</b>	<b>6,351</b>
Dividend income	27	305	300	304	292
Fees and commissions receivable		2,286	4,081	2,404	3,458
Fees and commissions payable		441	848	351	681
<b>Net interest and fees receivable</b>		<b>10,261</b>	<b>11,081</b>	<b>9,386</b>	<b>9,421</b>
Securities and foreign exchange result	28	214	1,485	78	1,300
Other operating income	29	341	368	225	182
Staff and administrative expenses	31	6,324	7,630	6,022	6,746
Amortisation, depreciation and write-down of intangible and tangible assets	41, 42	351	389	282	292
Other operating expenses	32	14	6	7	5
Provisions for bad and doubtful debts		1,066	216	1,106	207
Profit on shares in associated and group undertakings	33	-4	303	780	1,179
<b>Operating profit before tax</b>		<b>3,059</b>	<b>4,996</b>	<b>3,052</b>	<b>4,831</b>
Tax	34	991	145	984	8
<b>Profit for the year</b>		<b>2,068</b>	<b>4,851</b>	<b>2,068</b>	<b>4,824</b>
Minority interests			27		-
<b>Profit for the year after minority interests</b>		<b>2,068</b>	<b>4,824</b>	<b>2,068</b>	<b>4,824</b>
<b>Distribution of profit</b>					
Profit for the year				2,068	4,824
Transfer from retained profits				10	1,509
Total amount available for distribution				2,078	6,332
Dividend				1,500	5,700
Transfer to net revaluation reserve according to the equity method				578	632
Transfer to distributable shareholders' equity				-	-
Total distribution of amount available				2,078	6,332

## Nordea Bank Danmark Group and Nordea Bank Danmark A/S Balance sheet at 31 December

(DKK m)	Note	Group		Parent company	
		2001	2000	2001	2000
<b>Assets</b>					
Cash in hand and balances at call due from central banks		2,583	3,114	2,583	3,102
Bills eligible for refinancing with central banks		26	26	26	26
Balances due from credit institutions and central banks	20, 37	98,324	73,917	91,042	71,259
Lending	11, 21	276,746	272,276	176,065	177,100
Debt securities	38	122,629	104,189	110,854	97,157
Shares etc	39	13,502	16,330	13,501	15,557
Shares in associated undertakings	40	336	247	306	218
Shares in group undertakings	40	144	326	7,398	9,065
Intangible assets	41	-	-	-	-
Tangible assets	42	3,478	3,573	2,260	2,303
Other assets	43	41,269	37,670	40,892	36,396
Prepayments		326	201	328	184
<b>Total assets</b>		<b>559,362</b>	<b>511,868</b>	<b>445,254</b>	<b>412,368</b>
<b>Liabilities</b>					
Balances due to credit institutions and central banks	22, 44	158,388	114,536	162,015	119,509
Deposits	23, 45	171,718	176,833	173,196	175,905
Debt securities in issue	24	133,133	121,916	17,072	22,424
Other liabilities	46	68,871	70,751	65,744	67,041
Deferred income		27	150	1	-
Provisions for liabilities and charges	47	1,511	166	1,511	116
Subordinated liabilities	5	8,276	8,033	8,276	8,033
Minority interests		-	145	-	-
Total shareholders' equity:					
Share capital		5,000	5,000	5,000	5,000
Share premium account		1,534	1,534	1,534	1,534
Reserves		1,225	896	1,225	896
Profit retained in previous years		9,681	11,909	9,681	11,909
Profit retained for the year		-	-	-	-
Total shareholders' equity	1, 2	17,440	19,338	17,440	19,338
<b>Total liabilities</b>		<b>559,362</b>	<b>511,868</b>	<b>445,254</b>	<b>412,368</b>
<b>Off-balance-sheet items</b>					
Contingent liabilities	6	20,171	20,219	56,405	63,243
Commitments	6	15,983	22,016	14,638	20,727
<b>Total off-balance-sheet items</b>		<b>36,154</b>	<b>42,235</b>	<b>71,044</b>	<b>83,970</b>

### Notes

The subsequent notes nos 1-56 on pages 22-48 form an integral part of the financial statements.

## Nordea Bank Danmark Group Companies

(DKKm)	Issued share capital 31 December		Shareholders' equity 31 December	
	2001	2000	2001	2000
<b>Nordea Bank Danmark A/S</b>				
Subsidiary undertakings:				
Nordia ApS	0	0	0	0
Nordea Konferencecenter Klarskovgaard A/S, Korsør	1	•	38	•
Nordea Private Equity Holding A/S (formerly Nordeapurpose A/S)	1	1	5	1
Nordea Private Equity I A/S	1	•	1	•
Nordea Kredit Realkreditaktieselskab (formerly Unikredit Realkreditaktieselskab)	1,063	1,063	5,435	5,036
Nordea Finans Danmark A/S, Høje Taastrup (a merger of Unileasing A/S, Unifinans A/S and Unifactoring A/S)	406	406	1,004	1,003
Tamworth Trading Pte. Ltd., Singapore	3	2	3	4
Ulos AS, Norway	0	0	0	0
Øxenøen Bruk AS, Norway	0	•	0	•
DanBolg A/S	1	1	3	1
Structured Finance Servicer A/S	2	2	6	10
Nordea Ejendomme A/S (formerly Uniejendom A/S)	137	137	260	260
Forstædernes Ejendomsaktieselskab	1	1	182	169
Helgeshøjparkens Ejendomsselskab A/S	1	1	56	42
Nordeapurpose Danmark nr. 2 A/S (formerly ArosMaizels Holding A/S)	1	1	1	1
ArosMaizels Investment Bank A/S in liquidation	50	50	277	261
Aros Securities Oy, Helsinki	27	27	44	41
Unipurpose Norge AS (formerly Nordea Investment Management AS, Oslo)	38	37	39	36
Unipurpose USA Inc., New York	•	0	•	167
Nordea Finance Ltd., London (formerly Unidanmark Finance Ltd., London)	0	0	43	38
Hermes Mortgage Ltd., London	0	0	0	0
Nordea Nominees Ltd., London (formerly London Interstate Nominees Ltd., London)	0	0	0	0
Unidanmark Asset Company Ltd., London	0	0	0	0
Unidanmark Trade Services Ltd., Hong Kong	0	0	0	0
Nordea Investment Manag. North Am. Inc, New York (formerly Unicorp. Inc., Delaware, New York)	•	281	•	336
Uniproperty Inc., Delaware, New York	•	152	•	253
Nordea Securities Inc., Delaware, New York (formerly Unibank Securities Inc., Delaware, New York)	126	120	42	79
Unifunding Inc., Delaware	•	0	•	0
Aktieselskabet af 10. oktober 1985	15	15	57	57
Unipure, Sverige AB, Stockholm	176	186	203	207
Split off into Nordea Securities Bank Danmark A/S	•	101	•	170
Split off into Nordea Asset Management Bank Danmark A/S	•	246	•	1,512

The international branches are consolidated in the accounts of Nordea Bank Danmark A/S. Nordea Bank Danmark's branch in Oslo has been closed down. All the subsidiary undertakings are 100% owned by the Nordea Bank Danmark Group. The registered offices of the subsidiary undertakings are situated in Copenhagen, unless otherwise stated.

Nordea Bank Danmark A/S has provided security for subsidiary undertakings as follows: DKK 38,662m (2000: DKK 43,452m) for subsidiary undertakings consolidated in the accounts and DKK 0m (2000: DKK 0m) for unconsolidated subsidiary undertakings.

(DKKm)	According to the latest annual accounts*						Balances due to the Group		Balances due from the Group		The Group's other off-balance sheet commitments	
	Issued share capital		Sh E		Profit/(loss)		2001	2000	2001	2000	2001	2000
	31 December 2001	2000	31 December 2001	2000	2001	2000						
<b>Other companies</b>												
A/S Ejendomsselskabet af 9/1-90, Copenhagen	15	15	4	4	0	0	-	-	4	4	-	-
Maycon Byg A/S (in bankruptcy), Næstved	4	4	-	-	-	-	-	-	0	0	-	-
Mediehuset 2 A/S, Copenhagen	1	1	-8	-9	1	-11	-	-	0	0	-	-
Fly Finance 1 Ltd., UK	0	-	1	21	-0	18	-	-	-	-	-	-
H.N.S. A/S af 1995, Næstved	1	1	-3	-3	-0	-1	0	0	-	-	-	0
Hejrevej ApS, Copenhagen	0	0	0	0	-1	0	5	6	-	-	-	-
KIL Shipping A/S, Søllerød	•	5	•	41	•	-49	•	-	•	1	•	-
<b>Total</b>							<b>5</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>0</b>

All companies are 100% owned by the Nordea Bank Danmark Group.

The above companies have been acquired for the purpose of participating in their restructuring or with a view to settling previously contracted commitments. Consequently, they are not consolidated. Balances due to and from the Group do not include balances with their subsidiary undertakings.

The Nordea Bank Danmark Group has entered into agreements with seven small undertakings, as a result of which these undertakings are to be considered group undertakings. These undertakings have not been entered in the consolidated accounts. The combined shareholders' equity of these undertakings amounts to approximately DKK 1m (2000: DKK 1m). Total balances due from the Nordea Bank Danmark Group to these undertakings amount to DKK 0m (2000: DKK 0m). In the subsidiary undertaking Nordea Finans Danmark A/S a number of limited partnerships have been established in connection with the company's lease loans. The capital injected into each limited partnership is treated as an undivided share that is included in Nordea Finans Danmark's accounts as lending.

\* For this or previous financial years.

(DKK m)	According to the latest annual accounts*						Balances due to the Group		Balances due from the Group		Shareholding % (according to voting rights)	
	Issued share capital		Sh E		Profit/(loss)							
	31 December 2001	2000	31 December 2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
<b>Associated undertakings</b>												
Investeringsselskabet af 23. januar 2001 A/S, Copenhagen A/S CVY af 15.10.92 (in bankruptcy), Struer Ejendomsaktieselskabet Kildebrøndegaard, Birkerød BWP-Unibank S.A., Poland Ceboline A/S (formerly Bo Akse 30.06.2000 A/S, Silkeborg) Vordingborg Erhvervshuse ApS (formerly Vordingborg Industri- og Værkstedshuse Aps, Vordingborg) Elite Rederi A/S, Copenhagen Content Billing A/S, Ballerup Ejendomsselskabet Axelborg I/S, Copenhagen Projektformidling Midt A/S, Århus Axcel IKU Invest A/S, Billund KFU-AX II A/S, Frederiksberg Industrikapital 1989 Limited Partnership I, UK Industrikapital 1989 Limited Partnership IV, UK PBS Holding A/S, Ballerup Symbion Capital I A/S, Copenhagen Conair A/S, Copenhagen Hercules Estates A/S, in liquidation, Copenhagen DPL Invest A/S, Hobro Info Kredit A/S, Copenhagen Nordea Thematic Fund of Funds I K/S, Copenhagen KIFU-AX II A/S, Frederiksberg Aston Group A/S, Copenhagen Industrikapital 1989 Limited Partnership II, UK Industrikapital 1989 Limited Partnership III, UK	11	•	-	•	-	•	-	•	0	•	51	•
	10	10	-	-	-	-	0	0	-	-	50	50
	5	5	-0	0	-0	-0	0	0	-	-	50	50
	•	84	•	86	•	-2	•	50	•	35	•	45
	1	1	4	-	-0	-	3	-	-	1	40	40
	0	0	0	0	-0	-0	0	0	-	-	40	40
	•	25	•	-	•	-	•	238	•	5	•	38
	1	•	-	•	-	•	-	•	1	•	38	•
	-	-	48	45	3	3	39	-	1	3	33	33
	1	1	2	1	1	0	3	3	-	0	33	33
	259	246	389	-	116	-	-	-	0	-	33	33
	18	•	-	•	-	•	-	•	0	•	33	•
	46	48	1	8	1	1	-	-	-	-	32	32
	46	49	1	9	1	1	-	-	-	-	29	29
	201	201	236	230	287	235	-	-	-	-	28	28
	25	•	-	•	-	•	-	•	43	•	25	•
	20	20	9	11	-2	-3	-	-	-	0	25	25
	200	200	107	103	5	21	-	0	110	105	25	25
	•	81	•	89	•	-13	•	-	•	1	•	25
	1	1	12	7	5	3	-	-	-	-	25	25
	-	•	43	•	-7	•	10	•	0	•	25	•
	27	•	-	•	-	•	-	•	0	•	25	•
	4	•	40	•	-248	•	337	•	0	•	23	•
	46	48	1	8	1	1	-	-	-	-	23	23
	46	48	1	8	1	1	-	-	-	-	21	21

(DKKm)	According to the latest annual accounts*						Balances due to the Group		Balances due from the Group		Shareholding % (according to voting rights)	
	Issued share capital		Sh E		Profit/(loss)		2001	2000	2001	2000	2001	2000
	31 December 2001	2000	31 December 2001	2000	2001	2000						
<b>Other significant holdings of shares</b>												
Kastrup Midtpunkt Aps, Copenhagen	0	0	0	0	-0	-0	-	-	0	0	33	33
<b>Undertakings in which the Group holds more than 10% of the share capital</b>												
VIR A/S	•	12	•	-	•	-					•	18
Bastionen A/S, Copenhagen	•	665	•	1,190	•	136					•	17
KW Invest Investor ApS	15	15	145	145	-0	-0					17	17
Fletco Holding A/S, Ikast	•	12	•	95	•	3					•	15
Tangora Software A/S, Aalborg	1	•	5	•	-2	•					14	•
Topsil Semiconductor Materials A/S, Frederikssund	57	34	28	12	-32	-38					13	13
Mobicare A/S, Copenhagen	1	•	2	•	-1	•					13	•
Jokan Systems A/S, Purhus	34	23	29	29	-2	-2					12	12
Håndværkets Byfornyelse S.M.B.A., Copenhagen	14	14	11	11	-0	-1					11	11
Copenhagen Stock Exchange A/S, Copenhagen	40	40	103	76	21	6					11	11
VP A/S - the Danish Securities Centre, Høje Taastrup	40	-	86	48	47	3					11	11
Brødrene A. & O. Johansen, A/S, Albertslund	57	57	348	336	22	39					10	10
Realkreditnettet A/S, Copenhagen	10	10	32	39	-7	-11					10	10

In addition, the Nordea Bank Danmark Group holds at least 10% of the share capital in 15 companies (2000: 18) in which the shareholding has no book value. Balances due to the Nordea Bank Danmark Group amount to DKK 224m (2000: DKK 197m) and balances due from the Group amount to DKK 5m (2000: DKK 81m). The Group's other obligations amount to DKK 0m (2000: DKK 42m). Balances due to and from the Group do not include balances with their subsidiary undertakings.

The Nordea Bank Danmark Group holds units, booked under Shares etc, in funds managed by Nordea Investment Management Fund, SICAV, in Luxembourg with a view to resale. The Nordea Bank Danmark Group's shareholding during the period of introduction exceeds 20% and 50% respectively.

\* For this or previous financial years.

## Nordea Bank Danmark Group Consolidated cash flow statement

(DKKm)	Group	
	2001	2000
<i>Operating activities</i>		
Profit for the year	2,068	4,824
Adjustment for amounts in the profit for the year with no effect on cash flow:		
Provisions for bad and doubtful debts	1,066	216
Amortisation, depreciation and write-down of intangible and tangible assets	351	389
Profit on shares in associated and group undertakings	-4	303
Prepayments and deferred income (net)	-248	95
Provisions for liabilities and charges	1,345	-146
Tax	805	146
Adjustment for amounts affecting cash flow:		
Tax paid	-1,029	-44
<hr/>		
Working capital:		
Credit institutions net	37,634	-39,446
Lending adjusted for provisions for bad and doubtful debts for the year	-5,536	-6,874
Debt securities	-30,994	-10,056
Current asset investments, shares etc	2,684	-237
Other working capital	-1,055	8,841
Deposits	-5,115	7,555
Mortgage bonds in issue	28,993	4,681
Net cash inflow/(outflow) from operating activities	30,965	-29,753
<hr/>		
<i>Investing activities</i>		
Fixed asset investments, shares etc	144	1
Fixed asset investments, shares in associated and group undertakings	-48	766
Goodwill on the acquisition of shares in group undertaking	-2,466	-
Tangible assets	-256	-215
Net cash inflow/(outflow) from investing activities	-2,626	552
<hr/>		
<i>Financing</i>		
Debt securities in issue, excluding mortgage bonds	-17,776	-10,334
Subordinated liabilities	243	160
Dividends paid in respect of previous years	-5,700	-2,000
Net cash inflow/(outflow) from financing	-23,233	-12,174
<hr/>		
Increase/(decrease) in cash and cash equivalents	5,106	-41,375
<hr/>		
Cash and cash equivalents at 1 January	19,987	61,361
<b>Cash and cash equivalents at 31 December</b>	<b>25,091</b>	<b>19,987</b>

Changes in securities holdings, excluding shares in associated and group undertakings, include unrealised gains.

# Nordea Bank Danmark A/S

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Copenhagen, 21 February 2002

## Board of Directors

Jørgen Høeg Pedersen (Chairman)  
Carl-Johan Gustav Granvik  
Povl Høier  
Kai Kristensen  
Markku Lauri Juhani Pohjola

Claus Høeg Madsen (Deputy Chairman)  
Lene Haulrik  
Majbritt Garbul Hemmingsen  
Lars-Göran Nordström  
Keld Sengeløv

Laurids Caspersen Boisen  
Steffen Hvidt  
Mogens Hugo Jørgensen  
Kent Petersen

## Executive Management

Peter Schütze (Chairman)  
Henrik Mogensen

Jørn Kristian Jensen  
Michael Rasmussen

Peter Lybecker  
/Hans Jæger

## Auditors' reports

### Internal auditors' report

We have audited the consolidated financial statements and the financial statements of Nordea Bank Danmark A/S for 2001 presented by management.

### Basis of opinion

The audit was performed on the basis of the Danish Financial Supervisory Authority's Executive Order concerning financial institutions and financial groups and in accordance with generally accepted Danish auditing standards. Based on an evaluation of the materiality and risk our audit has included an examination of business procedures and evidence supporting the amounts and other disclosures in the financial statements.

Our audit has not given rise to qualifications.

### Opinion

In our opinion, the consolidated financial statements and the financial statements have been presented in accordance with the accounting provisions of Danish legislation and give a true and fair view of the Group's and the parent company's assets and liabilities, financial position and result.

Copenhagen, 21 February 2002

Internal Audit

Søren Lund  
Chief Auditor

Ane Marie Christensen  
Deputy Chief Auditor

### Auditors' report

We have audited the consolidated financial statements and the financial statements of Nordea Bank Danmark A/S for 2001 presented by management.

### Basis of opinion

We have planned and conducted our audit in accordance with generally accepted Danish auditing standards and International Standards on Auditing (ISAs) so as to obtain reasonable assurance about whether the financial statements are free of material misstatement. Based on an evaluation of the materiality and risk our audit has included an examination of evidence supporting the amounts and other disclosures in the financial statements. We have assessed the accounting policies applied and the accounting estimates made as well as evaluated the overall financial statement presentation.

Our audit has not given rise to qualifications.

### Opinion

In our opinion, the consolidated financial statements and the financial statements have been presented in accordance with the accounting provisions of Danish legislation and give a true and fair view of the Group's and the parent company's assets and liabilities, financial position and result.

Copenhagen, 21 February 2002

DELOITTE & TOUCHE  
Statsautoriseret Revisionsaktieselskab

KPMG C. Jespersen

Bent Hansen  
State-Authorised  
Public Accountant

Erik Holst Jørgensen  
State-Authorised  
Public Accountant

Finn L Meyer  
State-Authorised  
Public Accountant

Anne Rømer  
State-Authorised  
Public Accountant

## Notes

### Nordea Bank Danmark Group and Nordea Bank Danmark A/S

#### Shareholders' equity and capital adequacy

##### Note 1 Shareholders' equity

(DKKm)	Group		Parent company	
	2001	2000	2001	2000
Shareholders' equity at 1 January	19,338	20,215	19,338	20,215
Disposals:				
Split-off of Nordea Securities Bank Danmark A/S	-201	•	-201	•
Split-off of Nordea Asset Management Bank Danmark A/S	-1,309	•	-1,309	•
Inverse vertical merger with Nordea Uni Holding Danmark A/S	-957	•	-957	•
	16,872	20,215	16,872	20,215
Profit for the year after minority interests	2,068	4,824	2,068	4,824
Dividend	-1,500	-5,700	-1,500	-5,700
Shareholders' equity at 31 December	17,440	19,338	17,440	19,338

##### Note 2 Movements in shareholders' equity, Nordea Bank Danmark A/S

(DKKm)	Share capital	Share premium account	Subsidiary reserve*	Retained profits	Total share-
					holders' equity
At 1 January	5,000	1,534	896	11,909	19,338
Other additions					
Other disposals			249	2,228	2,477
Transfer from the profit for the year			578		578
At 31 December	5,000	1,534	1,225	9,681	17,440

\* Net revaluation reserve according to the equity method.

The share capital of Nordea Bank Danmark A/S consists of 50 million shares of DKK 100 each, all fully owned by Nordea Bank Finland Plc.

##### Note 3 Capital adequacy data

(DKKm)	Group		Parent company	
	2001	2000	2001	2000
Computed according to the Danish Financial Supervisory Authority's Executive Order on capital adequacy rules for credit institutions etc.				
<b>Capital ratios</b>				
Total capital ratio computed according to section 21(1) of the Danish Commercial Banks and Savings Banks Act (%)	9.7	9.7	10.1	10.2
Tier 1 capital as % of total risk-weighted amounts (%)	6.7	6.9	6.9	7.3

##### Capital structure as well as risk-weighted assets and off-balance-sheet items

Tier 1 capital	17,297	19,158	17,297	19,031
Capital resources and short-term supplementary capital	25,154	26,780	25,154	26,653
Risk-weighted amounts not part of the trading portfolio	233,819	244,296	221,521	228,686
Risk-weighted amounts with market risk	26,193	32,292	27,515	32,355
Total risk-weighted amounts	260,012	276,588	249,036	261,041

##### Note 4 Post-balance-sheet events

No events have occurred after the balance sheet date which materially affect the financial position of the Nordea Bank Danmark Group.

**Note 5 Subordinated liabilities**

(DKK m)	Group		Parent company	
	2001	2000	2001	2000
Securities with indefinite terms to maturity and other instruments, see section 22(1) of the Danish Commercial Banks and Savings Banks Act				
Nom USD 150m, repayable on 30 September 2005, floating rate	1,261	1,203	1,261	1,203
Nom USD 150m, repayable on 22 May 2006, floating rate	1,261	1,203	1,261	1,203
Nom USD 200m, repayable on 31 May 2007, floating rate	1,682	1,604	1,682	1,604
Nom DEM 250m, repayable on 26 September 2007, floating rate	951	954	951	954
Nom USD 150m, repayable on 24 June 2008, floating rate	1,261	1,203	1,261	1,203
Nom EUR 250m, repayable on 26 May 2009, floating rate	1,859	1,866	1,859	1,866
<b>Total</b>	<b>8,275</b>	<b>8,033</b>	<b>8,275</b>	<b>8,033</b>
Subordinated liabilities that may be included in capital resources	8,259	8,017	8,259	8,017
Expenses relating to the raising and repayment of subordinated liabilities	0	0	0	0

## Contingent liabilities and commitments

### Note 6 Contingent liabilities and commitments

(DKKm)	Group		Parent company	
	2001	2000	2001	2000
Contingent liabilities:				
Financial guarantees	4,727	4,070	39,959	46,610
Other guarantees	15,306	16,019	16,308	16,503
Acceptances and endorsements etc	138	130	138	130
Total contingent liabilities	20,171	20,219	56,405	63,243
Commitments:				
Irrevocable standby facilities	14,412	20,724	14,412	20,724
Other commitments	1,571	1,292	226	3
Total commitments	15,983	22,016	14,638	20,727

### Note 7 Contingencies

Nordea Bank Danmark A/S has entered into lease agreements with group companies, which will expire within five years.

The capitalised value of these agreements is	•	•	97	100
Other lease commitments	•	•	•	•

The Nordea Bank Danmark Group has a contractual liability for rent of DKK 125m (2000: DKK 135m) in respect of leases with a notice of termination exceeding 12 months. The remaining periods to termination extend to 17 years and 6 months.

Nordea Bank Danmark A/S (formerly Unibank A/S) is taxed on a pooled basis with the majority of the company's subsidiary undertakings and Nordea Bank Danmark A/S and these companies are jointly and severally liable for corporation tax.

In terms of payroll tax and VAT, Nordea Bank Danmark A/S is registered jointly with Nordea, Branch of Nordea AB, Sweden and with the majority of the Danish subsidiary undertakings in the Nordea AB Group and these companies are jointly and severally liable for such taxes.

As a result of the demerger of Nordea Bank Danmark A/S at 1 January 2001, Nordea Bank Danmark A/S is jointly and severally liable, pursuant to section 136(3) of the Danish Companies Act, with Nordea Asset Management Bank Danmark A/S and Nordea Securities Bank Danmark A/S for Nordea Bank Danmark A/S's obligations at the date of the announcement of the demerger. The liability is maximised to the shareholders' equity of Nordea Bank Danmark A/S at this date.

As a result of the demerger of Nordea Companies Denmark (NCD) A/S at 1 January 2001 and the subsequent merger between Nordea Uni Holding Danmark A/S and Nordea Bank Danmark A/S, Nordea Bank Danmark A/S is jointly and severally liable, pursuant to section 136(3) of the Danish Companies Act, with Nordea IB Holding Danmark A/S, Nordea AM Holding Danmark A/S and Nordea INS Holding A/S for Nordea Companies Denmark (NCD) A/S's obligations at the date of the announcement of the demerger. The liability is maximised to the shareholders' equity of Nordea Uni Holding Danmark A/S at this date.

## Financial instruments

### Note 8 Derivatives, nominal value, by remaining term to maturity

(DKKm)	Within 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total	2000
<b>Nordea Bank Danmark Group</b>						
<i>Foreign exchange derivatives</i>						
Forward contracts/futures, bought	353,788	132,870	7,466	-	494,124	406,551
Forward contracts/futures, sold	298,222	109,040	4,774	-	412,036	341,500
Swaps	4,548	15,256	58,104	20,472	98,380	57,861
Options, bought	11,194	6,453	1,070	-	18,717	18,550
Options, written	11,153	8,099	915	-	20,167	22,172
<i>Interest rate derivatives</i>						
Forward contracts/futures, bought	108,891	3,195	2,268	•	114,354	41,991
Forward contracts/futures, sold	99,134	8,225	6,908	•	114,268	46,527
Forward rate agreements, bought	-	490,158	105,929	•	596,087	791,761
Forward rate agreements, sold	-	469,436	116,086	•	585,522	775,704
Swaps	150,581	254,356	557,669	259,544	1,222,151	743,329
Options, bought	27,782	30,934	103,024	54,029	215,768	62,433
Options, written	21,712	26,107	95,431	47,110	190,360	79,522
<i>Equity derivatives</i>						
Forward contracts/futures, bought	3,217	-	-	-	3,217	1,550
Forward contracts/futures, sold	3,339	-	-	-	3,339	665
Options, bought	2,068	0	716	-	2,784	3,596
Options, written	2,068	-	716	-	2,784	3,240
<b>Nordea Bank Danmark A/S</b>						
<i>Foreign exchange derivatives</i>						
Forward contracts/futures, bought	353,824	132,870	7,466	-	494,160	399,680
Forward contracts/futures, sold	298,422	109,040	4,774	-	412,235	337,264
Swaps	4,548	15,256	58,104	20,472	98,380	57,861
Options, bought	11,194	6,453	1,070	-	18,717	18,582
Options, written	11,153	8,099	915	-	20,167	22,075
<i>Interest rate derivatives</i>						
Forward contracts/futures, bought	110,560	3,195	2,268	-	116,023	45,099
Forward contracts/futures, sold	99,139	8,225	6,908	-	114,272	48,927
Forward rate agreements, bought	-	490,158	105,929	-	596,087	791,761
Forward rate agreements, sold	-	469,436	116,086	-	585,522	775,704
Swaps	150,581	254,356	557,669	259,544	1,222,151	743,881
Options, bought	27,782	30,934	103,024	54,029	215,768	62,267
Options, written	21,712	26,107	95,431	47,110	190,360	79,356
<i>Equity derivatives</i>						
Forward contracts/futures, bought	3,217	-	-	-	3,217	1,089
Forward contracts/futures, sold	3,339	-	-	-	3,339	148
Options, bought	2,068	0	716	-	2,784	497
Options, written	2,068	-	716	-	2,784	523

**Note 8 Derivatives, net market value, by remaining term to maturity (continued)**

(DKKm)	Within 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total	2000
<b>Nordea Bank Danmark Group</b>						
<b>Foreign exchange derivatives</b>						
Forward contracts/futures, bought	-586	328	-1	-	-259	1,470
Forward contracts/futures, sold	1,478	-56	56	-	1,479	-1,623
Swaps	-212	-126	-266	1,559	955	580
Options, bought	135	113	78	-	326	440
Options, written	-105	-112	-68	-	-285	-405
<b>Interest rate derivatives</b>						
Forward contracts/futures, bought	13	0	-3	•	10	70
Forward contracts/futures, sold	118	11	4	•	134	-128
Forward rate agreements, bought	-	-748	6	•	-742	-1,238
Forward rate agreements, sold	-	714	-23	-	691	1,217
Swaps	-1,287	1,221	-570	-274	-911	4
Options, bought	63	254	1,780	1,410	3,507	324
Options, written	-56	-78	-1,329	-1,827	-3,290	-357
<b>Equity derivatives</b>						
Forward contracts/futures, bought	27	-	-	-	27	-71
Forward contracts/futures, sold	-26	-	-	-	-26	76
Options, bought	160	0	7	-	167	284
Options, written	-161	-	-7	-	-167	-303
<b>Net market value</b>					1,616	340
<b>Nordea Bank Danmark A/S</b>						
<b>Foreign exchange derivatives</b>						
Forward contracts/futures, bought	-586	328	-1	-	-259	1,577
Forward contracts/futures, sold	1,479	-56	56	-	1,479	-1,797
Swaps	-212	-125	-266	1,559	955	580
Options, bought	135	113	78	-	326	437
Options, written	-105	-112	-68	-	-285	-411
<b>Interest rate derivatives</b>						
Forward contracts/futures, bought	7	0	-3	-	5	91
Forward contracts/futures, sold	118	11	4	-	134	-133
Forward rate agreements, bought	-	-748	6	-	-742	-1,238
Forward rate agreements, sold	-	714	-23	-	691	1,217
Swaps	-1,287	1,221	-570	-274	-911	-3
Options, bought	63	254	1,780	1,410	3,507	324
Options, written	-56	-78	-1,329	-1,827	-3,290	-357
<b>Equity derivatives</b>						
Forward contracts/futures, bought	27	-	-	-	27	-20
Forward contracts/futures, sold	-26	-	-	-	-26	-5
Options, bought	160	0	7	-	167	43
Options, written	-161	-	-7	-	-167	-170
<b>Net market value</b>					1,610	135

**Note 9 Derivatives, market value**

(DKKm)	2001		2000	
	Market value Positive	Market value Negative	Market value Positive	Market value Negative
<b>Nordea Bank Danmark Group</b>				
<i>Foreign exchange derivatives</i>				
Forward contracts/futures, bought	5,337	5,596	9,260	7,790
Forward contracts/futures, sold	5,408	3,929	6,846	8,469
Swaps	3,967	3,013	3,662	3,082
Options, bought	326	-	440	-
Options, written	-	285	-	405
<i>Interest rate derivatives</i>				
Forward contracts/futures, bought	185	175	72	2
Forward contracts/futures, sold	376	242	1	129
Forward rate agreements, bought	126	868	71	1,309
Forward rate agreements, sold	820	129	1,295	79
Swaps	15,806	16,717	9,593	9,589
Options, bought	3,507	-	324	-
Options, written	-	3,290	-	356
<i>Equity derivatives</i>				
Forward contracts/futures, bought	27	0	3	74
Forward contracts/futures, sold	0	26	89	13
Options, bought	167	-	284	-
Options, written	-	167	-	303
<b>Total</b>	<b>36,052</b>	<b>34,436</b>	<b>31,939</b>	<b>31,599</b>
<b>Nordea Bank Danmark A/S</b>				
<i>Foreign exchange derivatives</i>				
Forward contracts/futures, bought	5,337	5,596	9,219	7,643
Forward contracts/futures, sold	5,408	3,929	6,725	8,522
Swaps	3,967	3,013	3,662	3,082
Options, bought	326	-	437	-
Options, written	-	285	-	411
<i>Interest rate derivatives</i>				
Forward contracts/futures, bought	180	175	93	2
Forward contracts/futures, sold	376	242	2	134
Forward rate agreements, bought	126	868	71	1,309
Forward rate agreements, sold	820	129	1,295	79
Swaps	15,806	16,717	9,593	9,595
Options, bought	3,507	-	324	-
Options, written	-	3,290	-	357
<i>Equity derivatives</i>				
Forward contracts/futures, bought	27	0	2	22
Forward contracts/futures, sold	0	26	3	8
Options, bought	167	-	43	-
Options, written	-	167	-	170
<b>Total</b>	<b>36,047</b>	<b>34,436</b>	<b>31,469</b>	<b>31,334</b>

**Note 9 Derivatives, market value (continued)**

(DKKm)	Average market value		Market value of unguaranteed contracts	
	Positive	Negative	Positive	Negative
<b>Nordea Bank Danmark Group</b>				
<i>Foreign exchange derivatives</i>				
Forward contracts/futures, bought	7,366	6,451	5,337	5,596
Forward contracts/futures, sold	6,315	5,815	5,408	3,929
Swaps	4,360	3,292	3,967	3,013
Options, bought	369	-	326	-
Options, written	-	323	-	285
<i>Interest rate derivatives</i>				
Forward contracts/futures, bought	112	76	185	175
Forward contracts/futures, sold	121	257	376	242
Forward rate agreements, bought	156	1,000	126	868
Forward rate agreements, sold	989	163	820	129
Swaps	13,196	13,869	15,806	16,717
Options, bought	1,635	-	3,507	-
Options, written	-	1,514	-	3,290
<i>Equity derivatives</i>				
Forward contracts/futures, bought	125	18	26	0
Forward contracts/futures, sold	2	201	0	25
Options, bought	283	-	167	-
Options, written	-	215	-	167
Total	35,029	33,194	36,051	34,435
After netting			15,175	
<b>Nordea Bank Danmark A/S</b>				
<i>Foreign exchange derivatives</i>				
Forward contracts/futures, bought	7,366	6,451	5,337	5,596
Forward contracts/futures, sold	6,315	5,817	5,408	3,929
Swaps	4,360	3,292	3,967	3,013
Options, bought	369	-	326	-
Options, written	-	323	-	285
<i>Interest rate derivatives</i>				
Forward contracts/futures, bought	131	80	180	175
Forward contracts/futures, sold	122	257	376	242
Forward rate agreements, bought	156	1,000	126	868
Forward rate agreements, sold	989	163	820	129
Swaps	13,196	13,869	15,806	16,717
Options, bought	1,634	-	3,507	-
Options, written	-	1,514	-	3,290
<i>Equity derivatives</i>				
Forward contracts/futures, bought	41	18	26	0
Forward contracts/futures, sold	2	41	0	25
Options, bought	143	-	167	-
Options, written	-	154	-	167
Total	34,823	32,978	36,046	34,435
After netting			15,190	

Average market values are based on quarterly calculations.

**Note 10 Spot transactions**

(DKKm)	Nominal value	Market value		Net market value
		Positive	Negative	
<i>Nordea Bank Danmark Group</i>				
Foreign exchange, bought	36,005	61	12	50
Foreign exchange, sold	47,217	106	87	19
Interest rate contracts, bought	29,916	17	31	-14
Interest rate contracts, sold	18,454	30	84	-54
Shares, bought	5,110	0	0	0
Shares, sold	60	0	0	0
Other transactions, bought	-	-	-	-
Other transactions, sold	-	-	-	-
Total	136,762	215	214	1
Total 2000	138,673	157	213	-56

**Spot transactions**

<i>Nordea Bank Danmark A/S</i>				
Foreign exchange, bought	36,041	61	12	50
Foreign exchange, sold	47,253	106	87	19
Interest rate contracts, bought	29,916	17	31	-14
Interest rate contracts, sold	18,454	30	84	-54
Shares, bought	5,110	0	0	0
Shares, sold	60	0	0	0
Other transactions, bought	-	-	-	-
Other transactions, sold	-	-	-	-
Total	136,834	215	214	1
Total 2000	139,677	157	216	-59

## Credit risk

### Note 11 Credit portfolio by industry sector

(%)	Group		Parent company	
	2001	2000	2001	2000
<b>Public authorities</b>	2	2	2	2
<b>Corporate:</b>				
Agriculture and forestry	5	5	4	3
Fishing	0	0	0	0
Manufacturing, quarrying, energy and water	11	12	14	14
Construction	2	2	2	2
Wholesale and retail trade, restaurants, hotels	8	9	10	10
Transport, postal and telecommunication	6	6	5	6
Finance and insurance	12	11	23	25
Property	11	11	12	12
Undistributed	4	5	4	6
Total corporate	60	61	74	77
<b>Personal</b>	38	37	24	21
Total	100	100	100	100

### Note 12 Credit risk in respect of derivatives

(DKKm)	Group		Parent company	
	2001	2000	2001	2000
Positive market value after netting				
Counterparty with 0% risk weighting	273	324	273	324
Counterparty with 20% risk weighting	12,668	10,590	12,675	10,272
Counterparty with 100% risk weighting	2,233	2,110	2,242	2,074

### Note 13 Subordinated balances due from

Associated undertakings	-	-	-	-
Group undertakings	-	-	-	382
Other undertakings	88	308	88	308
Total	88	308	88	690

### Note 14 Accumulated provisions

Provisions at 31 December for credits	7,147	7,218	6,980	6,888
Provisions at 31 December for balances due from credit institutions and other items that involve a credit risk	81	123	81	123
Total	7,228	7,341	7,060	7,011
Accumulated provisions for credits as % of credits, at 31 December	2,3	2,4	2,9	2,8
Non-accrual credits at 31 December	1,452	1,115	1,371	1,000

**Note 15 Accumulated provisions by industry sector**

(%)	Group	
	2001	2000
<i>Public authorities</i>	-	-
<i>Corporate:</i>		
Agriculture and forestry	6	10
Fishing	1	0
Manufacturing, quarrying, energy and water	12	17
Construction	3	3
Wholesale and retail trade, restaurants, hotels	14	15
Transport, postal and telecommunication	3	9
Finance and insurance	2	2
Property	20	8
Undistributed	23	20
Total corporate	84	83
<i>Personal</i>	16	18
Total	100	100

**Note 16 Credit portfolio by geographical area**

<i>Credit portfolio:</i>		
Denmark	83	78
Sweden	2	4
Norway	1	2
Finland	1	2
UK	6	5
Euro countries, excluding Finland	3	3
Baltic countries and Poland	0	0
USA and Canada	2	2
South and Central America	1	1
Asia	1	2
Other	1	2
Total	100	100

**Note 17 Accumulated provisions by geographical area**

<i>Accumulated provisions:</i>		
Denmark	92	92
Sweden	0	-
Norway	2	1
Finland	-	-
UK	-	0
Euro countries, excluding Finland	1	2
Baltic countries and Poland	-	0
USA and Canada	0	0
South and Central America	1	0
Asia	1	2
Other	3	2
Total	100	100

## Market risk

### Note 18 Foreign exchange exposure

(DKKm)	Group		Parent company	
	2001	2000	2001	2000
Total assets denominated in foreign currencies	366,685	215,398	364,172	215,373
Total liabilities denominated in foreign currencies	364,534	216,231	361,972	216,062
Foreign exchange exposure:*				
Indicator 1	2,732	973	2,732	822
Indicator 1 as % of tier 1 capital	15,8	5,1	15,8	4,3
Indicator 2	15	20	15	13
Indicator 2 as % of tier 1 capital	0,1	0,1	0,1	0,1

\* Indicator 1 is solely determined by the volume of positions irrespective of the degree of risk. Indicator 1 is calculated as the numerically higher value of the sum of positive (long) positions and negative (short) positions. Balances (assets, liabilities and off-balance-sheet items) in respect of which Unibank bears the foreign exchange risk are included in the calculation of positions.

\* Indicator 2 is an expression of foreign exchange exposure. Indicator 2 expresses the amount in Danish kroner which Unibank will lose, with a probability of 0.5%, over a 24-hour period on the basis of historical exchange rate fluctuations at unchanged positions. In relation to indicator 1 allowance is made for the volatility of the various currencies and their mutual co-variance.

### Note 19 Interest rate exposure

(DKKm)	Group		Parent company	
	2001	2000	2001	2000
Total interest rate exposure on debt instruments	699	684	687	617
Interest rate exposure by currency, the credit institution's currencies with the highest risk:				
DKK	373	289	361	222
EUR	160	316	160	316
SEK	84		84	
USD	62	57	62	56
GBP		14		14
DEM				
FRF				
NOK				
JPY	-14	-15	-14	-15
FIM				
NLG				
CHF	11	11	12	11
Other currencies	21	12	21	12

## Maturities by remaining term to maturity

### Note 20 Balances due from credit institutions and central banks

(DKKm)	Group		Parent company	
	2001	2000	2001	2000
Estimated breakdown by remaining term to maturity:				
Balances at call	3,600	8,600	7,700	6,000
At up to 3 months' notice	89,800	53,000	78,400	52,600
At more than 3 months' and up to 1 year's notice	3,800	8,600	3,800	8,500
At more than 1 year's and up to 5 years' notice	900	1,200	900	1,600
At more than 5 years' notice	200	2,600	200	2,600
Total	98,300	73,900	91,000	71,300

### Note 21 Lending

Estimated breakdown by remaining term to maturity:				
At call	39,300	57,400	56,100	55,800
At up to 3 months' notice	45,500	47,600	43,800	51,600
At more than 3 months' and up to 1 year's notice	22,000	15,300	10,500	13,000
At more than 1 year's and up to 5 years' notice	49,700	37,800	27,600	20,900
At more than 5 years' notice	120,300	114,200	38,100	35,800
Total	276,700	272,300	176,100	177,100

### Note 22 Balances due to credit institutions and central banks

Estimated breakdown by remaining term to maturity:				
Balances at call	13,000	5,000	20,100	13,000
At up to 3 months' notice	116,600	93,600	114,100	92,600
At more than 3 months' and up to 1 year's notice	27,800	14,100	27,600	13,300
At more than 1 year's and up to 5 years' notice	900	1,700	100	500
At more than 5 years' notice	100	200	100	100
Total	158,400	114,500	162,000	119,500

### Note 23 Deposits

Estimated breakdown by remaining term to maturity:				
At call	95,100	90,100	95,500	96,000
At up to 3 months' notice	26,300	38,200	27,300	31,200
At more than 3 months' and up to 1 year's notice	12,500	9,500	12,600	9,800
At more than 1 year's and up to 5 years' notice	200	200	200	200
At more than 5 years' notice	37,600	38,800	37,600	38,800
Total	171,700	176,800	173,200	175,900

### Note 24 Debt securities in issue

By remaining term to maturity:				
Maturing within 3 months	27,408	18,676	7,035	5,034
Maturing between 3 months and 1 year ahead	2,938	8,421	791	6,994
Maturing between 1 year and 5 years ahead	30,093	20,671	9,188	10,103
Maturing after 5 years	72,694	74,148	58	293
Total	133,133	121,916	17,072	22,424

## Specifications

### Note 25 Interest receivable/Forward premium/discount on:

(DKKm)	Group		Parent company	
	2001	2000	2001	2000
Balances due from credit institutions and central banks	4,119	5,217	4,122	5,077
Lending	18,081	18,251	11,891	12,545
Debt securities	5,174	4,203	4,851	3,920
Total derivatives	-42	533	-42	394
of which:				
Foreign exchange derivatives	136	702	136	563
Interest rate derivatives	-97	-169	-97	-169
Equity derivatives	-81	-	-81	-
Commodity derivatives	-	-	-	-
Other derivatives	-	-	-	-
Other	577	514	94	55
Total	27,910	28,718	20,916	21,990

Of which income on purchase and resale transactions entered under:

Balances due from credit institutions and central banks	3,661	2,441	3,715	2,458
Lending	1,035	805	1,035	803

### Note 26 Interest payable to:

Credit institutions and central banks	6,615	6,184	6,629	6,259
Deposits	5,903	6,763	6,092	7,307
Debt securities in issue	6,820	7,644	744	1,541
Subordinated liabilities	412	527	412	527
Other	48	51	11	5
Total	19,799	21,170	13,887	15,639

Of which interest payable on sale and repurchase transactions entered under:

Credit institutions and central banks	2,848	1,638	2,962	1,695
Deposits	482	593	482	589

### Note 27 Dividend income from:

Shares	299	278	298	270
Shares in group undertakings	6	22	6	22
Total	305	300	304	292

**Note 28 Revaluation/translation adjustment\* of:**

(DKK m)	Group		Parent company	
	2001	2000	2001	2000
Debt securities	-49	270	-110	199
Shares	-2,478	746	-2,550	676
Fixed-interest loans and advances	67	47	64	47
Currencies	641	657	634	626
Total derivatives	-274	60	-267	49
of which:				
Foreign exchange derivatives	-258	146	-258	123
Interest rate derivatives	-150	-16	-128	-3
Equity derivatives	344	-71	344	-71
Commodity derivatives	-224	-	-224	-
Other derivatives	14	2	0	0
Total	-2,093	1,781	-2,230	1,596
Return to participants in portfolio schemes	-2,307	296	-2,307	296
Total	214	1,485	78	1,300

\* The sub-items also contain revaluation of securities included in the portfolio schemes. Adjustments are made for such revaluations under the item Return to participants in portfolio schemes.

**Note 29 Other operating income**

Repayment of VAT concerning canteens	18	-	18	-
Provisions for losses arising from legal proceedings written back	19	-	19	-
Non-recurring income	37	-	37	-
Net operating profit on property	218	204	141	124
Profit on sale of property	14	95	11	12
Other	72	68	37	47
Total	341	368	225	182

**Note 30 Executive Management and Board of Directors**

Loans to and charges or guarantees issued for the members of:

Loans etc				
The Executive Management	2	10	0	10
The Board of Directors	37	34	30	34
Security				
The Executive Management	2	9	-	9
The Board of Directors	27	10	21	10

**Note 31 Staff and administrative expenses**

(DKKm)	Group		Parent company	
	2001	2000	2001	2000
Salaries and emoluments to the Board of Directors, the Executive Management and the Board of Representatives The Executive Management	20	23	20	23
The Board of Directors	4	3	4	3
Total	23	26	23	26
Staff costs:				
Salaries	3,558	4,283	3,378	3,774
Pension costs	343	357	331	331
Payroll tax	364	423	356	368
Total	4,266	5,064	4,065	4,473
Other administrative expenses	2,034	2,540	1,933	2,247
Total staff and administrative expenses	6,324	7,630	6,022	6,746

**Note 32 Other operating expenses**

Loss on sale of property	7	2	0	2
Other	7	4	7	3
Total	14	6	7	5

**Note 33 Profit on shares in associated and group undertakings**

Associated undertakings	75	57	75	49
Group undertakings	-79	246	706	1,129
Total	-4	303	780	1,179

**Note 34 Tax**

Estimated tax on the year's income	751	151	746	10
Deferred tax	186	1	186	-
Adjustment of tax estimated in previous years	-6	-6	-7	-2
Tax on provisions for credits	60	-	60	-
Total	991	145	984	8
Present tax rate	30.0	30.0	30.0	30.0
Tax on provisions for credits	1.9		1.9	
Non-taxable dividends and other income	-1.1		-1.1	
Non-deductible expenses	1.3		1.3	
Adjustment concerning previous years	0.7		0.8	
Other*	-0.4	-27.1	-0.6	-29.8
Effective tax rate	32.4	2.9	32.3	0.2

\* In 2001 Nordea Bank Danmark A/S was taxed on a pooled basis with Nordea Companies Denmark (NCD) A/S and with the majority of Nordea Bank Danmark's subsidiary undertakings. The total Danish tax on the year's taxable income, including deferred tax, was recorded and paid by Nordea Companies Denmark (NCD) A/S.

**Note 35 Auditors' remuneration**

Total remuneration of firms appointed at the Annual General Meeting to undertake the statutory audit	11	9	9	7
Of which remuneration for non-audit services	6	4	5	3

The above amounts do not include expenses in respect of Nordea Bank Danmark's internal audit.

**Note 36 Number of employees**

(DKKm)	Group		Parent company	
	2001	2000	2001	2000
Average number of employees in the financial year converted into full-time staff:				
Bank staff	8,667	9,863	8,399	9,186
Non-clerical staff	186	174	152	165
Total	8,853	10,037	8,551	9,351
Average number of employees in unconsolidated subsidiary undertakings converted into full-time staff:				
Undertakings acquired temporarily	-	50	-	50

**Note 37 Balances due from credit institutions and central banks**

Balances at notice due from central banks	30,950	6,383	18,946	6,383
Balances due from credit institutions	67,374	67,535	72,096	64,877
Total	98,324	73,917	91,042	71,259

**Note 38 Debt securities**

Listed	121,124	101,866	109,349	95,235
Other	1,505	2,323	1,505	1,922
Total	122,629	104,189	110,854	97,157
Of which own debt securities	11,180	9,261	16	31

At end-2001 bonds at a market value of DKK 13,192m (2000: DKK 14,593m) had been transferred to the FUTOP Clearing Centre and clearing centres outside Denmark pursuant to margin requirements.

**Note 39 Shares etc**

Shares/unit certificates listed on the Copenhagen Stock Exchange	4,524	6,494	4,524	6,494
Shares/unit certificates listed on other stock exchanges	8,521	9,195	8,521	8,581
Other shares	457	637	456	482
Other types of share	0	3	-	-
Total shares etc	13,502	16,330	13,501	15,557

At end-2001 shares at a market value of DKK 0m (2000: DKK 1,422m) and DKK 0m (2000: DKK 87m) respectively had been borrowed and lent in connection with securities lending agreements. Shares at a market value of DKK 0m (2000: DKK 533m) had been transferred in connection with stock lending transactions.

Current asset investments marked to market	134,169	118,114	122,394	110,310
Difference between the acquisition cost of current asset investments marked to market and the higher market value at the balance sheet date	-	147	-	84
Current asset investments not marked to market	1,961	2,404	1,961	2,404
Difference between the acquisition cost of current asset investments not marked to market and the higher market value at the balance sheet date	-	-	-	-

#### Note 40 Fixed asset investments

(DKKm)	Group			Parent company		
	Group undertakings	Associates, other significant share-holdings	Other types of share	Group undertakings	Associates, other significant share-holdings	Other types of share
Total cost of acquisition at 1 January	39	330	146	7,935	253	-
Additions on merger	•	•	•	28	•	•
Disposals on demerger	•	•	•	1,343	•	•
Total cost of acquisition at 1 January	39	330	146	6,620	253	-
Currency translation adjustment		1	-0	42	1	-
Additions	1	150	0	49	149	-
Disposals	2	97	140	721	97	-
Total cost of acquisition at 31 December	38	383	5	5,990	306	-
Upward and downward revaluation at 1 January	-39	-83	-2	823	-35	-
Additions on merger	•	•	•	6	•	•
Disposals on demerger	•	•	•	166	•	•
Upward and downward revaluation at 1 January	-39	-83	-2	662	-35	-
Currency translation adjustment		0	-	-11	0	-
Profit	-1	75	•	784	75	•
Dividend	•	78	•	397	78	•
Goodwill on acquisition	0	0	•	0	0	•
Other movements	-	-	-	227	-	-
Upward and downward revaluation	3	-	4	-	0	-
Upward and downward revaluation written back	-	38	-7	-	38	-
Upward and downward revaluation at 31 December	-37	-47	-5	1,265	0	-
Shares in parent company	143	•	•	143	•	•
Value at 31 December	144	336	-	7,398	306	-
of which credit institutions	0	0	-	5,713	0	-
Value at 1 January	•	•	•	9,065	218	•
Additions on merger	•	•	•	34	•	•
Disposals on demerger	•	•	•	1,538	•	•
Value at 1 January	326	247	144	7,561	218	-
of which credit institutions	0	33	-	5,298	33	-
(DKKm)				Group		Parent company
				2001	2000	2001
						2000
The value of shares acquired in connection with settlement of prior commitments or assistance in restructuring companies amounts to				-	-	-

#### Note 41 Intangible assets

(DKKm)	Group			Parent company		
	Goodwill	Intangible assets Other	Total	Goodwill	Intangible assets Other	Total
Total cost of acquisition at 1 January	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Total cost of acquisition at 31 December	-	-	-	-	-	-
Value at 31 December	-	-	-	-	-	-

**Note 42 Tangible assets**

(DKK m)	Group Tangible assets			Parent company Tangible assets		
	Land, buildings	Machinery, equipment	Total	Land, buildings	Machinery, equipment	Total
Total cost of acquisition at 1 January	3,785	997	4,782	2,170	740	2,910
Additions on merger	70	16	86	-	3	3
Disposals on demerger	67	75	142	-	4	4
Total cost of acquisition at 1 January	3,789	937	4,726	2,170	739	2,910
Currency translation adjustment	-	-0	-0	-	-0	-0
Additions	64	160	224	43	97	140
Disposals	45	145	189	27	90	117
Total cost of acquisition	3,808	952	4,761	2,186	746	2,932
Downward revaluation at 1 January	689	520	1,209	205	403	608
Additions on merger	26	9	35	-	0	0
Disposals on demerger	0	35	35	-	2	2
Downward revaluation at 1 January	715	494	1,209	205	401	606
Currency translation adjustment	-	-0	-0	-	-0	-0
Depreciation charge	18	183	201	11	130	140
Write-down	-	-	-	-	-	-
Downward revaluation written back	11	117	128	6	69	75
Downward revaluation at 31 December	723	560	1,283	210	462	672
Value at 31 December	3,086	392	3,478	1,977	283	2,260
Value at 1 January	3,074	443	3,517	1,966	337	2,303
Most recent property value (public valuation)	3,816	-	-	2,557	-	-
Full depreciation charge in the year of acquisition for machinery and equipment	-	150	150	-	142	142

**Note 43 Other assets**

(DKK m)	Group		Parent company	
	2001	2000	2001	2000
Positive market value of derivatives (gross)	36,267	32,097	36,262	31,626
Sundry debtors	643	644	991	598
Interest and commissions receivable	3,976	4,357	3,302	3,989
Other assets	384	573	338	182
Total	41,269	37,670	40,892	36,396

**Note 44 Balances due to credit institutions and central banks**

Balances due to central banks	6,367	7,065	6,367	7,054
Balances due to credit institutions	152,021	107,470	155,649	112,456
Total	158,388	114,536	162,015	119,509

**Note 45 Deposits**

At call	95,116	90,088	95,508	95,950
At notice	1,734	1,877	1,678	1,877
Time deposits	30,822	39,816	31,965	33,027
Special categories of deposit	44,046	45,051	44,046	45,051
Total	171,718	176,833	173,196	175,905

**Note 46 Other liabilities**

(DKKm)	Group		Parent company	
	2001	2000	2001	2000
Negative market value of derivatives (gross)	34,650	31,812	34,650	31,550
Sundry creditors	3,520	3,533	3,341	3,161
Tax payable	3	227	0	0
Dividend for the financial year	1,500	5,700	1,500	5,700
Interest and commission payable	3,847	4,511	1,319	2,730
Other liabilities (including repos/reverse repos)	25,351	24,968	24,934	23,900
Total	68,871	70,751	65,744	67,041

**Note 47 Provisions for liabilities and charges**

Provisions for pension costs and similar obligations	67	29	67	29
Provisions for deferred tax*	1,397	50	1,397	-
Provisions for losses arising from legal proceedings	31	63	31	63
Special remuneration concerning severance schemes	14	17	14	17
Other provisions for liabilities and charges	1	7	1	7
Total	1,511	166	1,511	116

\* The increase in deferred tax of DKK 1,347m (the Group) consists of disposals of DKK 50m on demerger at 1 January, additions of DKK 1,211m on merger at 1 January and increase of DKK 186m concerning profit for 2001.

## Other supplementary information

### Note 48 Sale and repurchase transactions and purchase and resale transactions

(DKKm)	Group		Parent company	
	2001	2000	2001	2000
Of the below assets, purchase and resale transactions amount to:				
Balances due from credit institutions and central banks	44,137	41,367	46,434	42,117
Lending	23,851	19,574	23,851	19,398
Of the below liabilities, sale and repurchase transactions amount to:				
Balances due to credit institutions and central banks	28,062	28,216	32,114	30,674
Deposits	15,248	9,317	15,248	9,281
Assets sold as part of sale and repurchase transactions:				
Assets:				
Debt securities	46,107	40,398	46,107	40,398
Shares etc	0	0	0	0
Shares in group undertakings	0	0	0	0
Purchase and resale transactions	23,641	30,601	23,641	30,601
Sale and repurchase transactions	9,621	13,570	9,621	13,570

### Note 49 Balances with associated undertakings and undertakings in which Nordea Bank Danmark has other significant holdings of shares

Assets:				
Balances due from credit institutions and central banks	-	50	-	50
Lending	392	241	392	241
Total	392	291	392	291
Liabilities:				
Balances due to credit institutions	-	35	-	35
Deposits	154	115	154	115
Total	154	150	154	150

### Note 50 Balances with group undertakings

Assets:				
Balances due from credit institutions and central banks	7,470	6,496	12,610	8,315
Lending	168	934	17,721	18,860
Debt securities	131	390	8,980	5,840
Total	7,770	7,819	39,311	33,016
Liabilities:				
Balances due to credit institutions	13,610	16,836	18,101	25,673
Deposits	1,587	1,686	13,135	13,234
Total	15,197	18,522	31,236	38,906

## Note 51 Securities revaluation, fixed-interest liabilities, fixed-income assets and financial instruments

On a continual basis the Nordea Bank Danmark Group covers the interest rate risk relating to fixed-income assets and fixed-interest liabilities by way of financial instruments. Thereby, the level of the Group's overall sensitivity to interest rate movements is controlled taking interest rate expectations into account.

Under the standards laid down for the presentation of accounts by Danish commercial banks and savings banks, fixed-income assets cannot be written up to a value exceeding the cost of acquisition, and fixed-interest liabilities cannot be marked to market.

Financial instruments acquired to hedge against the interest rate risk relating to these fixed-income assets and fixed-interest liabilities are not marked to market in pursuance of the rules of the Danish Financial Supervisory Authority in order to maintain accounting symmetry ensuring effective hedging of the interest rate risk relating to the position hedged.

(DKKm)	Group		Parent company	
	2001	2000	2001	2000
Covered fixed-income assets (excluding mortgage loans):				
Lending				
Book value	23,188	25,164	23,188	25,164
Purchase price	23,188	25,164	23,188	25,164
Market value	24,032	25,612	24,032	25,612
Nominal value	23,188	25,164	23,188	25,164
Debt securities				
Book value	155	2,126	155	2,126
Market value	187	2,201	187	2,201
Nominal value	155	2,126	155	2,126
Total				
Book value	23,343	27,290	23,343	27,290
Market value	24,219	27,813	24,219	27,813
Nominal value	23,343	27,290	23,343	27,290
Underlying financial instruments (swaps)				
Market value	-876	-523	-876	-523
Nominal value	21,139	25,335	21,139	25,335

Mortgage loans are fixed-income assets which are not revalued as the interest rate risk relating to these assets is covered by mortgage bonds in issue.

**Note 51 Securities revaluation** *(continued)*

(DKKm)	Group		Parent company	
	2001	2000	2001	2000
Covered fixed-interest liabilities				
Deposits				
Book value	4,073	4,826	4,073	4,826
Market value	4,288	5,034	4,288	5,034
Nominal value	4,073	4,826	4,073	4,826
Subordinated liabilities				
Book value	0	1,119	0	1,119
Market value	0	1,125	0	1,125
Nominal value	0	1,119	0	1,119
Debt securities in issue				
Book value	1,827	1,408	1,827	1,408
Market value	1,767	1,519	1,767	1,519
Nominal value	1,827	1,408	1,827	1,408
Total				
Book value	5,900	7,353	5,900	7,353
Market value	6,055	7,677	6,055	7,677
Nominal value	5,900	7,353	5,900	7,353
Underlying financial instruments (swaps)				
Market value	155	324	155	324
of which options	7	2	7	2
Nominal value	5,704	10,366	5,704	10,366

**Note 52 Income by country**

Interest income, dividends, fees and commissions, securities and foreign exchange result, and other operating income

Deriving from:

UK	773	1,581	772	1,589
Germany	294	302	294	312
Luxembourg	-	1,235	-	-
USA	96	332	5	306
Singapore	5	658	-	674
Hong Kong	4	-	-	-
Cayman Islands	116	357	116	357
Norway	55	180	53	180
Sweden	8	554	-	162
Finland	10	74	-	27

### Note 53 Nordea Bank Danmark's portfolio schemes

(DKKm)	Nordea Bank Danmark A/S 2001 total	Nordea Bank Danmark A/S 2000 total	Of which Pension schemes	Of which Portfolio schemes, children's savings
Income statement				
Interest receivable/Forward premium/discount on:				
Cash deposits	19	20	18	1
Index-linked bonds	150	117	147	3
Other bonds	566	610	554	12
Derivatives	5	-2	5	0
<b>Total</b>	<b>740</b>	<b>744</b>	<b>724</b>	<b>16</b>
Dividends on:				
Shares etc	239	162	234	5
<b>Total</b>	<b>239</b>	<b>162</b>	<b>234</b>	<b>5</b>
Revaluation/translation adjustment of:				
Index-linked bonds	3	-40	3	0
Other bonds	15	87	15	0
Shares etc	-2,484	-13	-2,432	-52
Currencies	217	129	212	5
Derivatives	0	-18	0	0
Shares in associated and group undertaking (in relation to Nordea Bank Danmark A/S)	-58	151	-57	-1
<b>Total</b>	<b>-2,307</b>	<b>296</b>	<b>-2,259</b>	<b>-48</b>
Fees and commissions payable	308	303	302	6
<b>Profit on portfolio schemes</b>	<b>-1,636</b>	<b>899</b>	<b>-1,603</b>	<b>-33</b>
Assets:				
Cash deposits	374	1,996	366	8
Index-linked bonds	2,597	2,673	2,540	57
Other debt securities	9,445	9,092	9,238	207
Other shares etc	12,222	13,724	11,954	268
Shares in associated and group undertakings and other significant holdings of shares (in relation to Nordea Bank Danmark A/S)	122	216	120	3
Other assets	219	190	213	5
<b>Total</b>	<b>24,979</b>	<b>27,890</b>	<b>24,431</b>	<b>548</b>
Liabilities:				
Total deposits	23,991	27,490	23,466	525
Other liabilities	988	401	966	22
<b>Total</b>	<b>24,979</b>	<b>27,890</b>	<b>24,432</b>	<b>547</b>
Notes:				
Average deposits	26,428	25,682	25,849	579

**Note 53 Nordea Bank Danmark's income statement, excluding portfolio schemes**

(DKK m)	Parent company	
	2001	2000
Interest receivable	20,194	21,266
Interest payable	12,926	14,753
<b>Net interest income</b>	<b>7,268</b>	<b>6,513</b>
Dividend income	65	130
Fees and commissions receivable	2,404	3,458
Fees and commissions payable	351	681
<b>Net interest and fees receivable</b>	<b>9,386</b>	<b>9,421</b>
Securities and foreign exchange result	19	1,451
Other operating income	225	182
Staff and administrative expenses	6,022	6,746
Amortisation, depreciation and write-down of intangible and tangible assets	282	292
Other operating expenses	7	5
Provisions for bad and doubtful debts	1,106	207
Profit on shares in associated and group undertakings	838	1,027
<b>Operating profit before tax</b>	<b>3,052</b>	<b>4,831</b>
Tax	984	8
<b>Profit for the year</b>	<b>2,068</b>	<b>4,824</b>
<b>Notes to the income statement</b>		
<b>Interest receivable/Forward premium/discount on</b>		
Balances due from credit institutions and central banks	4,122	5,077
Lending	11,891	12,545
Debt securities	4,135	3,193
Total derivatives	46	450
<b>Interest payable on:</b>		
Deposits	5,131	6,421
<b>Revaluation/translation adjustment of:</b>		
Debt securities	-129	152
Shares	-66	689
Fixed-interest loans and advances	64	47
Currencies	417	497
Derivatives	-267	67

**Note 53 Nordea Bank Danmark's balance sheet, excluding portfolio schemes**

(DKKm)	Parent company	
	2001	2000
Assets:		
Cash in hand and balances at call due from central banks	2,583	3,102
Bills eligible for refinancing with central banks	26	26
Balances due from credit institutions and central banks	91,042	71,259
Lending	176,065	177,100
Debt securities	98,812	85,393
Shares etc	1,279	1,832
Shares in associated undertakings	306	218
Shares in group undertakings	7,275	8,850
Intangible assets	-	-
Tangible assets	2,260	2,303
Own shares	-	-
Other assets	40,674	36,206
Prepayments	328	184
Total assets	420,649	386,473
Liabilities:		
Balances due to credit institutions and central banks	162,015	119,509
Deposits*	149,579	150,411
Debt securities in issue	17,072	22,424
Other liabilities	64,756	66,641
Deferred income	1	-
Provisions for liabilities and charges	1,511	116
Subordinated liabilities	8,276	8,033
Shareholders' equity	17,440	19,338
Total liabilities	420,649	386,473
Off-balance-sheet items:		
Contingent liabilities	56,405	63,243
Commitments	14,638	20,727
Total off-balance-sheet items	71,044	83,970
Notes:		
* Of which cash deposits from portfolio schemes	374	1,996

**Note 54 Legal proceedings pending**

The companies of the Nordea Bank Danmark Group are involved in various legal proceedings. The expected outcome of these proceedings will not materially affect the financial position of the Nordea Bank Danmark Group.

**Note 55 Intragroup transactions**

Intragroup transactions are conducted on market terms or on a cost basis.

Material contracts in existence or entered into in 2001 between Nordea Bank Danmark A/S and directly or indirectly related undertakings include the following:

Nordea Bank Danmark has entered into an agreement for the supply of IT services to Tryg and a number of other Danish Nordea companies.

Otherwise, Nordea Bank Danmark's activities with companies in the Nordea Group include lending, deposits, debts securities in issue, trading in securities, derivatives etc as part of its normal banking business.

**Guarantee in favour of Nordea Kredit Realkreditaktieselskab**

Nordea Bank Danmark A/S provides on an ongoing basis 5-year and 10-year guarantees in favour of its wholly owned mortgage banking subsidiary Nordea Kredit Realkreditaktieselskab, typically to cover the top 25% of the principal of mortgage loans disbursed. This guarantee commitment is computed on the basis of the remaining cash balance and amounted to DKK 23,437m at end-2001 (2000: DKK 20,435m).

**Note 56 The Danish Financial Supervisory Authority's ratio system**

(%)	Nordea Bank Danmark Group				
	2001	2000	1999	1998	1997
<b>Capital ratios</b>					
Total capital ratio	9.7	9.7	10.1	9.5	9.3
Tier 1 capital ratio	6.7	6.9	7.3	7.5	7.4
<b>Earnings</b>					
Pre-tax return on equity	17.8	25.3	16.1	22.3	22.4
Post-tax return on equity	12.1	24.5	15.5	21.7	21.9
Income/cost ratio (not %)	1.39	1.61	1.38	1.52	1.53
<b>Market risk</b>					
Interest rate risk/tier 1 capital	4.0	3.6	3.3	3.9	4.6
Foreign exchange exposure/tier 1 capital:					
Indicator 1/tier 1 capital	15.8	5.1	7.3	3.7	7.2
Indicator 2/tier 1 capital	0.1	0.1	0.2	0.0	0.1
<b>Liquidity</b>					
Coverage relative to the 10% provision of section 28 of the Danish Commercial Banks and Savings Banks Act	157.4	151.6	130.5	176.8	207.1
<b>Credit risk</b>					
Large commitments/capital resources	161.4	114.0	114.2	121.8	124.8
Total provisions/credits and provisions	2.4	2.4	2.5	2.9	3.2
Provision ratio for the year	0.4	0.1	0.2	0.2	0.2
Lending growth for the year on credits at 1 January	4.6	2.5	13.9	10.7	24.2
Credits/shareholders' equity at 31 December (not %)	15.9	14.1	13.1	12.1	12.4
<hr/>					
(%)	Nordea Bank Danmark A/S				
	2001	2000	1999	1998	1997
<b>Capital ratios</b>					
Total capital ratio	10.1	10.2	10.4	10.3	9.9
Tier 1 capital ratio	6.9	7.3	7.5	8.1	7.9
<b>Earnings</b>					
Pre-tax return on equity	17.8	24.4	15.7	21.8	22.0
Post-tax return on equity	12.1	24.4	15.5	21.7	21.9
Income/cost ratio (not %)	1.42	1.67	1.42	1.58	1.59
<b>Market risk</b>					
Interest rate risk/tier 1 capital	4.0	3.2	2.7	3.9	4.1
Foreign exchange exposure/tier 1 capital:					
Indicator 1/tier 1 capital	15.8	4.3	7.4	3.2	7.2
Indicator 2/tier 1 capital	0.1	0.1	0.2	0.0	0.1
<b>Liquidity</b>					
Credits + provisions/deposits	105.7	104.6	102.3	95.9	91.6
Coverage relative to the 10% provision of section 28 of the Danish Commercial Banks and Savings Banks Act	174.7	167.7	130.9	185.3	202.7
<b>Credit risk</b>					
Large commitments/capital resources	157.8	101.2	113.3	121.3	124.5
Renegotiated credits/credits and provisions	0.6	0.5	0.6	0.7	1.6
Total provisions/credits and provisions	2.9	2.8	2.7	3.2	3.3
Provision ratio for the year	0.5	0.1	0.2	0.2	0.2
Lending growth for the year on credits at 1 January	-0.6	-1.0	13.1	3.8	21.8
Credits/shareholders' equity at 31 December (not %)	10.1	9.2	8.9	8.2	9.0

## Subsidiary undertakings

<b>Nordea Finans - financial highlights</b>		
(DKKm)	2001	2000
<b>Income statement</b>		
Net interest and fees receivable	328	313
Securities and foreign exchange result	3	-3
Other operating income	15	17
Profit before expenses	345	327
Expenses and depreciation	117	97
Provisions for bad and doubtful debts	-42	5
Profit on shares in associated and group undertakings	0	1
Operating profit before tax	271	227
<b>Balance sheet at 31 December</b>		
Total assets	18,464	18,165
Shareholders' equity	1,004	1,004

<b>Nordea Kredit - financial highlights</b>		
(DKKm)	2001	2000
<b>Income statement</b>		
Net interest and fees receivable	509	388
Securities and foreign exchange result	31	50
Profit before expenses	540	438
Expenses	139	117
Depreciation	1	1
Loan loss provisions	1	1
Profit on shares in associated and group undertakings	0	1
Profit before tax	399	321
<b>Balance sheet at 31 December</b>		
Total assets	128,781	96,721
Mortgage loans	100,051	87,129
Mortgage bonds in issue	116,061	89,197
Shareholders' equity	5,435	5,036
Total capital ratio (%)	10.5	10.8

# Management

## **Board of Directors of Nordea Bank Danmark**

Jørgen Høeg Pedersen (Chairman)  
Claus Høeg Madsen (Deputy Chairman)  
Laurids Caspersen Boisen  
Carl-Johan Gustav Granvik  
Lene Haulrik\*  
Majbritt Garbul Hemmingsen\*  
Steffen Hvidt\*  
Povl Høier  
Mogens Hugo Jørgensen  
Kai Kristensen\*\*  
Lars-Göran Nordström  
Kent Petersen\*  
Markku Lauri Juhani Pohjola  
Keld Sengeløv

\* Elected by the employees.

\*\* Appointed by the Danish Minister of Economic Affairs.

## *Henrik Mogensen*

A member of the Boards of Directors of Nordea Finans Danmark A/S, Danmarks Skibskreditfond and IBOS.

## *Michael Rasmussen*

A member of the Boards of Directors of Nordea Finans Danmark A/S, Nordea Kredit Realkreditaktieselskab, the Industrialisation Fund for Developing Countries, the Investment Fund for Emerging Markets and the Investment Fund for Central and Eastern Europe.

## **Executive Management of Nordea Bank Danmark**

### *Peter Schütze*

A member of the Boards of Directors of Nordea AM Holding Danmark A/S, Nordea Asset Management Bank Danmark A/S, Nordea Bank S.A., Danmarks Skibskreditfond and the Danish Bankers Association.

### *Jørn Kristian Jensen*

A member of the Boards of Directors of Danbolig A/S, Nordea Konferencecenter Klarskovgaard A/S, Nordea Kredit Realkreditaktieselskab, the Employers' Association for the Financial Sector, Landsbankernes Reallånefond, PBS Danmark A/S, PBS Data A/S, PBS Finans A/S, PBS Holding A/S, PBS International A/S and PBS Multidata A/S.

### *Peter Lybecker*

A member of the Boards of Directors of Nordea Bank S.A., Nordea Ejendomme A/S, Nordea Kredit Realkreditaktieselskab, PBS Danmark A/S, PBS Data A/S, PBS Finans A/S, PBS Holding A/S, PBS International A/S and PBS Multidata A/S.

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