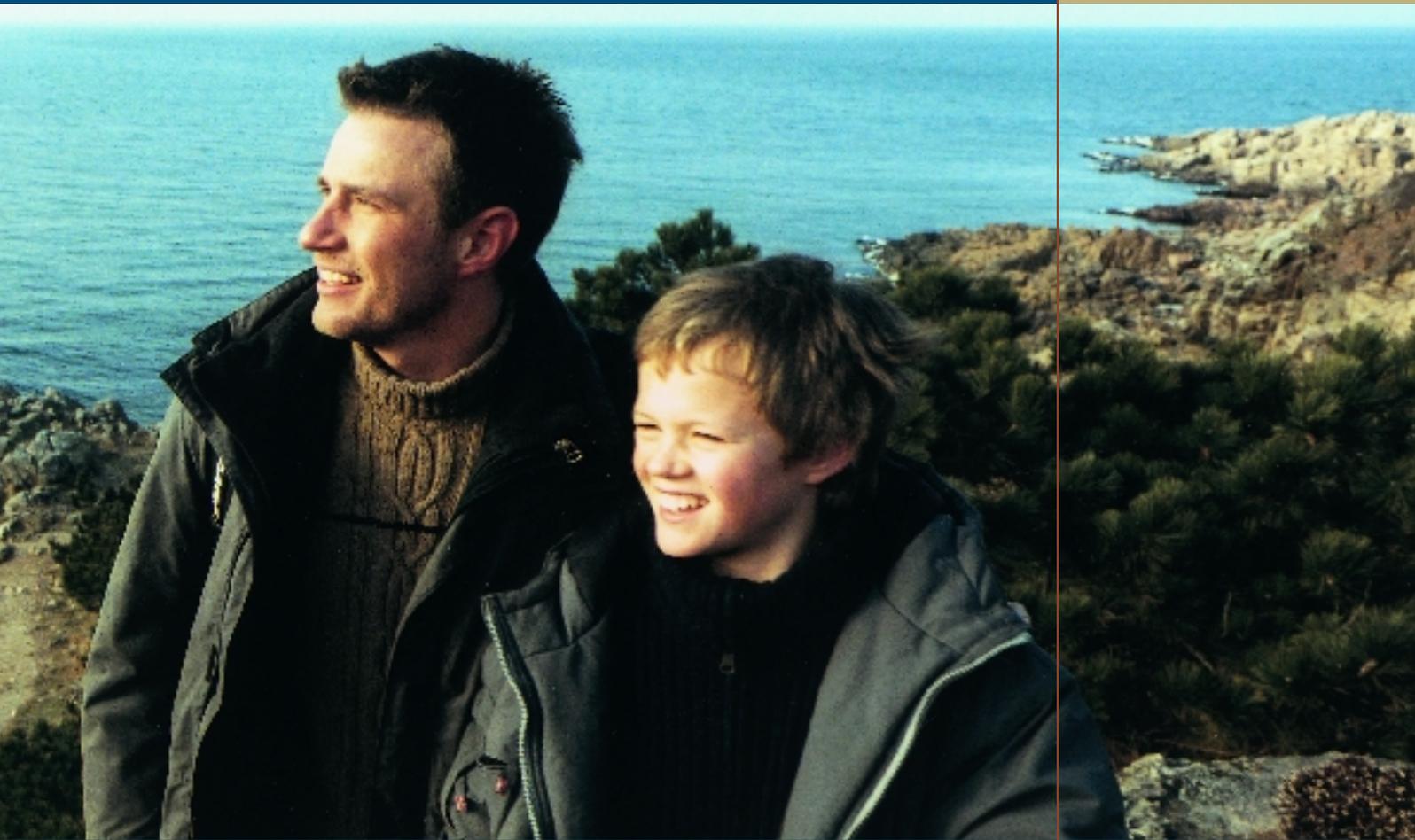


Annual Review 2002



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This year, Nordea AB (publ) has produced two publications replacing the single publication Annual Report 2001. The aim is to make the information more accessible to our readers.

Nordea Annual Report 2002 is the formal report audited by the Nordea auditors including the full set of financial accounts and notes, the Board of Directors report and the cash flow statement. **The Nordea Annual Review 2002** is a review of the business development in the **Nordea Group in 2002** including an overview of its strategy and business areas.



Nordea in short

Nordea is the leading financial services group in the Nordic and Baltic Sea region and operates through three business areas:

Retail Banking, Corporate and Institutional Banking and Asset Management & Life. The Nordea Group has more than 10 million customers and 1,240 bank branches.



The Nordea Group is a world leader in Internet banking, with 3.3 million e-customers. The Nordea share is listed in Stockholm, Helsinki and Copenhagen.

Highlights of 2002

Challenging market conditions in 2002

- Total income reduced by 4% and expenses increased by 2% adjusted for Postgirot Bank
- Loan losses lower at EUR 261m or 0.19% of loans
- Earnings per share EUR 0.30 (EUR 0.53)
- Return on equity (excl. goodwill) 11.3% (19.2%)
- Proposed dividend of EUR 0.23 per share – unchanged vs 2001

Improvements achieved – more to be done

- Reduced earnings volatility – lower equity exposure & sale of general insurance
- Capital efficiency improved – maintained financial strength despite loan growth and high proposed dividend payout
- Stable credit quality – low loan losses & concentration on Nordic customers
- Some cost initiatives taken – cost improvement is top priority in 2003

January

- Target of 2.7 million e-banking customers achieved, new target of 3.2 million by the end of 2002

April

- Hans Dalborg succeeds Vesa Vainio as Chairman of the Board

May

- Nordea makes agreement to acquire LG Petro Bank in Poland
- Nordea passes the 3 million mark in e-banking customers

July

- Tryg i Danmark smba buys Nordea's general insurance business

August

- Nordea appoints new Group CEO – Lars G Nordström succeeds Thorleif Krarup
- Nordea streamlines Investment Management organisation

September

- New composition of Nordea Group Executive Management
- Nordea Securities reduces staff and costs

October

- Nordea in cooperation with both IBM and Microsoft to provide a global infrastructure for Internet-based payments in e-commerce

November

- Nordea Securities reassesses strategy and closes offices in London and New York

December

- Postgirot merges with Nordea
- Nordea surpasses its target of 3.2 million e-banking customers achieving 3.3 million. New target of 3.7 million by the end of 2003

Key financial figures

Operational income statement

EURm	2002	2001	Change %
Net interest income	3,451	3,465	0
Commission income	1,535	1,432	7
Trading	530	543	-2
Other	154	165	-7
Income	5,670	5,605	1
Personnel expenses	-2,086	-1,878	11
Other expenses	-1,659	-1,511	10
Expenses	-3,745	-3,389	11
Profit before loan losses	1,925	2,216	-13
Loan losses, net	-261	-373	-30
Profit from companies accounted for under the equity method	52	95	-45
Profit before investment earnings and insurance	1,716	1,938	-11
Investment earnings, banking	122	172	
Operating profit, life insurance	2	-17	
Operating profit, general insurance	-122	-18	
Goodwill depreciation	-171	-147	
Operating profit	1,547	1,928	-20
Allocation to Pension Foundation	-255	-	
Taxes	-405	-360	13
Minority interests	0	0	
Net profit	887	1,568	-43

Ratios and key figures

Earnings per share, EUR	0.30	0.53
Share price ¹ , EUR	4.20	5.97
Shareholders' equity per share ¹ , EUR	4.06	4.00
Shares outstanding ^{1,2} , million	2,928	2,965
Return on equity ³ , %	7.5	13.8
Return on equity excl goodwill ³ , %	11.3	19.2
Lending ¹ , EURbn	146	138
Deposits ¹ , EURbn	92	86
Shareholders' equity ¹ , EURbn	12	12
Total assets ¹ , EURbn	250	242
Assets under management ¹ , EURbn	96	105
Cost/income ratio, banking ⁴ , %	64	58
Cost/income ratio, excluding investment earnings, %	65	59
Tier 1 capital ratio ¹ , %	7.1	7.3
Total capital ratio ¹ , %	9.9	9.1
Risk-weighted assets ¹ , EURbn	135	136

¹ End of period.

² Average number of shares Jan – Dec 2002 after full dilution (until September) was 2,955 million.

³ See definitions page 26.

⁴ See definitions page 26.

What's your plan?





*We always try to generate added value for
each individual customer contributing
to make things possible.*

A year of difficult market conditions and increased focus

In the present economic environment, profitability and capital efficiency come before growth, and increased cost efficiency has top priority going forward.



The economic downturn, the magnitude and length of the turbulence in the equity markets and the geopolitical uncertainty have had a significant impact on the entire financial industry over the last couple of years.

Nordea has of course also been affected by both the downturn and the increased uncertainty.

Our unique starting point with major operations in four Nordic countries, however, forms a solid platform for continued realisation of synergies and capturing revenue growth.

While the strategic direction and our vision are unchanged, we have taken the necessary steps to achieve rapid and continuous improvement of our performance with increased cost efficiency as the top priority.

2002 result:

Acceptable, but still room for improvement

Falling equity-related revenues and exceptionally low interest rates and their impact on deposit margins hit core income in 2002. Similarly, falling equity markets have affected life insurance income and investment earnings.

Our 2002 results are acceptable given the difficult market conditions, but still not satisfactory. However, we have started to see improvements as a consequence of the identification and focus on our short-term priorities. We have reduced the earnings volatility and quarterly income has been stable throughout the year.

Risk-weighted assets and economic capital were down in 2002.

Despite the fact that loan losses have increased slightly towards the end of the year, the quality of the credit portfolio is satisfactory.

In the present economic environment, profitability and capital efficiency come before growth, and increased cost efficiency will be the main focus area going forward.

Throughout the organisation ongoing integration and continuous improvement activities are expected to ensure that costs will be unchanged in 2003 compared to 2002.

The performance of the Nordea share price in 2002 was not satisfactory either even though some recovery was seen by the end of the year.

Unchanged vision

Our vision of being valued as the leading financial services group in the Nordic and Baltic financial markets with substantial growth potential remains unchanged. But in the present environment, profitability and more efficient use of capital must and will come before aggressively capturing market share.

Priorities to improve performance

The priorities that guide the current strategy of our business areas are all motivated by our drive towards improved operating efficiency.

They are:

- Reducing volatility and ensuring growth of income
- Ensuring capital efficiency
- Maintaining credit portfolio quality
- Speeding up integration and unification
- Improving cost efficiency

To reduce the volatility of earnings we have divested the general insurance business and reduced the equity exposure of pension funds and Life & Pensions units within the Group.

The divestment of the general insurance business and the reduced equity exposure have improved

our use of capital together with divestments of non-core businesses such as Contant Oy and Europay Norge AS.

The ongoing implementation of the economic capital and economic profit framework will further enhance the capital efficiency.

Our ambition is to maintain a high level of dividends without jeopardising our capital ratio. This means that the size and quality of assets will be carefully observed and our risk management must be proactive. Hence, business cases for potential acquisitions must be strong.

We have a well balanced and diversified credit portfolio, but in order to maintain our stable credit quality we continuously monitor the portfolio with a proactive approach.

Specific cost savings initiatives include capping IT development costs at 80% of the 2002 level, corresponding to a cost saving target of approximately EUR 90m in 2003.

Within Retail Banking, structural changes are being implemented in Sweden and Norway, such as consolidating staff functions in one location to improve efficiency and reduce costs.

Following a strategic reassessment Nordea Securities' operations in London and New York were closed in the fourth quarter.

Improving cost efficiency is the most urgent issue going forward.

Striking the right balance

We are well on our way to integrate and unify the organisation into cross-Nordic business areas and Group functions.

We have varied the approach to integration across different areas in the organisation.

In some areas, for example in wholesale banking, we have chosen the "full and immediate" integration approach while in other areas, especially within Retail Banking, we have chosen the "unification first" or "local improvements first" as the most appropriate approach.

Going forward, the change processes must and will be even more focused and speedy, based on strict prioritisation.

That is why a new unit Group Processing and Technology has been established to coordinate and speed up the integration and unification process across the entire Group.

Revised financial targets

In order to adjust to the current market conditions we have revised a few of our key financial targets:

Return on equity should be above 15% from 2004.

Cost level should be maintained at the same level through 2004 as in 2002.

Cost/income ratio of 55% by 2005 and with present business mix. Should the implied revenue growth in the cost/income ratio target fail, we will take further steps to reduce costs. All other targets remain unchanged.

Focus, speed and performance

In combination with our new priorities, we use three internal keywords to highlight the need for improvements and changes in the organisation:

"Focus" means concentrating on our strengths. This implies that we will change, close down or divest businesses and activities which are not core business, underperforming or not profitable.

"Speed" means being quick and flexible, having smooth and efficient operations and always adjusting to market conditions.

"Performance" means increasing performance orientation by comparing and competing and always striving for continuous improvements in everything we do. Do better today than yesterday. Be better than the competitors.

Committed to doing better

Every employee in the Group deserves thanks for bringing about the 2002 results and the very strong platform which will form our basis for further and continuous improvements.

We have already achieved a lot and will deliver upon our promises to customers and shareholders – despite challenging market conditions.

The entire organisation recognises the need for further improvements. By focusing on our strengths, being quick and flexible in adjusting to market conditions and continuously improving all that we do, we will make it possible.

Best regards



Lars G Nordström

The Nordea share

Nordea ranks among the 10 largest companies in the Nordic region in terms of market capitalisation and is one of the most liquid shares in the region. Swedish institutional ownership has increased during the year. Total shareholder return amounted to -28.1% in 2002.

Shareholder and dividend policy

Generating shareholder value is the overall objective of Nordea. The Group aims at creating value for the shareholders in the top five of its peer group of European financial services companies. Value for the shareholders is realised through market value growth per share and dividends.

Nordea pursues a policy of high dividends. The total dividend payment will normally exceed 40% of the net profit for the year. The annual level of dividends depends on market return requirements and the capital needed for developing the business activities.

Total shareholder return

Total shareholder return (TSR) during year 2002 amounted to -28.1%. The calculation of TSR is based on the share price development during the year, assuming the dividend of EUR 0.23 per share is reinvested in Nordea shares. The average TSR in the peer group was -21.0% in 2002.

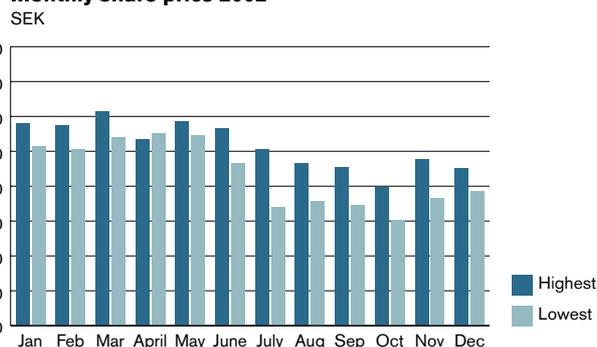
Share price development in 2002

During the year the share price of Nordea depreciated by 30.8% on the Stockholm Stock Exchange from SEK 55.50 on 28 December 2001 to SEK 38.40 on 30 December 2002. The daily prices listed for the Nordea share during 2002 at the Stockholm Stock Exchange ranged between SEK 63.50 and SEK 30.20.

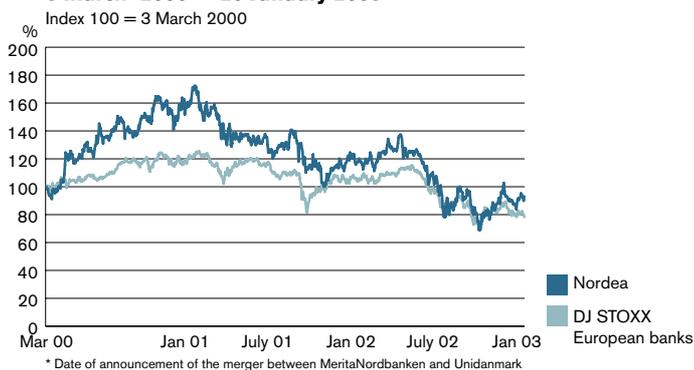
The SX40 Financials Index of the Stockholm Stock Exchange depreciated during the year by 33.8%, the Dow Jones STOXX European banks index depreciated by 26.7%.

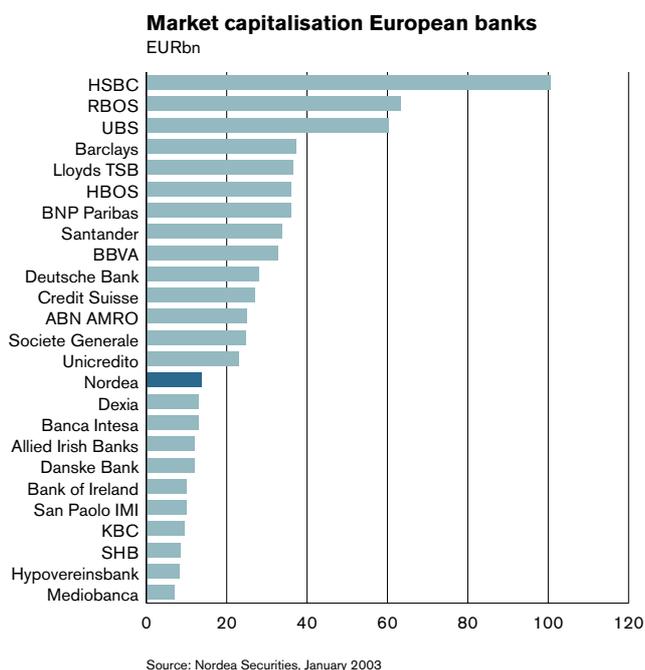
From 6 March 2000, the announcement date for the merger of MeritaNordbanken and Unidanmark, to the end of 2002 the share price of Nordea has depreciated by 16.2% while European banks (as measured by the Dow Jones STOXX European banks) have depreciated by 22.3%.

Monthly share price 2002



Share price performance
6 March* 2000* - 20 January 2003





The market capitalisation of Nordea at the end of 2002 was approximately EUR 12.6bn. Ranked by market capitalisation Nordea was the 5th largest company in the Nordic area.

The Nordea share is listed on the stock exchanges in Stockholm (in SEK and EUR), Helsinki (EUR) and Copenhagen (DKK).

Liquidity

The Nordea share is very liquid. In 2002, the average daily trading volume amounted to approximately EUR 67m corresponding to approximately 12.8 million shares. Turnover during the year on the three stock exchanges combined totalled approximately EUR 16.7bn which corresponds to 3.2 billion shares. Of the total number of shares traded in Nordea approximately 84% (85% in 2001) was traded on the Stockholm Stock Exchange, 8% (9%) on the Helsinki Stock Ex-

change and 8% (6%) on the Copenhagen Stock Exchange. In Stockholm Nordea ranked as the 4th (4th) most traded share during the year.

The Nordea share is represented in a number of national, European and global indexes like Dow Jones STOXX European banks, FTSE World Europe, S&P Europe 350 and MSCI Banks.

Trading in derivatives

Nordea's shares can also be traded in the form of put and call options, futures contracts, and lending with securities at the Stockholm Stock Exchange and OM London Exchange. Various brokers also issue long-term warrants in Nordea that are traded on the Stockholm Stock Exchange. Trading in derivatives supports the liquidity of the Nordea share.

Repurchase of own shares

Following the authorisation from the Annual General Meeting on 24 April 2002, the Board of Directors of Nordea AB (publ) on 19 June 2002 decided to repurchase a maximum of 150 million of its own shares (equivalent to approximately 5% of the total number of shares in the company). Up to 20 September 2002 Nordea repurchased 40,008,000 of its own shares. The shares were purchased at an average price of SEK 43.50.

In April 2001 Nordea acquired 17 million of its own shares for the purpose of achieving a hedge regarding the company's incentive programme. This repurchase of own shares followed a separate resolution by the Board of Directors and does not form part of the current repurchase programme. The total holding in Nordea AB (publ) of own shares is 57,008,000 shares.

Earnings and shareholders' equity per share

Net profit for the year amounted to EUR 887m corresponding to EUR 0.30 per share. Shareholders' equity per share amounted to EUR 4.06 at the end of 2002.

Proposed dividend

The Board of Directors proposes a dividend of EUR 0.23 per share. The total dividend payment for year 2002 would then be EUR 673m corresponding to 76% of the net profit after tax. The dividend yield calculated on the share price 30 December 2002 is 5.5%. The proposed record date for the dividend is 29 April 2003 and dividend payments are scheduled to be made on 7 May 2003. The ex-dividend date is 25 April 2003.

The dividend is denominated in EUR, however payments are normally made in the local currency of the country where the shares are registered.

Dividend payments can be made in EUR if the shareholder has a EUR account registered with the securities registers.

Share capital

As a result of the conversion of outstanding convertible bonds, 2,450,137 new shares have been issued during 2002. At the close of 2002 the share capital comprised 2,985,116,227 shares each of nominal value EUR 0.39632. All shares have voting rights, with each share entitled to one vote at General Meetings. It should be noted that Nordea AB (publ) is not entitled to vote for own shares at General Meetings.

Distribution of shares, end of 2002

Number of shares	Number of shareholders	Shareholders, %	Number of shares	Number of shares, %
1–1,000	424,911	83.31%	134,691,243	4.60%
1,001–10,000	80,147	15.71%	192,537,928	6.58%
10,001–100,000	4,153	0.81%	102,627,695	3.50%
100,001–1,000,000	592	0.12%	195,701,342	6.68%
1,000,001–	240	0.05%	2,302,550,019	78.64%
Total	510,043	100.00%	2,928,108,227	100.00%

Change in share capital

Date		Nominal value per share SEK	Numbers of shares issued	Nominal change SEKm	Total number of shares	Share capital SEKm
17 Dec 97	New issue	7.00	1,275,267,441	8,926.9	1,275,267,441	8,927
28 Jan 00	Reduction			-3,188.2		
	New issue	4.50	815,800,287	3,671.1	2,091,067,728	9,410 ¹
25 Apr 00	Reduction			-2,091.1		
	New issue	3.50	869,776,488	3,044.2	2,960,844,216	10,363
09 Jun 00	New issue	3.50	18,348,501	64.2	2,979,192,717	10,427
29 Aug 00	New issue ²	3.50	3,006,359	10.5	2,982,199,076	10,438
11 Dec 00	New issue ²	3.50	59,764	0.2	2,982,258,840	10,438
		EUR ⁴		EUR		EURm
10 Jan 01	Conversion ³	0.40			2,982,258,840	1,182
20 Feb 01	New issue ²	0.40	8,408	3,332.26	2,982,267,248	1,182 ⁵
15 May 01	New issue ²	0.40	2,401	951.56	2,982,269,649	1,182 ⁶
14 Dec 01	New issue ²	0.40	396,441	157,117.49	2,982,666,090	1,182 ⁷
31 May 02	New issue ²	0.40	2,405,087	953,184.08	2,985,071,177	1,183 ⁸
25 Sep 02	New issue ²	0.40	45,050	17,854.22	2,985,116,227 ¹⁰	1,183 ⁹

On 1 September 2002 Nordea AB (publ) prematurely redeemed the outstanding convertible bond loan amounting to EUR 96,928,426.28. Subsequently, the company has no outstanding convertible bond loans.

¹ Anticipated in Balance Sheet 31 Dec, registration 28 January 2000

² Conversion of bonds

³ From SEK to EUR

⁴ 0,39632 EURO

⁵ EUR 1 181 925 126.33

⁶ EUR 1 181 926 077.89

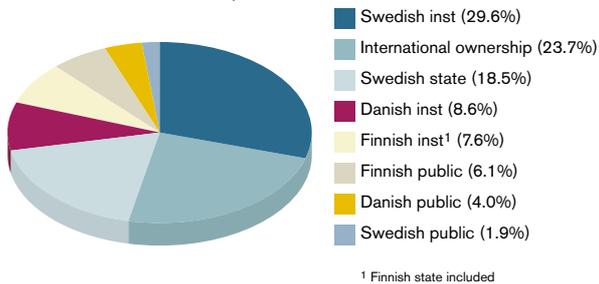
⁷ EUR 1 182 083 195.38

⁸ EUR 1 183 036 379.46

⁹ EUR 1 183 054 233.68

¹⁰ Number of own shares owned by Nordea AB (publ) 57,008,000

Shareholder structure, end of 2002



Largest registered¹ shareholders in Nordea AB (publ), end of 2002

	Number of shares	Share capital and votes, %
Swedish state	542,015,102	18.5
Alecta	118,394,426	4.0
Nordea Danmark fonden	102,529,423	3.5
Tryk i Danmark smba	92,609,801	3.2
Robur fonder	87,821,555	3.0
Nordea fonder	60,962,264	2.1
Fjärde AP-fonden	52,386,590	1.8
SHB/SPP fonder	44,231,416	1.5
AMF Pension	42,805,000	1.5
SEB fonder	41,808,901	1.4
Skandia	36,261,553	1.2
Tredje AP-fonden	33,006,127	1.1
Första AP-fonden	31,047,577	1.1
Andra AP-fonden	30,713,636	1.1
Nordea Sveriges vinstandelsstiftelse	18,104,300	0.6
Solidium Oy (Finnish state)	12,474,666	0.4
Länsförsäkringar fonder	11,077,942	0.4
Öms Livförsäkringsbolaget Suomi	10,000,001	0.3
Merita Ab:s Pensionsstiftelse	8,938,708	0.3
Skandia Carlson fonder	8,826,549	0.3

Source: Sweden's and Finland's securities centres, SIS Ägarservice and Nordea Bank Denmark's register of shareholders

¹ Excl nominee accounts.

On 1 September 2002 Nordea AB (publ) prematurely redeemed the outstanding convertible bond loan amounting to EUR 96,928,426.28. Subsequently, the company has no outstanding convertible bond loans.

Shareholders

With approximately 510,000 registered shareholders at 31 December 2002, Nordea has one of the largest shareholder bases of all Nordic companies. The number of Nordea shareholders registered in Denmark is approximately 217,000, in Finland 211,000 and in Sweden 82,000.

The largest among the various categories of shareholders is Swedish institutional investors, holding 29.6% of the shares in Nordea. The largest individual shareholder is the Swedish state with a holding of 18.5%. The Swedish government has declared that it will dispose of its holdings in Nordea.

The 20 largest registered shareholders at the end of 2002 are listed in the table.

Investor communication

Nordea aims at being one of the leading European companies in terms of open, clear and relevant information to shareholders and other interested parties. Nordea has during 2002 further improved the disclosure in the Group's financial reports and presentations.

Nordea relies increasingly on the Internet in the communication with shareholders and investors. All significant financial information about the Nordea group can be found at the Group's homepages.

The financial homepages of www.nordea.com ranked as number 11 in the web-ranking of the 500 largest European companies made by Hallvarsson & Halvarsson published by Financial Times in November 2002.

During 2002 over 1.2 million visitors have entered www.nordea.com and downloaded almost 400,000 financial reports and press releases.

Annual report

Both the annual report and the annual review are available in English. Nordea distributes the annual report and the annual review automatically to all shareholders holding more than 10,000 shares. A mini version of the annual report is available in English as well as the four Nordic languages. The full annual report, the annual review and the mini version will be distributed to shareholders on request.

The reports can be downloaded and ordered by accessing www.nordea.com.

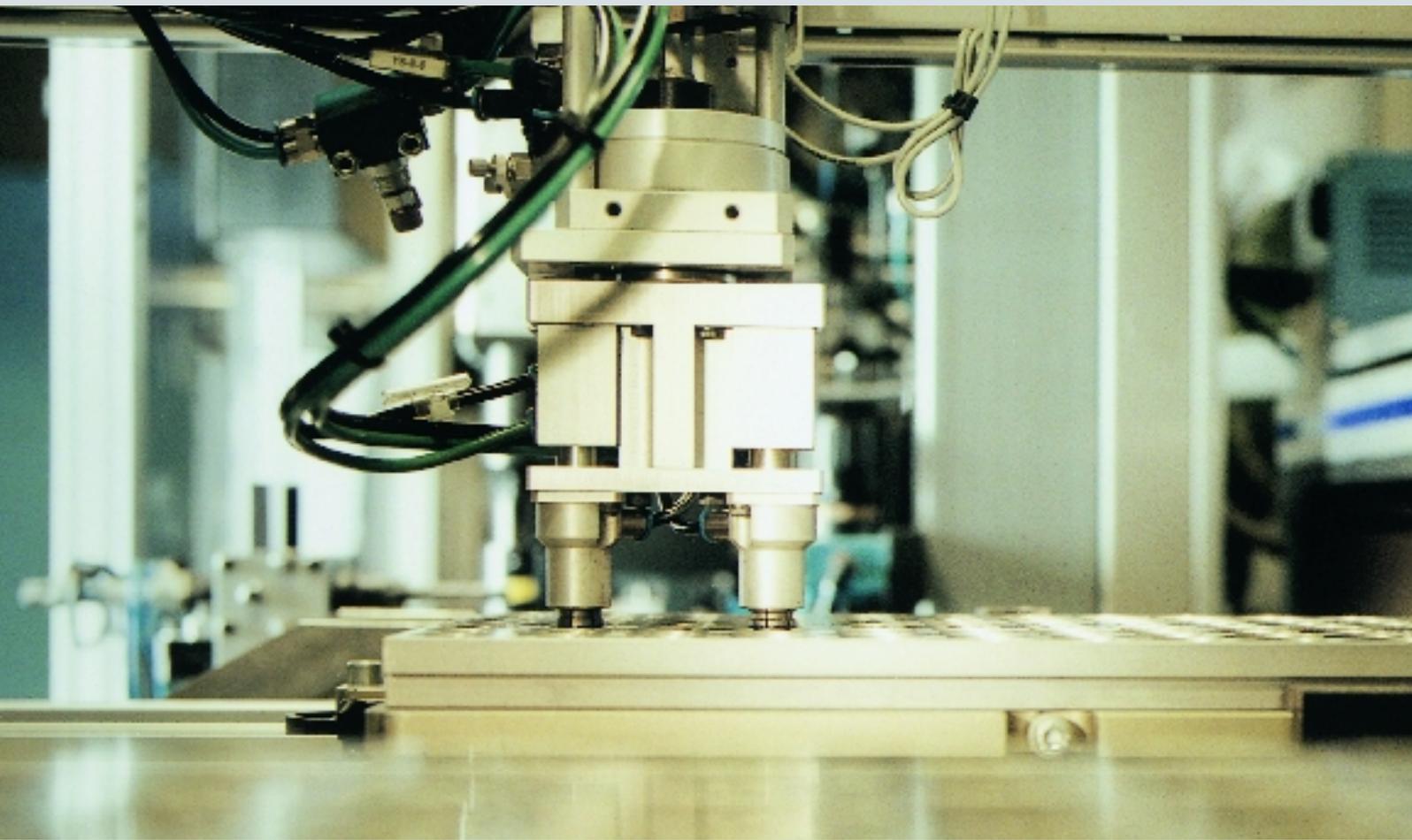
Share data

	2002	2001	2000	1999
Share price	SEK 38.40	SEK 55.50	SEK 71.50	SEK 50.00
High/low	63.50 / 30.20	79.00 / 45.80	76.00 / 41.80	61.00 / 42.30
Market capitalisation	EUR 12.6bn	EUR 17.7bn	EUR 24.1bn	EUR 12.2bn
Dividend	EUR 0.23 ¹	EUR 0.23	SEK 2.00	SEK 1.75
TSR	-28.1%	-19.8%	46.5%	-0.5%
DJ STOXX European banks index	-26.7%	-10.0%	10.2%	17.2%
P/E (actual)	14	11	14	11
Price-to-book	1.03	1.49	2.16	1.70
Equity per share	EUR 4.06	EUR 4.00	EUR 3.74	EUR 2.68
Earnings per share	EUR 0.30	EUR 0.53	EUR 0.58	EUR 0.55
Outstanding shares ²	2,928,108,227	2,965,666,090	2,982,258,840	2,091,067,728

¹ Proposed

² Excluding own shares

What's your plan?





*We will understand the wishes and needs of our customers.
We will show respect and competence so that customers will
see us as their natural financial partners that support
the realisation of their objectives and dreams.*

Vision and strategy

Nordea is the leading financial services group in the Nordic and Baltic Sea region and among the world leaders in e-banking.

The customer base is Nordea's main asset. With close to 11 million customers, 45% of the population in the Nordic countries do business with Nordea. More than 30% of the customers are also e-banking customers. Nordea has a significant business potential in the customer base and also the experience to capture this.

The geographic reach of Nordea offers significant potential for benchmarking and transfer of best practice and contributes to a diversified credit portfolio with a stable quality.

Nordea operates through three business areas, Retail Banking, Corporate and Institutional Banking and Asset Management & Life and has top

league positions in most product and market areas in the Nordic countries. In Nordea's emerging home markets in the Baltic Sea region, the Group aims at controlled and profitable growth – organically or through acquisitions.

Strategic focus

The Nordic countries comprise Nordea's home market. The Group offers a broad range of financial products and services to personal, corporate and institutional customers and the public sector in these countries.

The Baltic Sea region is Nordea's emerging home market. The Group is the preferred partner of Nordic and international medium-sized and large corporate and institutional customers operating in this region. Nordea provides an increasing range of financial products and services to domestic personal, corporate and institutional customers.

Outside the Nordic and Baltic Sea region, Nordea operates to support core customers through own units or partners. Nordea is a leading international shipping bank.

The Group also serves institutional investors in Europe and North America with selected products and distributes investment funds into the European market via third parties. Nordea Private Banking maintains branches in Luxembourg and Switzerland.

Nordea is using a decentralised profit centre model which facilitates the understanding of customer needs, the quick and flexible response to changing market conditions and the drive for performance.

Strategic direction and short-term priorities

Nordea has coherent Group and business area strategies to establish a stable and broadly based growth of income, to ensure operational excellence and cost efficiency and to optimise risk taking and the use of capital.

Comprehensive presence across the region

Finland

- Branches 415
- Employees 10,500

Norway

- Branches 146
- Employees 4,400

Sweden

- Branches 265
- Employees 8,600

Denmark

- Branches 348
- Employees 9,400

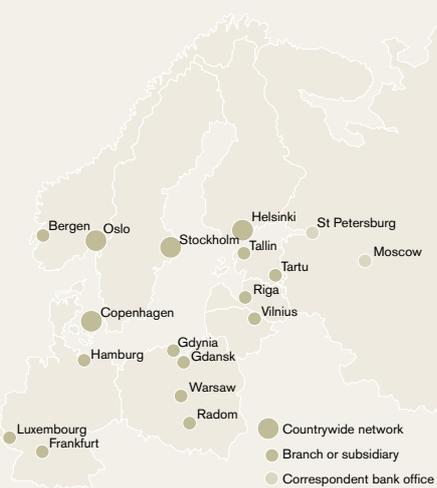
Poland and the Baltic countries

- Branches 66
- Employees 1,700

Total branches 1,240

Total employees 34,600

Note: Full time employees in business areas, group functions and other subsidiaries. Total employees include employees outside the Nordic and Baltic Sea region.



In the present economic environment, profitability and capital efficiency take precedence over volume growth and cost efficiency has top priority. Business area strategies and short-term focus are shown on page 20.

Grow revenue

Income from Nordea's core business activities is stable and broadly based with Retail Banking being the largest business area accounting for approximately 75% of total income.

Nordea is focusing sales efforts and advisory capabilities on increasing the share of wallet of existing customers and on expansion of the high-value customer base.

In order to maintain earnings stability Nordea's equity market exposure is carefully monitored and reduced when necessary, and the general insurance business was divested in 2002.

Ensure operational excellence

Ensuring cost control through and beyond the economic downturn has top priority.

Nordea always adjusts quickly and flexibly to market conditions. Significant cost reduction programmes were initiated in 2002 within Nordea Securities and Asset Management & Life following the equity market downturn. Similarly, integration projects were reprioritised and IT development costs have been capped at 80% of the 2002 level in the wake of the weak income development.

Nordea's pan-Nordic reach and scale give the potential for further improvements of operational efficiency throughout the Group, covering also a more efficient development of customer services and solutions. Nordea will exploit the significant potential for continued benchmarking and transfer of best practices within the Group as the basis for continuous improvements.

Market positions

	Retail Banking	Corporate and Institutional Banking	Asset Management & Life	
	Customer lending, customer deposits and mortgage volumes	Corporate Banking	Investment funds	Life and pensions premiums
Denmark	2	1	1	3
Finland	1	1	2	1
Norway	2-3	1-2	4	4
Sweden	2-3	2-3	2	8

Large customer base with high penetration in e-banking

	DK	FI	NO	SE	Baltic Sea Region	Total
Banking customers (1,000)						
Personal customers	1,600	3,000	600	4,260	240	9,700
Corporate customers	80	330	65	460	30	965
Insurance customers (1,000)	660	290	215	450	35	1,650
E-banking customers (1,000)	430	1,200	250	1,370	30	3,270

The Nordic idea

We share and exchange Nordic ideas.

We are Nordic in operations while personal and local in delivering services. We think Nordic and act locally.

Our market is of a size that makes it worthwhile to develop joint concepts, products and services.

Nordea's vision

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

We will be in the top of the league or show superior profitable growth in every market and product area in which we choose to compete.

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

Top priorities firmly anchored throughout the Group

Top priorities	Retail Banking	Corporate and Institutional Banking	Asset Management & Life	Other / Group
<i>Reduce volatility and ensure growth of income</i>	<ul style="list-style-type: none"> • Increase share of wallet of existing personal customers and acquire new profitable customers in a multi-channel strategy • Add value for small and medium sized corporates 	<ul style="list-style-type: none"> • Enhance position among large corporates in Sweden • Focus on financial institutions • Gain market share in debt capital markets 	<ul style="list-style-type: none"> • Capture share of expected growth in the long-term savings and life area • Reduce volatility in Life 	
<i>Speed up integration and unification and improve cost efficiency</i>	<ul style="list-style-type: none"> • Benchmark processes and structures • Emphasize Nordic projects and solutions • Drive e-banking 	<ul style="list-style-type: none"> • Streamline international activities • Refocus Nordea Securities • Reduce portfolio of development projects 	<ul style="list-style-type: none"> • Centralise equity and fixed income processes • Standardise service concepts • Streamline support functions 	<ul style="list-style-type: none"> • Reduce IT development costs and projects • Support procurement at group level • Shared service centres
<i>Ensure capital efficiency and maintain credit portfolio quality</i>	<ul style="list-style-type: none"> • Implement economic profit at business unit level • Refine credit granting and controls • Refine credit scoring models 	<ul style="list-style-type: none"> • Limit use of balance sheet • Price according to risk • Increase proactivity and more strict monitoring of credit portfolio 	<ul style="list-style-type: none"> • Implement new business model in Life & Pensions 	<ul style="list-style-type: none"> • Further reduce economic capital and non-core assets • Roll-out economic profit-driven management system to push profitability

Strategic direction



When integrating or unifying processes and activities Nordea carefully checks every initiative in order to strike the optimal balance between investments, risks and benefits.

Optimise use of capital

Profitability is prioritised over growth which is reflected in the way Nordea allocates capital. Nordea concentrates on its strengths, implying divestment of non-core assets like General Insurance and real estate and closure of non-profitable businesses and activities.

Optimising the use of capital is also reflected in strict credit monitoring, refining of credit scoring models and implementing a new business model for the Life & Pensions business.

The rolling out of the economic profit-driven management system will drive profitability and focus the organisation.

Planning and performance

In 2001 a new Planning and Performance Management Model (PPMM) was introduced in Nordea for the strategy and business planning process at group and business area level. During 2002 the PPMM was cascaded down to lower levels in all business areas and implementation started in group functions.

Nordea's Planning and Performance Management Model

The three core elements in PPMM are Balanced Scorecard (BSC) to drive strategy into actions, rolling financial forecasts to have an updated view on future financial performance and service level agreements to create a common understanding about services, priorities and responsibilities between internal service providers and receivers. The overall purpose of PPMM is to increase groupwide focus on shareholder value creation, ensure aligned and focused strategy implementation and support the development of a common Nordea corporate culture.

Balanced Scorecard

The purpose of the BSC framework is to make strategy operational. The idea is to select a number of strategic areas where change is required. These areas are referred to as strategic focus areas. For each of the focus areas, a key performance indicator including targets is defined. Also, concrete measures and related initiatives which will contribute to achieving the target are determined. The key performance indicators include cost/income ratio, market position, customer satisfaction and employee satisfaction. Business strategy, targets and activities are thereby linked and strategy becomes operational.

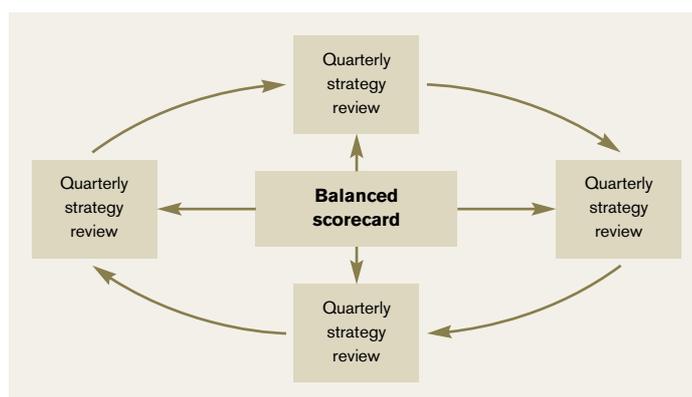
BSC has been developed and implemented for the Group as a whole and each business area has its own BSC. The Group's BSC has served as a

guideline for the BSC of the business areas, the scorecard of the business areas will provide the guidelines for the BSC of each of their subordinate units.

Each business area is responsible for the implementation and the cascading process in its own area. BSC has been implemented on at least two levels in the business areas. The implementation in Group Staffs, Group Corporate Centre and Group Processing & Technology will be finalised during the first half of 2003.

Rolling financial forecasts

In order to always have an updated view of future financial performance, quarterly rolling financial forecasts have been implemented in each business area. The rolling financial forecast



has a five quarters horizon and it is updated on a quarterly basis, adding one quarter in each update. There is no element of target setting. The latest available inputs regarding the major drivers of financial result are considered in order to provide the best possible estimate of future earnings. Management's attention is focused on discrepancies between the financial forecast and the targets within the financial perspective in the respective BSC. This ensures a focus on the future and on potential corrective actions, rather than on the historical performance.

Service level agreements

In order to create a common understanding about services, priorities and responsibilities between internal service providers, such as IT, HR, Finance, etc, and service receivers, mainly the business areas, service level agreements have been implemented. Service level agreements consist of the following key components:

- Clear definitions of scope of services provided
- Defined measures to ensure cost control
- Defined measures in order to track quality, content and timeliness of services delivered
- A governance structure establishing clear responsibilities
- A structured process for building and maintaining the service level agreements.

Service level agreements ensure an increased focus on quality and costs.

Management process aligned to PPMM

The CEO has quarterly review meetings with all business areas and group functions in order to

follow up strategy implementation and performance.

The management process aligned to PPMM will better support a team-based executive management culture, increase executive accountability with clearly defined targets to ensure actions and increase focus on strategic direction. The quarterly review meetings will improve the understanding of the strategic drivers that deliver on customer value and achieve financial performance, and ensure the use of the framework of BSC to communicate priorities and report on performance all over Nordea. The management process aligned to PPMM is an ongoing process that makes strategy a continuous pursuit and not a yearly event. Continuous tactical performance monitoring is part of PPMM.

Economic profit

In addition, economic profit was introduced in 2002 as the overall key performance indicator. Economic profit will further strengthen the link between Nordea's internal financial objectives and shareholder value creation.

Economic profit measures value creation from a shareholder perspective. Positive economic profit means that shareholder value is growing, while a negative value reflects a business where value is destroyed. Economic profit may be calculated along several dimensions, eg different organisational levels, products or customers. Economic profit supports alignment with shareholders' interest by providing incentives for profitable growth, focus on cost efficiency as well as related risk throughout the organisation.

The roll-out of economic profit started in 2002 at business area level, and is now used as a target in the BSC. To further drive the value from economic profit, business areas have started in 2002 to roll out economic profit to lower levels of the organisation.

Implementation in Corporate and Institutional Banking has, in line with plans, reached furthest and economic profit has been implemented as an active management tool. Economic profit is the key performance indicator at profit centre level. Additionally, customer relationships and single transactions are evaluated through economic profit analysis. Tests of models for economic profit in Customer Profitability System were started during 2002.

Retail Banking, with its large number of customers has organised a project with different work streams to deal with rating issues, measurement/methodology, and management information systems. It is expected that economic profit results can be tested at both customer and branch level during 2003.

Asset Management & Life have during 2002 focused on developing an economic profit model that will drive value also within the traditional life and pension products.

In all business areas a change in customer dialogue, customer relationship and pricing is expected and seen as a natural extension of the economic profit model. The development in each business area is coordinated at group level and a full implementation in all business areas is ex-

pected before end 2004, when economic profit will be embedded in all business decisions.

Calculation of economic profit

Economic profit is calculated as shown below. Risk-adjusted profit is based on the actual income and costs, expected loan losses, and standard tax. Expected loan losses are the assumed long-term average loan losses. In addition a standard tax rate is used in order to normalise the profit to ensure an adequate comparability.

Cost of equity is the yield shareholders require to invest in Nordea shares multiplied by economic capital. The long-term risk-free rate, the premium to invest in shares and the Nordea share's volatility compared to shares in general are used to set the percentage.

Economic capital

Economic capital is based on a compilation of the various risks into a total need for capital. Losses are inevitable in the business performed by Nordea, and thus require a cushion of capital. The economic capital is the capital that will be required to cover unexpected losses.





What's your plan?

Whether we are developing new electronic concepts, providing personal advice to a customer or installing a new cash management solution, it always ultimately comes down to a matter of helping customers make things possible.



Financial targets

Nordea has defined a peer group of 19 European financial services companies and aims at creating value for shareholders in the top five of this peer group. Improvement of cost efficiency has top priority.

Total shareholder return

Total shareholder return is measured as growth in the value of a shareholding over a specified period, assuming that dividends are reinvested at the time of payment to purchase additional shares. Internally, economic profit has been selected as the best single measure for shareholder value creation. Nordea believes that managing for sustainable growth of economic profit will drive and support the continuous focus on stable revenue growth, operational excellence and cost efficiency and optimal risk taking and use of capital.

Return on equity

High return on equity is an important indicator of value creation. Nordea prioritises profitability before growth and aims to achieve a sustainable return on equity, before goodwill depreciation, of more than 15% from 2004.

Costs and cost/income ratio

Ensuring operational excellence and cost efficiency in the current weak economic environment has top priority. Nordea therefore aims to have the same absolute cost level through 2003 and 2004 compared to 2002.

Nordea views the cost/income ratio primarily as an important tool in the internal continuous improvement processes. At group level Nordea is aiming at a cost/income ratio level below 55% from 2005, assuming unchanged business mix.

Risk exposure

Nordea prioritises earnings stability and stable credit quality before growth. Nordea aims at limited and controlled risk exposure while constantly availing itself of opportunities to increase profits and return on capital within acceptable risk limits. The average loan losses over a business cycle should not exceed 0.40% of the loan and guarantee portfolio. Market risks related to investment activities should not lead to an accumu-

Business definitions

Return on equity

Net profit before minority interest and goodwill depreciation as a percentage of average shareholders' equity (per quarter). Average shareholders' equity includes minority interests and excludes remaining goodwill.

Cost/income ratio

Operating expenses before loan losses and goodwill as a percentage of operating income and share of profit/loss from companies accounted for under the equity method as well as investment earnings (banking), as reported in the operational income statement. Operating profit from insurance activities are excluded.

TSR

Total shareholder return measured as growth in the value of a shareholding over a specified period, assuming that dividends are re-invested at the time of payment to purchase additional shares.

Tier 1 capital ratio

Tier 1 capital as a percentage of riskweighted amounts.

Total capital ratio

Capital base as a percentage of riskweighted amounts.

Loan losses

Average loan losses over a business cycle not to exceed 0.40% of loans and guarantees

Flat cost base

Measured against reported costs in 2002. However, should performance in 2003 improve to such an extent that it triggers a pay-out in the current profit-sharing and management incentive schemes, such costs are not expected to be absorbed within the target cost base. Furthermore, significant changes in Nordea's structure or business mix may cause a revision of the cost target.

lated loss in investment earnings exceeding one quarter's normalised earnings at any time in a calendar year. Operational risks should be kept within manageable limits at reasonable cost.

Dividend and capital ratio

Nordea is pursuing a policy of high dividends. The annual level depends on market return requirements and the amount of capital needed for development of activities. Dividend payment will normally exceed 40 percent of the net profit for the year.

Efficient use of capital will contribute to the profitability target and shareholder value creation. Nordea aims at a tier 1 capital ratio above 6.5% and a total capital ratio not lower than 9%. Internally, economic capital is used as a measure of the amount of capital required to cover unexpected losses thereby reflecting the actual risks taken. Economic capital is allocated to business areas reflecting all categories of risk, ie credit, market, real estate, operational and business risks.

Peer group		Total shareholder return, %	
		2002	2001
Nordic banks	Danske Bank	-9.4	-3.1
	Den norske Bank	-14.9	-10.2
	Sampo	-10.7	-9.6
	SEB	-21.0	-4.0
	SHB	-22.4	-2.0
	Swedbank	-17.2	-5.5
European banks	Abbey National	-43.8	-15.3
	ABN AMRO	-9.6	-21.8
	Allied Irish Bank	2.4	8.6
	Bank of Ireland	-3.7	1.7
	Barclays	-29.7	13.2
	BNP Paribas	-20.8	10.2
	HBOS	-14.1	-6.2
	Commerzbank	-56.4	-40.8
	HypoVereinsbank	-54.7	-41.9
	KBC	-16.4	-15.5
	Lloyds TSB	-36.7	10.9
Royal Bank of Scotland	-8.7	8.3	
Société Générale	-8.8	-1.7	
Nordea		-28.1	-19.8

Key performance indicator	2002			2001			Target		
	2002	2001	Target	2002	2001	Target	2002	2001	Target
Total shareholder return, peer group ranking	15	17	In the top five of the peer group						
Return on equity excluding goodwill, %	11.3	19.2	Sustainable RoE >15% from 2004						
Costs, EURm	3,745	3,389	Same cost level through 2004 as in 2002						
Cost/income ratio, %	64	58	< 55% from 2005 and with present business mix						
Loan losses ratio, %	0.19	0.29	< 0.4% of loans and guarantees over a business cycle						
Dividend pay-out ratio, %	76	44	> 40% of net profit						
Tier 1 capital ratio, %	7.1	7.3	> 6.5%						

Group result

Operational income statement

Quarterly development

EURm	Note	Q4 2002	Q3 2002	Q2 2002	Q1 2002	2002	2001
Net interest income		885	874	855	837	3,451	3,465
Commission income	1	388	371	396	380	1,535	1,432
Trading		130	127	137	136	530	543
Other		54	34	37	29	154	165
Total income		1,457	1,406	1,425	1,382	5,670	5,605
Personnel expenses		-545	-521	-514	-506	-2,086	-1,878
Other expenses		-448	-404	-408	-399	-1,659	-1,511
Total expenses	2	-993	-925	-922	-905	-3,745	-3,389
Profit before loan losses		464	481	503	477	1,925	2,216
Loan losses, net		-76	-66	-56	-63	-261	-373
Equity method		16	4	17	15	52	95
Profit before investment earnings and insurance		404	419	464	429	1,716	1,938
Investment earnings, banking		41	39	31	11	122	172
Operating profit, life insurance		44	-13	-26	-3	2	-17
Operating profit, general insurance		0	-4	-87	-31	-122	-18
Goodwill depreciation		-43	-42	-44	-42	-171	-147
Operating profit		446	399	338	364	1,547	1,928
Allocation to pension foundation		17	-120	-152	-	-255	-
Taxes		-140	-86	-79	-100	-405	-360
Minority interests		0	0	0	0	0	0
Net profit		323	193	107	264	887	1,568
EPS		0.10	0.07	0.04	0.09	0.30	0.53
EPS, rolling 12 months up to period end		0.30	0.38	0.37	0.49	0.30	0.53

Note 1

Commission income, EURm

Brokerage	35	38	46	55	174	271
Asset management/Investment funds	108	101	115	126	450	448
Issue of securities	7	6	5	4	22	46
Lending	95	86	91	87	359	334
Deposits and payments	195	189	183	157	724	525
Foreign exchange	15	11	10	8	44	37
Other	39	33	35	26	133	94
Commission expenses	-88	-85	-83	-77	-335	-302
Net commission income	406	379	402	386	1,573	1,453
Of which investment activities	-18	-8	-6	-6	-38	-21
Commission income	388	371	396	380	1,535	1,432

Note 2

Expenses, EURm

Personnel ¹	547	523	515	506	2,092	1,885
Information technology ²	136	111	113	103	463	379
Marketing	34	21	36	23	114	99
Postage, telephone and office expenses	62	50	52	60	224	190
Rents, premises and real estate expenses	89	79	74	71	313	314
Other	131	146	134	145	554	535
Expenses	999	930	924	908	3,760	3,402
Of which investment activities	-5	-5	-2	-3	-15	-13
Expenses	994	925	922	905	3,745	3,389

¹ Profit related personnel expenses including profit-sharing systems were EUR 79m in 2002 (full year 2001 EUR 115m).

² Refers to IT operations, service expenses and consulting fees. Total IT-related costs including personnel etc (excluding IT expenses in insurance operations) were EUR 758m in 2002 (full year 2001 EUR 709m).

Comments to the operational income statement

Operating profit for the year 2002 was EUR 1,547m (EUR 1,928m) a reduction of 20% compared to 2001.

Total income increased by 1% and expenses increased by 11%. The development reflects the acquisition of Postgirot Bank and underlying growth in the business volumes coupled with a pressure on margins following falling interest rates during the year and drop in equity related commission income.

Income

Total income was EUR 5,670m (EUR 5,605m), an increase of 1% compared to 2001. Net interest income was EUR 3,451m unchanged compared to a year ago. Volume growth, mainly deposits and mortgage lending to personal customers has compensated for lower deposit margins following lower interest rates. Lending margins were stable within Retail Banking and increased somewhat for large corporate clients. During the last 12 months lending and deposits have increased by 6% and 6%, respectively.

Commission income increased by 7% to EUR 1,535m (EUR 1,432m) reflecting strong growth in transaction volumes. The number of e-customers rose to 3.3 million by the end of the year, and in December, a new all-time high was registered in the number of payments on the e-bank.

Trading income, mainly comprising income related to foreign exchange and derivatives trading with customers, was maintained at a stable level of EUR 530m (EUR 543m).

Expenses

Total expenses were EUR 3,745 m (EUR 3,389m), an increase by 11%, reflecting the acquisition of Postgirot Bank AB (publ) as well as underlying growth in business volume.

Personnel expenses were EUR 2,086m (EUR 1,878m).

Other expenses were EUR 1,659m (EUR 1,511m), an increase of 10%. Costs for IT represent 20% of total expenses.

The cost/income ratio was 64% (58%). Postgirot Bank represented an increase of approximately 2 % points.

Loan losses

Loan losses were EUR 261m (EUR 373m). The reduction was mainly a result of the general provision of EUR 100m made in 2001.

Investment earnings

The weak equity markets in 2002 had a negative impact on investment earnings, banking, which were reduced by EUR 50m to EUR 122m.

Pension commitments

Pension commitments not recognised in the balance sheet have to be covered by assets of pension foundations. At the end of the year, aggregate assets in the Group's pension foundations exceeded pension commitments not recognised in the balance sheet by EUR 46m reflecting a surplus in Finland.

The volatility in Nordea's accounts resulting from allocation to pension foundations in the second and third quarter 2002, was related to the Swedish pension foundation. In total the allocation cost amounted to EUR 255m in 2002.

At the end of the fourth quarter, the equity exposure in the pension foundations represented 22% of total investments, compared to 24% at the end of the third quarter.

Taxes

Taxes amounted to EUR 405m in 2002 (EUR 360m). In 2001, the low tax rate was mainly explained by the utilisation of a loss carry forward in the former Merita Real Estate Ltd.

Net profit

The net profit was EUR 887m (EUR 1,568m), corresponding to EUR 0.30 (EUR 0.53) per share. Return on equity (excluding goodwill) was 11.3% (19.2%).

Business area result

Results by business area 2002, EURm¹

	Business areas						Total
	Retail Banking	Corporate and Institutional Banking	Asset Management & Life ²	Group Treasury	General Insurance ³	Other	
Customer responsible units:							
Income	4,394	1,129	238	106		-197	5,670
Expenses	-2,566	-607	-158	-30		-384	-3,745
Loan losses	-209	-23				-29	-261
Equity method		12				40	52
Profit before investment earnings and insurance	1,619	511	80	76	0	-570	1,716
Investment earnings, banking				38		84	122
Operating profit, life insurance			2			0	2
Operating profit, general insurance					-122	0	-122
Goodwill	-22	-8				-141	-171
Operating profit	1,597	503	82	114	-122	-627	1,547
of which:							
Q4	345	137	61	27	0	-124	446
Q3	418	120	2	31	-4	-168	399
Q2	427	121	-3	21	-87	-141	338
Q1	407	125	22	35	-31	-194	364
Return on equity, %	22	16					11,3
Cost/income ratio, banking, %	58	54	66	28			64

¹ According to the new organisation effective as of 1 October 2002.

² Operating profit, life insurance, Q1 2002 EUR -3m, Q2 2002 EUR -26m, Q3 2002 -13m and Q4 2002 44m.

³ The sale of the general insurance activities was completed during Q3 2002.

Nordea's operations are organised into three business areas: Retail Banking, Corporate and Institutional Banking and Asset Management & Life. The business areas operate as profit centres. The Group's financial management operations are conducted by Group Treasury.

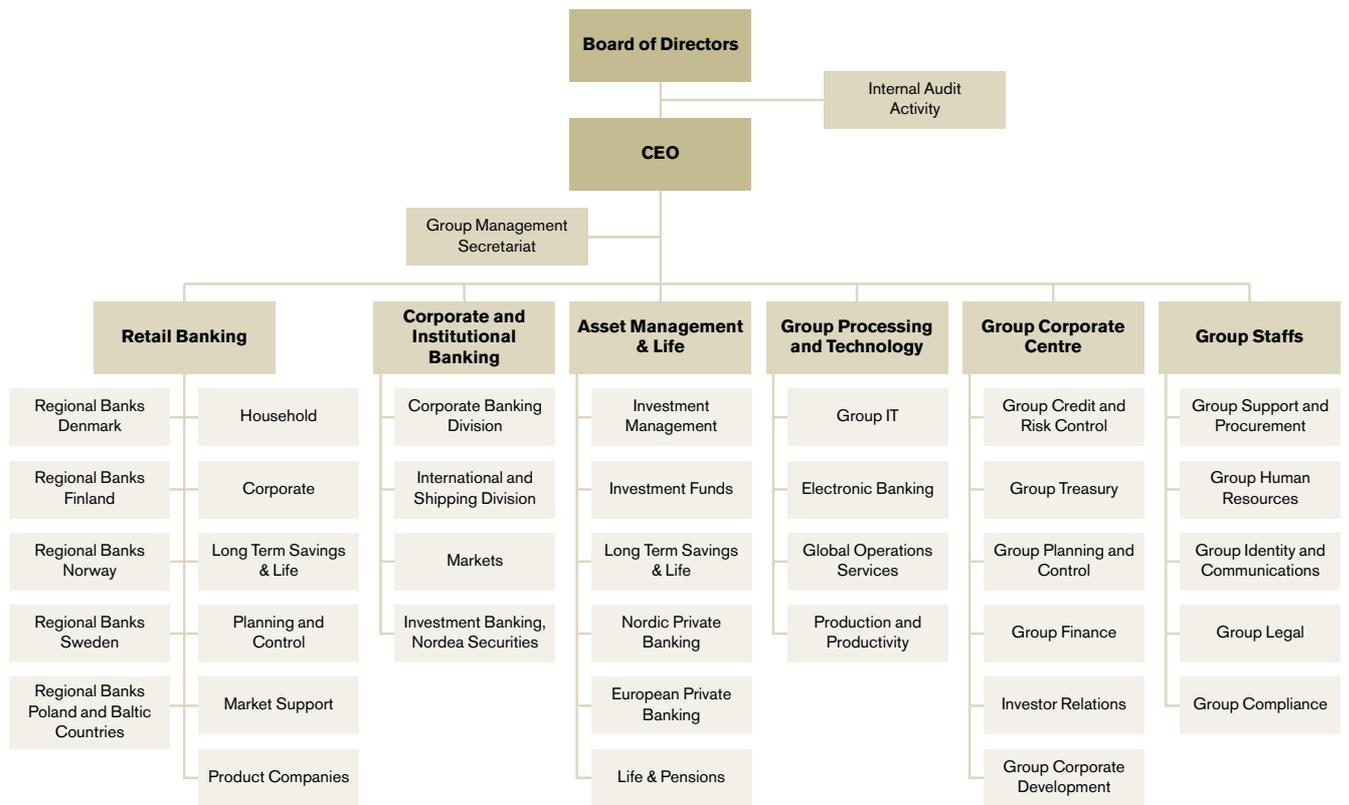
Within Nordea, customer responsibility is fundamental. The Group's total business relations with customers are reported in the customer responsible unit's income statement and balance sheet. When calculating return on allocated capital standard tax is applied.

Capital allocation is based on each business unit's actual risk exposure considering credit and insurance risk, market risk as well as operational and business risk. This framework optimises utilisation and distribution of capital between the different business areas. Economic profit constitutes the basis for evaluating strategic alternatives as well as for the evaluation of financial performance.

Asset Management & Life has customer responsibility within investment management and in private banking outside the joint unit with Retail Banking. In addition, the business area commands product responsibility for investment funds. The operating profit shown in the accompanying table includes the customer responsible units.

In addition to the three business areas, Group Treasury, with responsibility for managing the Group's own positions in securities portfolios and group funding activities, is also included in the table. The column "Other" includes income and expenses not allocated to business areas, ie funding costs for the cash acquisition of Nordea Bank Norway, results from real estate holdings, expenses in Group functions not defined as services offered to business areas, goodwill depreciation related to the creation of Nordea, central provisioning for loan losses and profits from companies accounted for under the equity method which are not included in customer responsible units.

Group organisation





What's your plan?

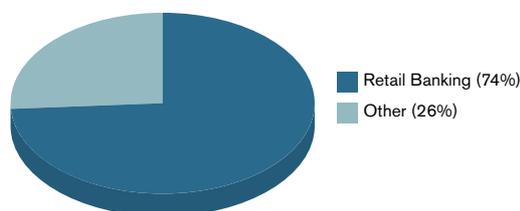
Any service starts and ends with a genuine interest in people.

The interest we show brings along with it a genuine desire to listen and understand people's needs. Out of this understanding grows the will and capacity to provide our customers with the very solutions that are right for them.

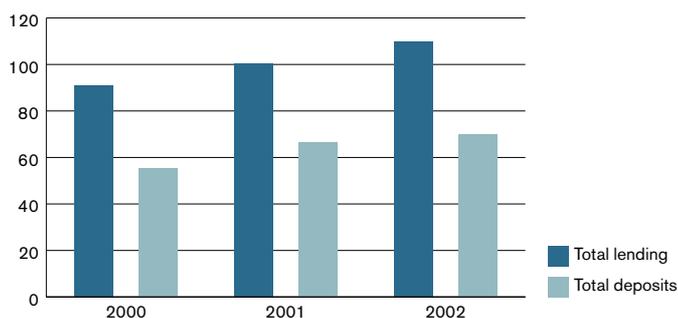


Retail Banking

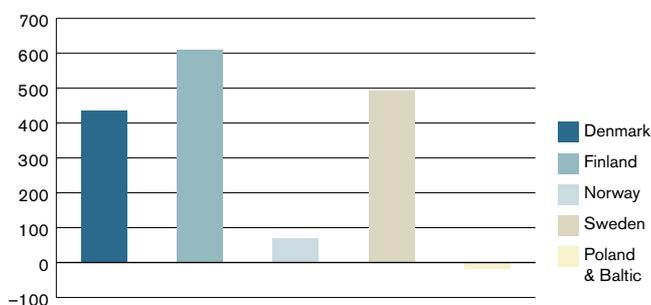
Retail Banking in the Nordea Group, % of income 2002



Volumes 2000-2002
EURbn



Operating profit per country 2002
EURm



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

Retail Banking is a strongly decentralised profit centre-based organisation where the branch offices and the regions are the profit centres with the responsibility for all business its customers have with the bank, including risks related to such business, the quality of the services offered as well as profitability. This applies irrespective of the channel through which the customer chooses to be served by the bank, be it through branch offices, the Internet or telephone.

The business area comprises 13 regional banks in the Nordic countries. The operations in Estonia, Latvia, Lithuania and Poland are organised into one separate region. The Swedish Postgirot Bank that was acquired in 2001 was integrated into the Nordea organisation during 2002. Nordea has acquired LG Petro Bank in Poland during 2002, and Nordea now ranks among the 15 largest financial service providers in Poland with a total of 50 branches and 17 mortgage outlets, covering all major Polish cities.

Strategic direction

Grow revenue

- Increase share of wallet of existing personal customers and acquire new profitable customers in a multi-channel strategy
- Add value for corporate customers

Ensure operational excellence

- Benchmark processes and structures
- Emphasize Nordic projects and solutions
- Drive e-banking

Optimise use of capital

- Implement economic profit at business unit level
- Refine credit-granting and controls
- Credit-scoring models

Grow revenue

Personal customers

Lending to personal customers continued to grow strongly. The loan volume increased by 10%, or EUR 5.1bn during 2002 to EUR 54.8bn at year-end, growth in lending has been strongest in Norway and Denmark. Deposits from personal customers increased by 7%, or EUR 2.5bn during 2002 to EUR 39.0bn at year-end. Growth in deposits has been strongest in Finland and Norway.

Lending margins were unchanged at 1.7% compared to 2001, while deposit margins decreased by 40 basis points to 2.1% as a result of interest rate decreases.

The coordination between distribution channels is facilitated by customer management systems that contain customer information, which is available in all channels. Such a system is implemented in Denmark, and a groupwide solution will be developed.

A common loyalty programme for personal customers is being introduced in all markets. The programme defines three major customer segments: Gold, Silver and Bronze depending on the customer's business volumes and number of Nordea products. The programme contains price benefits and service benefits in terms of access to a personal bank adviser for Gold and potential Gold customers.

The loyalty programme is supplemented by standardised product packages that covers the customer's financial needs throughout the lifecycle: Children, Junior, Student/Youth, Family and Senior packages are in the process of being implemented in all countries.

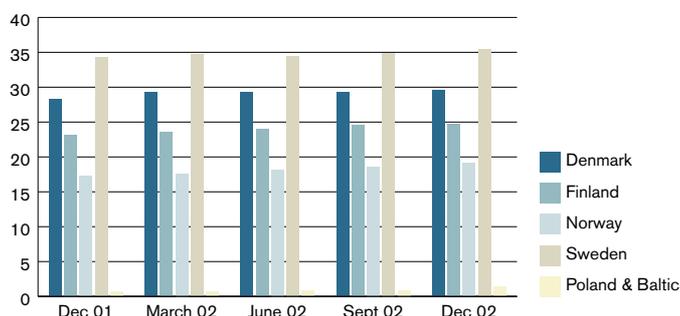
Products for personal customers are also packaged to fit the customer's basic needs for bill payments and cash, and complex needs for housing finance, pension savings, financial investments etc. A special emphasis is on providing customers with superior products and advice within the area of long-term savings and investment.

In 2002, the net sale of investment funds to personal and corporate customers was EUR 2.4bn, which is somewhat below the level in 2001.

Efficient customer-base management is ensured through careful allocation of personal bank advisers to Gold and potential Gold customers, and

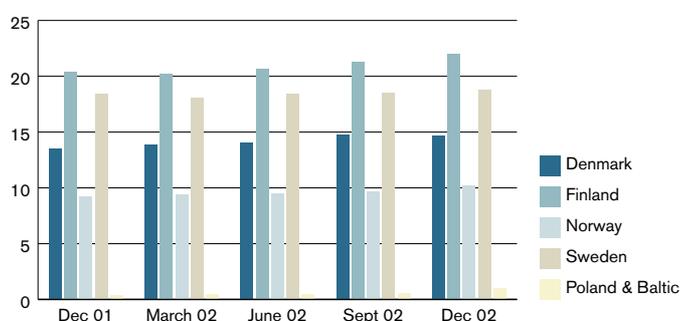
Lending in Nordea

EURbn



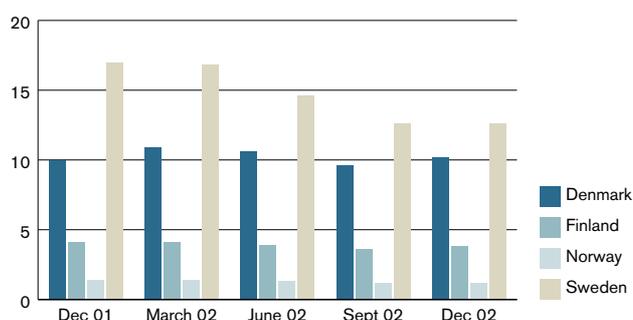
Deposits in Nordea

EURbn



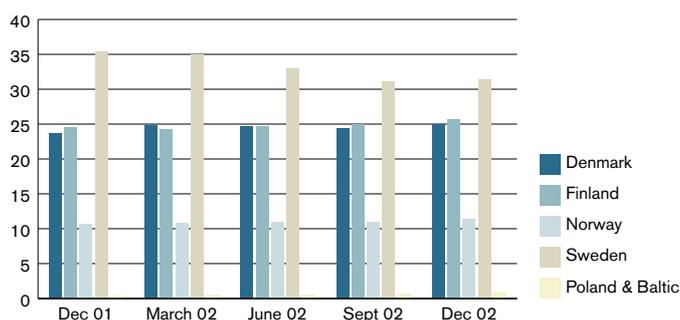
Mutual funds in Nordea

EURbn



Total savings in Nordea

EURbn



Margins	Margins, %	
	2002	2001
Lending to corporates	1.2%	1.2%
Lending to personal customers	1.7%	1.7%
Total lending	1.4%	1.5%
Deposits from corporate	1.3%	1.4%
Deposits from personal customers	2.1%	2.5%
Total deposits	1.8%	2.1%

Volumes (EURbn)	Personal Customers	Marketing tools
117	9.7 million	
88	1.1 million	Private Banking Gold Programme
23	1.6 million	Silver Programme
6	7.0 million	Pricing

Nordea aims at delivering all products and services through all distribution channels, thus ensuring that the customer is experiencing one bank and chooses the appropriate channel, whether it be the local branch office, the telephone or the Internet. In this respect, one of Nordea's major strengths lies in the number of customers who already are accustomed to using conventional banking services through the Internet.

Volumes (EURbn)	Corporate Customers	
51	1,000,000	
35	20,000	Relationship Managers
10	55,000	Relationship Managers
6	925,000	Standardised Concepts

Corporate customers are segmented according to service needs and profitability. A strategic initiative defining and implementing common segmentation and segment-related service concepts has been launched with the objective of increasing customer satisfaction and as a result increase profitability.

Market shares

	Denmark		Finland		Norway		Sweden	
	2002	2001	2002	2001	2002	2001	2002	2001
Household, deposits	22%	23%	34%	34%	9%	8%	20%	21%
Household, bank lending	19%	19%	31%	31%	10%	10%	11%	11%
Corporate, deposits	22%	22%	48%	50%	16%	16%	26%	25%
Corporate, bank lending	26%	28%	46%	46%	18%	17%	16%	16%
Mortgage & housing loans	12%	11%	33%	34%	10%	10%	16%	15%
Funds	27%	27%	24%	28%	9%	9%	18%	19%

through marketing tools towards other customers. Common marketing tools, including direct marketing that has shown good results in Finland and Sweden, will be developed further and implemented in all countries.

In the private banking units that serve high net worth customers, a new concept is being launched. Each customer has a dedicated advisor and is offered a specially developed service package. Besides the standardised offerings specific services are added whenever demanded by the customer and profitable to the bank. In addition, a financial planning tool has been introduced, providing the ability to consistently meet increasing customer demand for quality investment advice.

Corporate customers

Lending to corporate customers increased by EUR 1.4bn to EUR 55.4bn at the end of December 2002 compared to the end of December 2001. This was due to an increase in the loan book in Poland, Finland and Norway, while loan volume to corporate customers decreased in Denmark and Sweden. Deposits from corporate customers increased by 9%, or EUR 2.3bn during 2002 to EUR 27.7bn at year end.

Lending margins for corporate customers were 1.2% in 2002 which is unchanged compared to 2001, deposit margins decreased from 1.4% in 2001 to 1.3% in 2002.

Large corporate customers are served by relationship managers and a common organisational model with a total of 80 corporate competence centres is in the process of being established. Best practice working methods for relationship managers and sales managers will be introduced.

With the development of One-Bank-Solution for corporate customers, a single point of entry to Nordea global network is providing better services for cross-border customers. Also common

cash management solutions have been developed securing quick payments services for customers operating in more than one country.

All corporate customers have full access to all markets where Nordea operates through the extensive branch network. Through a new corporate e-bank that will be launched during 2003, corporate customers can interact electronically with Nordea's 3.3 million e-bank customers.

Customer Satisfaction Index (CSI)

Retail conducts a comprehensive customer survey each year with the purpose of providing to the whole organisation a tool to improve customer satisfaction, and thereby overall profitability.

In 2002, a total of 170,000 personal customers and 36,000 corporate customers were contacted throughout the Nordic countries. The CSI results and trends vary between countries, regions and branches and between customer segments.

The results are used by Retail Banking executives to adjust the customer-centric business models, and in branch regions and branch offices to set targets for customer satisfaction for sub-segments, and to identify and carry out initiatives with a view to reach such targets.

Focus in 2003

The customer-centric business model outlines how all products and services are developed, bundled in packages, and sold to customers through all distribution channels in a way that is convenient for the customers and profitable for Nordea.

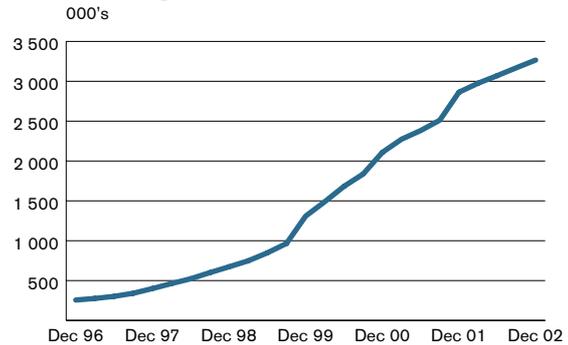
The implementation of all elements of the business model for personal customers in all markets is a major focus area for 2003. For corporate customers, the focus in 2003 will be on adding value to corporate customers and initiatives to attract new customers, with a special emphasis on cross sales to Postgirot customers in Sweden.

Ensure operational excellence

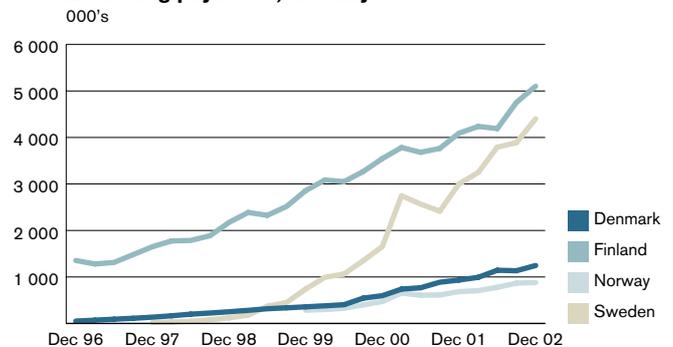
Development in 2002

Ensuring cost control has top priority in Retail Banking, and a number of cost control initiatives were taken throughout Retail Banking in 2002. The realisation of cost reductions enabled by automation and centralisation of production as well as e-banking and the multi-channel develop-

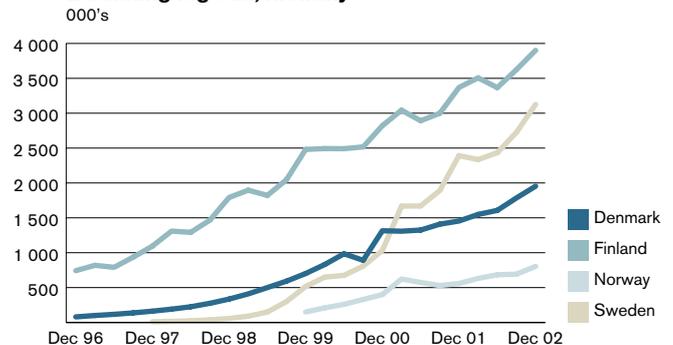
E-banking customers



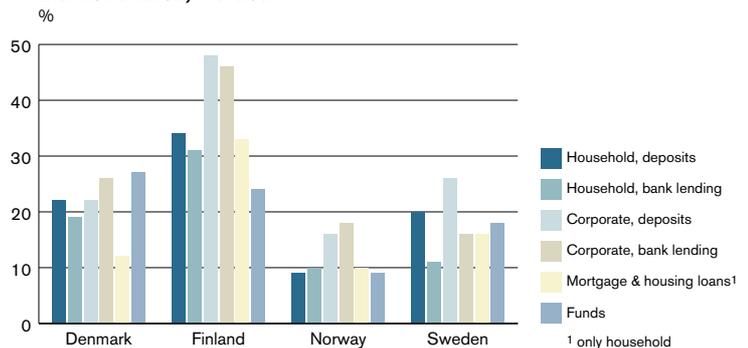
E-banking payments, monthly



E-banking log-ons, monthly



Market shares, Nordea



ment, remained in focus. The number of employees was reduced by 800 in 2002 to a total of 20,300 at year end.

The total number of transactions show continuous growth and the transaction pattern has changed dramatically from 1999 to 2000 with a 32% reduction in manual transactions and a 37% increase in automated and self-service transactions.

Nordea continued to see strong sales in the growing range of e-banking services and increasing usage. During 2002 the number of e-bank customers increased by nearly half a million to 3.3 million. 306,000 customers had signed up for equity trading on-line. The number of customer logons was 104 million in 2002, which represented an increase of 23 million, or 28%, compared to 2001, and the number of payments was 121 million during 2002, an increase of 24 million, or 25%, compared to 2001.

Nordea had more than 2,100 contracts with merchants using direct e-payments. 700 of them were present at the electronic market place Solo Market. Nordea's e-commerce services also include e-invoicing, e-identification and signature and e-salary.

With the strong growth in e-bank usage Nordea strengthened its position as the world's most widely used e-bank.

Cost control measures in branches

Structural changes in the branch networks have been implemented in Finland and Sweden and are in progress in Denmark. The changes include the merger and restructuring of branches, a reduction of the number of branch managers and

the centralisation of production activities. Structural changes will also be implemented in the branch network in Norway in 2003.

Continuous improvement of branch efficiency is supported by internal benchmarking. Branch productivity and financial results differ within and across countries. Through internal competition and individual target-setting, branch managers are constantly urged to improve performance.

Continuous improvement in branch efficiency is also to a large extent enabled by the ongoing initiatives that ensure the automation and centralisation of product-processing activities, and via the customers' increased e-bank usage that reduces the volume of manual transactions.

Focus in 2003

Cost control measures in support functions

The completion of common business models for personal and corporate customers has enabled a further integration and downscaling of all Nordic product/market and service units. Support functions within the regional bank organisations will be downscaled and centralised at one level to ensure cost efficient branch support.

Re-prioritisation of IT projects

Local IT projects have been considerably downscaled allowing for future-oriented projects with a Nordic scope. Projects with a Nordic scope include a single, next generation e-bank solution replacing up to 15 local applications, and the development of methods of payment across all channels and devices.

Central processing costs

Approximately one third of Retail Banking's cost base is central processing costs that are governed through service level agreements with Group Processing and Technology. Such costs will be monitored closely, and cost-control measures will be taken on an ongoing basis.

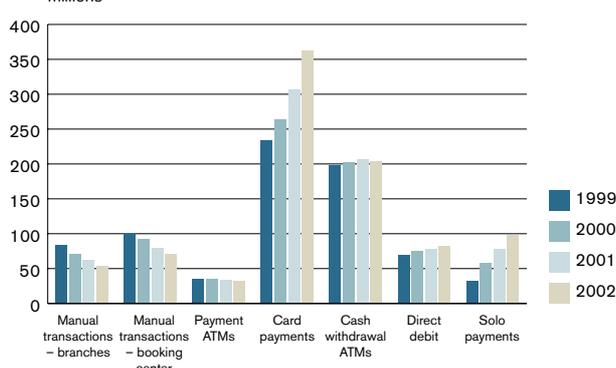
Optimise use of capital

Optimal allocation of capital in Retail Banking is ensured by the finetuning and roll-out of the economic profit concept that support profitable pricing and service standards.

Development in 2002

Economic capital was EUR 5.4bn, an increase of 8% compared to 2001.

Transactions, household customers 1999–2002
millions



Optimal allocation of capital in Retail Banking is ensured by the finetuning and roll-out of the economic profit concept that support profitable pricing and service standards.

Focus in 2003

The size and quality of assets will be carefully observed and proactive risk management procedures will be enforced.

The economic profit concept will be fine-tuned and reporting at customer level for corporates will commence in 2003 based upon unified customer ratings. The roll-out will create a clear picture of risk and capital needs towards single customers with the goal of adjusting customer service strategies and pricing policies accordingly.

A number of initiatives aiming at improved loan and credit processes for personal and corporate customers have been identified and will be implemented. The initiatives include credit scoring models for personal and small corporate customers and common limit and credit documentation systems and procedures for corporate customers.

Result 2002

The result for 2002 showed stable development, despite deteriorating economic and market conditions. Total income increased by 4% compared to last year, comprising income growth in Sweden and Norway and slight decline in Finland and Denmark.

Volume growth has been strong, to a high degree offsetting the negative impact on net interest income stemming from the continued decline in rates, which has lowered the interest margin on

deposits. Net interest income increased by 2%. Net commission and other income increased in all countries, but especially in Sweden as an effect of the acquisition of Postgirot Bank. Net commission increased by 10% and total income showed an increase of 4%.

Strict cost control ensured that the cost/income ratio were flat in Finland and Denmark, down in Norway, while the cost/income ratio increased by 5% in Sweden to 62% as a consequence of the Postgirot Bank acquisition. The cost/income ratio was 58% in 2002 compared to 58% in 2001, which did not contain Postgirot Bank.

Loan losses in Retail Banking were EUR 209m in 2002, compared to EUR 165m in 2001. 3/4 of the losses related to Retail Norway and were to a high degree related to exposures to the fish-farming industries. Loan losses in the other countries were very low regardless of the deteriorating economic climate.

Operating profit before loan losses was EUR 1,828m, almost unchanged compared to 2001, while operating profit at EUR 1,597m represented a slight decrease from 2001. Return on equity remained at a high level of 22%.

	Full year 2002	Full year 2001
Operating profit, EURm	1,597	1,612
Return on equity	22%	24%
Cost/income ratio	58%	58%
Customer base: personal customers, million	9.7	8.9
corporate customers, million	1.0	0.6
Number of employees (full-time equivalents) ¹	20,300	20,300

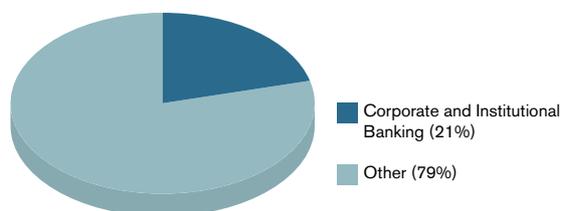
¹ Number of employees in 2002 includes LG Petro Bank.

Retail Banking by market EURm

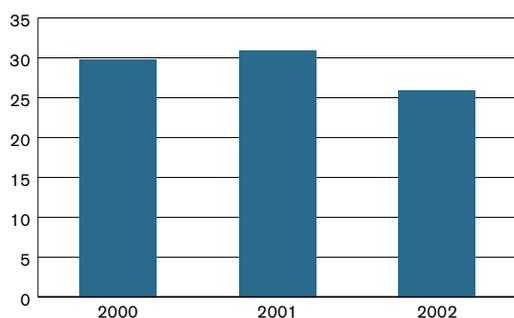
	Total		Retail Denmark		Retail Finland		Retail Norway		Retail Sweden		Poland & Baltic	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
Net interest income	3,069	3,006	831	866	879	943	420	384	900	780	29	24
Net commission & other inc.	1,325	1,199	317	311	339	324	184	165	424	381	21	11
Total income	4,394	4,205	1,147	1,177	1,218	1,267	604	549	1,324	1,169	50	35
Total expenses	-2,566	-2,426	-661	-686	-601	-627	-402	-395	-826	-666	-49	-29
Profit before loan losses	1,828	1,779	487	492	617	640	202	154	498	495	1	6
Loan losses	-209	-165	-46	-59	-1	-37	-147	-21	-8	-23	-5	-2
Allocation of goodwill	-22	-2	0	0	0	0	0	0	-18	0	-4	-2
Operating profit	1,597	1,612	441	432	616	604	56	134	472	472	-8	2
Cost/income ratio, %	58%	58%	58%	58%	49%	49%	67%	72%	62%	57%	98%	82%
Return on allocated capital, %	22%	24%	23%	23%	38%	39%	4%	12%	21%	23%	-10%	4%

Corporate and Institutional Banking

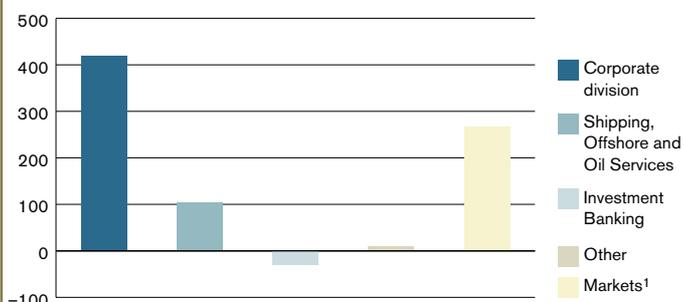
Corporate and Institutional Banking in the Nordea Group, % of income 2002



Lending volumes 2000–2002
EURbn



Operating profit per division
EURm



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

Corporate and Institutional Banking delivers a range of products and services to corporate and institutional customers and has customer responsibility for large corporates, shipping, offshore and oil services companies and financial institutions. Nordea's investment banking services are offered through Nordea Securities.

Corporate and Institutional Banking's primary customer base consists of some

- 450 large Nordic corporates
- 150 Nordic financial institutions
- 100 international financial institutions
- 100 Nordic and international shipping companies

Strategic direction

Grow revenue

Nordea has a strong position in the markets of Nordic corporate and institutional banking, including:

- A broad relationship base with corporates and institutions in the Nordic countries
- An internationally leading ship finance operation
- A leading Nordic position in debt-capital markets and derivatives.

Profitable revenue growth will build on these strengths, with special focus on:

- Enhancing position among large corporates in Sweden
- Servicing financial institutions
- Gaining market share in debt capital markets

Ensure operational excellence

Corporate and Institutional Banking is well positioned to achieve a beneficial cost development in the short and medium term with emphasis on:

- Streamlining international activities
- Refocusing Nordea Securities
- Reducing portfolio of development projects

Optimise use of capital

Corporate and Institutional Banking aims to develop its business without using more capital through:

- Limited use of balance sheet
- Pricing according to risk
- Increased proactivity and more strict monitoring of credit portfolio

Grow revenue

The business environment for Nordic corporates in 2002 has been characterised by slow economic growth and uncertainty about when the economic cycle will turn. Investment decisions and structural transactions have been held back.

The very weak equity market developments have caused substantial challenges in the asset management and investment banking segments of the financial industry. Sharply reduced income has necessitated a reduction in the size of operations in a number of firms.

In this challenging market, Nordea has managed to secure a satisfactory deal flow with Nordic corporate customers in all four Nordic countries. Notable successes within cash management, debt capital markets and acquisition finance has helped counteract effects of somewhat subdued loan demand. Lending margins have increased.

Efforts to enhance the position in Sweden among Swedish corporate customers have started to produce results. Nordea's acquisition of Postgirot Bank has considerably strengthened the menu of cash management services available.

As regards Nordic financial institution customers, 2002 was a record year for Nordea, with strong growth in all four Nordic countries and particularly in Sweden. Pan-Nordic cash management and custody services solutions for several leading investment banks/broker dealers were established. Nordea became total service provider to some of the largest Nordic pension funds. In Finland, Nordea was awarded the contract for cash management and custody services for the Finnish government.

Services to international financial institutions were further developed. Agreements were reached with several international banks to provide custody services in all four Nordic home markets.

In the shipping, offshore and oil service segments, the year began with rather weak demand, but the deal flow increased in the second half of the year. Nordea has arranged and co-arranged new transactions for more than USD 7bn, on par

with last year's record level. The position among the Nordic and international customer base has been further strengthened. Nordea won the Best Overall Institution for Syndicated Loans Award 2002 by Lloyd's Shipping Economist.

Products and services

Nordea's Nordic cash management services were developed further. Cash management offerings were harmonised in the Nordic countries and the international branches with regard to pooling, cash concentration and netting. By the end of the year Corporate e-bank, an Internet-based application giving real time access to accounts in all four Nordic home markets, went live with pilot customers.

In foreign exchange, money market and fixed income, 2002 was characterised by continued high activity levels and strong customer focus. As part of the efforts to strengthen the capabilities in the euro market, Nordea obtained dealership for Deutsche Bundesbank and the Belgium Ministry of Finance. Furthermore, Nordea made arrangements to join TradeWeb – the world's leading online trading network for fixed-income securities.

In derivatives, efforts to deal with customers' needs in a more comprehensive way continued in 2002. In the corporate segment, demand for solutions based on interest and FX derivatives increased. Among institutional customers, duration-adjustment solutions and interest rate hedge strategies were in good demand. An asset/liability management concept was further developed and targeted towards new groups of institutional customers with promising results.

During the year Nordea secured a position as the number one mandated arranger and bookrunner

Syndicated loans: Nordea's position¹

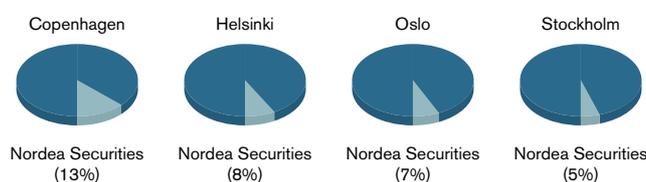
	2001	2002
Nordic Corporates		
League table position	# 3	# 1
Market share	11%	18%
Swedish corporates		
League table position	# 9	# 1
Market share	3%	14%

¹ Based on loan volumes. Source: Dealogic Loanware

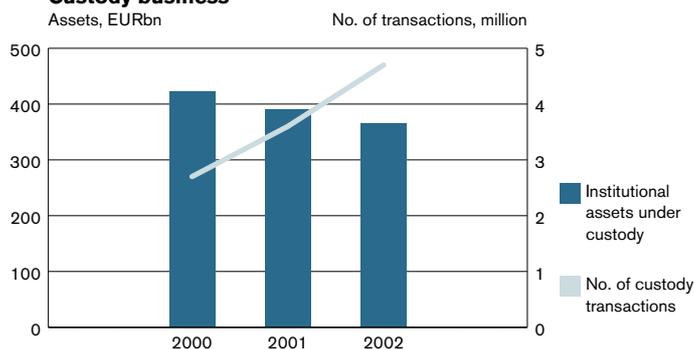
Equity market development

	Market turnover		Market index
	2002 EUR bn	Change 2002/2001	Change 2002
Denmark	55.4	-30.1%	-26.8%
Finland	188.7	-6.9%	-32.8%
Norway	56.8	-13.4%	-31.1%
Sweden	297.6	-30.9%	-37.4%

Stock exchange market shares 2002



Custody business



in syndicated loans for Nordic corporate borrowers, and reached the first position also as regards Swedish corporates.

Despite difficult secondary markets, characterised by low liquidity and volatile credit spreads, the credit bond issuance activities were further developed, and Nordea's position in the Eurobond market was strengthened. In terms of issues arranged, Nordea now holds the leading position among Nordic financial institutions.

Trade finance and export and project finance business developed well, with increasing income in 2002 in spite of low growth of Nordic exports and stricter focus on transactions related only to Nordic customers. In acquisition finance, Nordea was lead or co-lead arranger in many of the medium-sized transactions completed by private equity funds.

In equities and corporate finance, market conditions deteriorated further compared to 2001. Nordic stock market indices fell by an average 32% and stock market turnover by 23%. The market for rights issues was very weak. In this environment, Nordea Securities' income fell by 30% compared to 2001. In relative terms, Nordea Securities maintained and in some areas strengthened its market position. In the fourth quarter, Nordea Securities acted as Joint Global Coordinator in Outokumpu's EUR 300m rights offering. In Nordic M&A, the company ranked second among the Nordic advisers in 2002. Business deals included advising Navision Software in relation to the public bid from Microsoft and advising Kone on its public bid for Partek. On the Nordic stock exchanges, Nordea Securities ranked fourth in terms of turnover.

Custody Services' transaction volume continued to increase substantially during 2002, while the volume of assets under custody at the end of 2002 was 6% lower compared to end 2001. A series of

new mandates were won both locally and globally, in both the traditional custody business and in issuer services. Custody Services won the Euro-money award for excellence in the category Best at Custody in Nordic/Baltic region.

Focus in 2003

An organisational change implemented in October 2002, bringing key product units closer to the customer responsible units, will ensure even better coordination and prioritisation in meeting customer needs. Focus in 2003 will remain on enhancing Nordea's position in corporate and institutional banking in Sweden, with a continuation of the current positive trend to be expected. Also, further improvements will be made in services to financial institution customers.

Further enhancements of the cash management offerings, including improved Nordic cash pool services and continued build-up of Corporate e-bank as a common electronic banking system, are of key importance regarding product development.

Ensure operational excellence

In order to achieve the scale benefits from operations in FX and money market products, development of centralised, cross-border platforms for processing and settlement of trading was initiated late 2001 (Trading Infrastructure Programme). The programme is progressing in accordance with plans and will be finalised during 2003.

Furthermore, a programme has been started up to increase efficiency in the processing of trade finance transactions aiming at centralisation of processing to one location, with scheduled completion in 2004.

Customer trading on e-Markets, Nordea's Internet-based distribution channel for FX and money market products, is now available in all Nordic countries. It is the aim to increasingly handle

customer trading in these products through e-Markets.

Nordea Securities has taken specific actions to adapt the organisation to the current difficult market environment and ensure return to profitability. A more focused strategy that targets its Nordic client base has been implemented, with emphasis on improving the position in the Swedish market. Resources and attention are directed to core markets where Nordea Securities can gain leverage from Nordea's strong franchise. The cost level has been reduced by approximately 40% during the year, following personnel reductions and closure of the offices in London and New York. The number of staff was reduced successively from 609 at the end of 2001 to 449 by the end of 2002.

Customer satisfaction

Corporate Banking Division is on an annual basis monitoring the development in customer satisfaction. The survey for 2002 has reconfirmed Nordea's unchallenged position as the clear number one in the Nordic market.

Focus in 2003

For cost reasons and to ensure efficiency in execution, IT development projects in 2003 will be focused on a few key areas. The most important of those are projects to reap scale benefits from Nordic processes, enhancements of cash management services and improvements of e-banking capabilities.

Continued refinements of operations will provide additional efficiency improvements in 2003. This includes further consolidation of the operations in the international branch office network, where the focus at supporting Nordea's Nordic customers in achieving their international strategies will be sharpened further in the years ahead.

Optimise use of capital

The use of economic capital has decreased in Corporate and Institutional Banking in 2002, as a consequence of

- Planned run-off of non-core credit portfolios
- Active syndication of credits, particularly in shipping
- Weak demand for credits in some sectors
- The decline in the USD/EUR exchange rate

The framework of economic capital and economic profit has been implemented in Corporate and Institutional Banking. Tools have been taken into use to apply this framework in the daily business transactions.

Focus in 2003

Efforts to improve the use of economic capital will continue, with emphasis on using debt capi-

tal market products, syndications and asset distribution in general.

Results

Income totalled EUR 1,129m, down by EUR 54m or 4% from the previous year. The strong growth in off-balance-sheet-related earnings mainly in Corporate Banking and Markets partly compensated the sharp income drop in investment banking business, EUR 46m from 2001, and a decline in earnings from foreign branches, EUR 24m from 2001. The net interest income declined EUR 28m explained by the decreased volume of on-balance-sheet lending.

Total cost amounted to EUR 607m, up by EUR 24m or 4% from the previous year. The increase was attributable to high restructuring cost of EUR 51m following decisions to take further actions to adjust

Operating profit 2002 by main areas

EURm	Total	Corporate Banking	International & Shipping	Investment Banking ¹	Other	Markets ²
Net interest income	417	289	125	–	3	–
Other income	712	559	67	93	–7	480
Total income	1,129	848	192	93	–4	480
Total expenses	–607	–383	–70	–121	–33	–212
Profit before loan losses	522	465	122	–28	–37	268
Loan losses	–32	–49	–18	0	35	0
Country risk	9	9	0	0	0	0
Equity method profit	12	0	0	0	12	0
Depreciation on goodwill	–8	–5	–	–2	–1	–
Operating profit	503	420	104	–30	9	268
Lending, EUR bn	25.5	18.5	7.0	–	0.0	–

¹ Numbers include income and cost related to the division's activities as a customer responsible unit. In addition, the division have income and cost related to its service and product responsibility and that are allocated to other customer responsible units within the group.

² Markets has product responsibility for trading products such as FX, fixed income and related derivatives and is evaluated by monitoring the product result. The product result includes all revenues and expenses related to the respective products, which is allocated to the customer responsible units within Corporate and Institutional Banking and Retail Banking.

the cost to deteriorated income potential in investment banking business and to further streamline operations in Corporate Banking Division as well as in the international network. The underlying cost decreased by EUR 27m as a result of good progress in the completion of merger synergies. The number of personnel decreased by 227 to 2,436.

Credit quality has remained satisfactory in 2002. Net loan losses in 2002 were EUR 32m compared to EUR 266m in 2001, representing 0.1% of total lending. The remaining amount of general loan loss provision, EUR 36m, which was booked in the third quarter 2001, was fully released during the year.

Operating profit improved to EUR 503m compared to EUR 355m in 2001. Return on equity went up to 16% from 10% in the previous year.

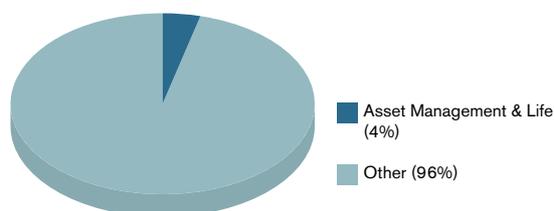
Corporate and Institutional Banking 2002 EURm¹

	Full year 2002	Full year 2001
Net interest income	417	447
Other income	712	736
Total income	1,129	1,183
Total expenses	-607	-583
Profit before loan losses	522	600
Loan losses	-32	-266
Transfer risk	9	12
Equity method	12	14
Depreciation of goodwill	-8	-3
Operating profit	503	357
Return on equity, %	16%	10%
Cost/income ratio, %	54%	49%
Lending, EUR bn	25,5	30,9
Number of employees (full-time equivalents)	2,436	2,663

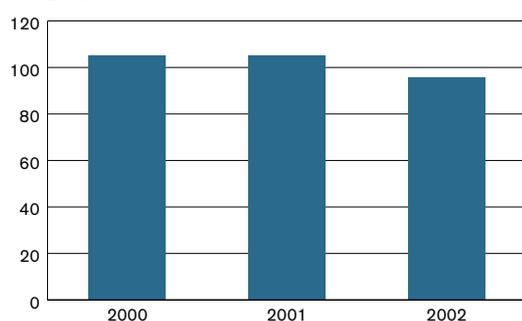
¹ According to the new organisation as from 1 October 2002. Figures have been restated to reflect the new organisation.

Asset Management & Life

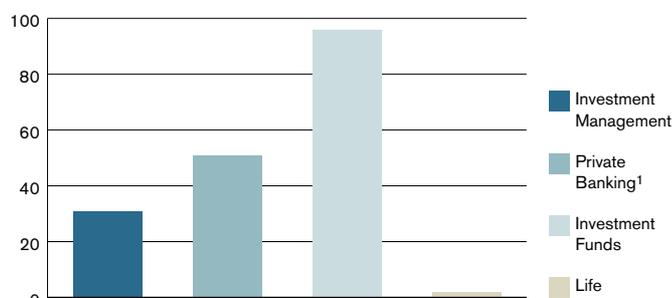
Asset Management & Life in the Nordea Group, % of income 2002



Assets under management 2000–2002
EURm



Result by activity 2002
EURm



¹ Excluding the majority of Nordic Private Banking which is included in Retail Banking.

Asset Management & Life is responsible for the Group's activities within institutional investment management, life insurance and pensions, investment funds, private banking and in the retail savings market in general.

Strategic direction

Grow revenue

Sales and customer relations will be further prioritised while the volatility of Life profits will be reduced. The strategic aim is to:

- Capture share of expected growth in the long-term savings and life area
- Reduce volatility in Life & Pensions

Nordea's operating model for Asset Management & Life is fully integrated and ready to exploit opportunities for revenue growth as they reappear.

Ensure operational excellence

All activities are being reviewed on an ongoing basis to adjust to market developments and focus on core competencies with the aim to:

- Centralise equity and fixed-income processes
- Standardise service concepts
- Streamline support functions

Non-core activities will be divested or discontinued to ensure a focused and efficient platform for future growth within Asset Management & Life.

Optimise use of capital

Nordea is introducing the concept of economic profit in its Life business.

Traditionally, Life & Pensions used significant economic capital. By active asset/liability management and the development of next-generation products, the new business model will increase capital efficiency.

Grow revenue

Nordea remains the leading Nordic asset manager. Assets under management were down to EUR 95.9bn at the end of 2002 compared to EUR 105.2bn at the end of 2001.

Significant long-term growth in savings is expected despite the downturn in 2002. Nordea will profit from this by attracting the future savings flows directly from retail customers and indirectly by exploiting the accelerating trend towards outsourcing in the area of institutional asset management.

On the retail side, only Nordea has a full Nordic footprint in both investment funds, life & pensions and private banking and is unrivalled in its Nordic retail distribution power. The Group's capacity for advice on customers' total savings portfolio derives from its fully integrated operating model for Asset Management & Life. As demands for quality advice from customers and regulators continue to increase, this is a major competitive advantage.

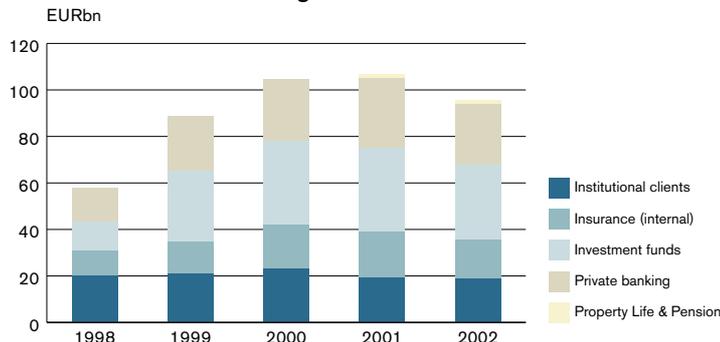
In the area of institutional investment management, Nordea is alone among the Nordic players with an investment process that is internationally recognised and competitive: The Thematic Investment Process® or TIP®. With European and International equities among its core products, Nordea stands to benefit rather than lose from the trend towards increased internationalisation of equity portfolios. Moreover, together with the Luxembourg-based Value process used in the European fund distribution, the TIP® allows Nordea to leverage its competencies by profitably gathering assets outside its Nordic home markets.

Development in 2002

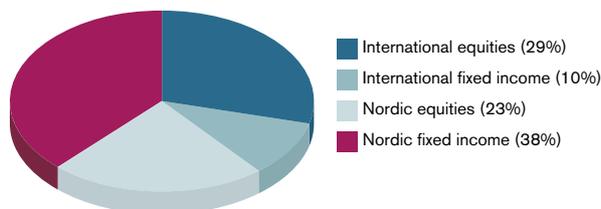
Despite a strong market position, the effect of a reduced asset base coupled with a change in customers' asset mix reduced margins. Revenues were significantly lower than in 2001.

2002 saw continued strong results in European Private Banking and European Fund Distribution, proving the value of geographical diversification. Net inflows to these activities reached EUR 1.7bn and Nordea was cited among the top European cross-border fund managers by the Financial Times. The year also proved successful in terms of leveraging the TIP® by winning new institutional mandates in Europe and North America.

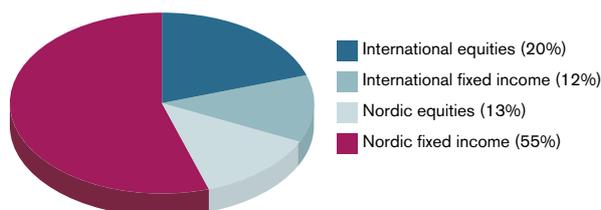
Total assets under management



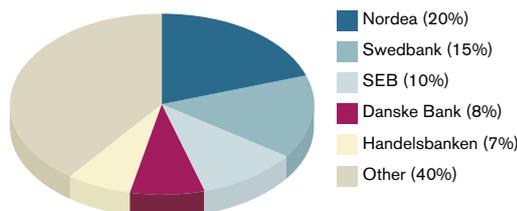
Approximate distribution of assets end of 2001



Approximate distribution of assets end of 2002



Market shares of Nordic Investment funds 2002



In the Nordic retail segment, Nordea reacted to the deteriorating environment by continuing to stress advice on asset allocation and the portfolio approach as the key to overall investment return. Nordea successfully defended its share of total Nordic fund assets under management, which remains virtually unchanged compared to 2002.

Within Life, Nordea, along with the industry as a whole, has faced challenges of volatility and insufficient profitability. To address these issues, equity exposure was gradually reduced through a combination of outright sales, hedging and a separation of shareholders' equity and policyholders' reserves in Denmark. This has reduced volatility in earnings and – combined with the introduction of a new business model using economic profit as the main steering parameter – will improve returns to shareholders.

Focus in 2003

For Asset Management & Life, the main competitive parameters are the quality of Nordea's products and advice to customers in the broadly defined savings area. The active use of these to promote both new sales and customer retention will be the main focus for 2003. Product development will also be prioritised as will profitable growth in the Group's European distribution channels for funds and institutional asset management.

Ensure operational excellence

Nordea aims to excel in the provision of both advice and investment products in order to be recognised as the best partner for wealth creation. At the same time, the current market environment accentuates the need for focused strategies and the importance of efficiency and firm control of costs.

Performance in 2002

In a survey of investment performance published by Euromoney Global Investor in October, Nordea was ranked as no 22 out of over 100 US and European fund groups. This meets Nordea's strategic target of top-quartile performance on an overall level. However, performance in several products was below expectations, especially during the first half of the year. In the second half, remedial actions were taken. At the same time, Nordea was chosen by Lipper as European equity fund group of the year and individual funds won awards in several European countries. Nordea's North American Value fund took the majority of these.

In the second quarter, Investment Management centralised the management of European, US and Global equities in Copenhagen, focusing resources on the internationally recognised Thematic Investment Process® (TIP®). As the external environment deteriorated further, Investment Management announced additional measures to improve cost-efficiency. A considerable number of redundancies in Investment Management during 2002 resulted in a more focused platform.

The other business units of Asset Management & Life also took initiatives to reduce cost and improve focus on an ongoing basis. Standardised service concepts based on advanced customer typology are being implemented in both Nordic and European Private Banking, while support functions for the affluent and high-net-worth-individual segments have been merged. Moreover, in order to focus fully on the Nordea brand, Trevis – a subsidiary of Nordea operating under its own brand – will be fully integrated into Nordea Private Banking.

Customer satisfaction

To track satisfaction, Investment Management uses an external survey of investment management firms conducted among clients and prospects during 2001/2002. On a scale from 1 to 5, Investment Management scored 4 or above in all Nordic countries. Nordea's relative position in the institutional segment was strongest in Denmark and Finland with room for improvement in Sweden and Norway.

A customer satisfaction survey among Nordea's Nordic private banking customers has been conducted in 2002. The results indicate a high level of customer satisfaction, with some national variations.

In April 2002, Nordea's European fund distribution was voted among the best in quality of client service to third-party fund distributors and IFA's in a poll conducted by the German-language trade magazine *Fonds professionell*.

Long Term Savings & Life measures customer satisfaction among retail customers in the area of savings and investments using results from the Retail Banking CSI-survey.

Focus in 2003

The implementation of common, cross-border portfolio management and fund administration

systems is central to Nordea's efforts to extract all synergies and ensure maximum cost efficiency and will continue in 2003. The standardised service concepts for private banking launched in 2002, will be fully rolled out in 2003.

Optimise use of capital

With asset management demanding only limited economic capital, the focus in this area is on Nordea's Life activities. The Group aims to be a leader in the ongoing transformation of the Life & Pensions industry. This entails moving to a business model based on the pricing of risk through economic capital to ensure long-term financial viability.

Performance in 2002

Following the move to separate Life from the general insurance business divested during the year, the implementation of a new business model for Life began. As part of this process, responsibility for asset/liability management, product development and other areas was placed in new Nordic staff functions to improve control and extract synergies. Increased control was first applied in risk management, reducing volatility and improving results beginning in the third quarter of 2002.

Focus in 2003

2003 will see the full implementation of the new economic business model. Product development facilitating better long-term returns for customers will play a central role in this process, as will the full integration of Life & Pensions products into Nordea's portfolio approach to retail savings. Finally, business lines where profitability is insufficient to cover the capital charge implied by their level of risk will be restructured, divested or closed.

Result

Product result for Asset Management in 2002 was influenced by weaker net inflows and changed asset allocation. Revenues were EUR 477m, down 10% compared to 2001. Focused cost control led to a reduction in operating expenses, so that cost/income ratio before distribution expenses was slightly improved from last year. However, calculated expenses related to distribution in Retail Banking increased, so that total expenses were at EUR 299m, up 6% from last year.

Product result for Life was at EUR 2m, an improvement from last year's loss of EUR 17m. The

main reason for the improvement in the product result is the improvement in investment return reflecting the reduction in equity exposure that took place during 2002 and reduced interest level in certain countries. Financial buffers were reduced considerably during the year, being used to fulfil guaranteed returns to policy holders. Net written premiums were EUR 2.5bn, down 7% from last year. Premiums from traditional life were unchanged from last year while unit-linked premiums fell considerably.

Key figures – Asset Management activities

EURm	Full year 2002	Full year 2001
Revenues	477	528
Expenses	-196	-223
Distribution expenses	-103	-60
Product result	178	245
<i>of which profit within Retail Banking</i>	<i>84</i>	<i>155</i>
Operating profit, customer responsible units	80	90
Cost/income ratio, % – CRU's	66	64
Assets under Management, EURbn	96	105
Number of employees (full-time equivalents)	853	846

Key figures – Life activities

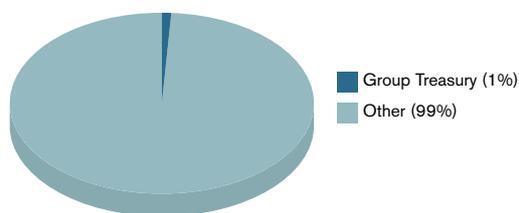
EURm	Full year 2002	Full year 2001
Traditional life insurance		
Premiums written, net of reinsurance	2 021	2 034
Normalised investment return ¹	1 047	1 144
Benefits paid and change in provisions	-2 628	-2 755
Insurance operating expenses	-125	-112
Normalised operating margin ¹	315	311
Fluctuations compared to normalised investment return	-1 016	-1 090
Change in discount rate for life provisions	-243	-211
Actual operating margin	-944	-990
of which allocated to policyholders	-28	-6
of which to/from financial buffers	988	975
Net profit from Health & Pers. Accident Insurance	-10	-
Operating profit	6	-21
Unit-linked business		
Premiums written, net of reinsurance	470	632
Operating profit	-4	4
Total		
Premiums written, net of reinsurance	2 491	2 666
Total operating profit before tax	2	-17
Of which allocated to Retail Banking	80	n.a
Bonds	14 551	11 205
Equities	2 524	5 001
Property	2 041	1 740
Unit-linked	2 974	3 378
Total investment assets	22 090	21 324
Investment return, % ²	0.2	-0.7
Technical provisions	21 370	20 534
of which financial buffers	551	1 566
Number of employees (full time equivalents)	943	802

¹ In the statutory reporting investment assets are valued at market price. As a consequence, short term fluctuations in financial markets effects the operating profit. The normalised investment return reflects the expected long term return on investments based on the applicable asset mix within Life operations.

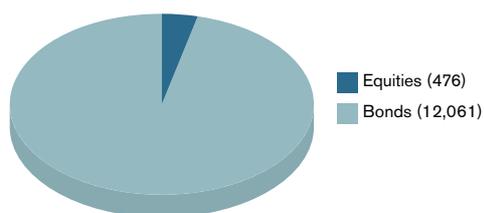
² Exclusive of Unit linked business

Group Treasury

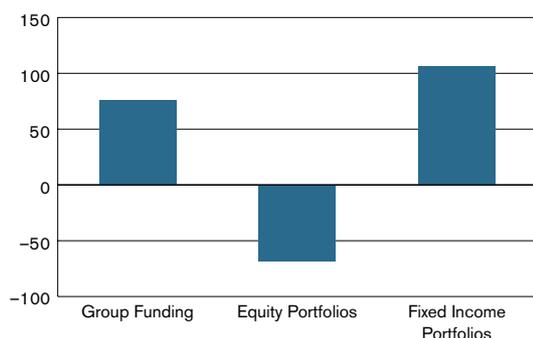
Group Treasury in The Nordea Group, % of income 2002



Investments at the end of 2002, EURm



Operating profit by main area 2002
EURm



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

Strategic direction

Grow revenue

Group Treasury increases revenue by proactively offering financial solutions and managing the risk mandate:

- Group Treasury supports the Nordea name by enhancing the relationships with rating agencies and investors and hence consistently strives to lower the cost of funds and diversify the funding base
- The risk mandate allocated to Group Treasury is efficiently used to take advantage of the opportunities given in the financial market at all times

Ensure operational excellence

Group Treasury ensures operational excellence in all processes by using benchmarking and best practice. The aim is to:

- Continue to increase the awareness of costs, especially IT costs
- Continue the implementation of the integrated IT platform
- Implement a new framework for management of Nordea's pension funds
- Further streamline the operations within all units

Optimise use of capital

Group Treasury optimises capital through further optimisation of risk opportunities relative to use of capital. Priorities include:

- Further focus on the use of capital in risk taking and managing risk in the banking book
- Management of counterpart credit exposure in deposits and OTC derivatives
- Disinvestment of long-term investments.

Grow revenue

In 2002, Group Treasury's increased focus on direct marketing to money market and fixed income investors which resulted in a more diversified and stable funding base. Nordea's acquisition of Postgirot Bank had a positive impact on Nordea's liquidity position. Revenues from managing the active risk mandate increased.

Ensure operational excellence

In 2002, the equity investment activities were consolidated from three to one location. In order to maximise synergies in funding activities, external operations are now centralised to a limited number of locations while providing a local service in 10 locations.

A new framework for management of Nordea's own pension foundation has been devised and is in full force in Nordea Bank Sweden since 1 January 2003. During first half of 2003 the same framework will be implemented in Nordea Bank Finland and Nordea Bank Norway.

Optimise use of capital

In 2002, some of the larger listed and private equity holdings have been sold. After the reduction in private equity funds the Group at the end of 2002 had EUR 210m invested in private equity with additional 118m in commitments, totalling a maximum of 328m at the end of 2002.

Nordea successfully enhanced its diversification of funding base in 2002. Transactions included the placing of Nordea's first ever GBP denominated perpetual transaction of subordinated Upper Tier II capital in the UK market. Despite the volatile market the GBP 300m bond was well received. In addition, Nordea issued further EUR 300m of subordinated debt in the second half of 2002. Other issues in 2002 included a 12-year EUR 500m subordinated bond. Nordea concluded its 2002 capital raising activity by successfully issuing a USD 800m subordinated bond in the US institutional market. This meant a re-introduction

of the Nordea name in the US Yankee market after an absence of 3 years. During 2002 Nordea issued gross EUR 2,071m, the net effect after maturing loans and calls is EUR 1,114m.

Results

Operating earnings from Group Treasury consist of earnings before investments and investment earnings. Earnings before investments is the result of Group Funding activities, whereas investment earnings are the result from Group Investment.

Group Treasury's operating profit was EUR 114m with EUR 76m in earnings before investments.

Investment earnings showed a result of EUR 38m. On the positive side the result was influenced by falling interest rates affecting the fixed income portfolio and from the active risk mandate in fixed income, foreign exchange and equity markets. On the negative side the equity portfolio was influenced by the fall in world equity markets.

Investment earnings are measured after operating and funding cost. Estimated gross return before operating cost and funding was approximately 4.5%

An improved valuation process for private equity has been implemented at the end of 2002. This process involves a conservative approximated mark-to-market valuation based on independent pricing of all investments within each of the funds.

Key figures

EURm	2002	2001
Operating profit, EURm	114	174
Cost/income ratio, %	28	19
Bonds, EURm	12,061	13,378
Equities, EURm	476	574
Investments, EURm	12,537	13,952
Number of employees (full-time equivalents)	96	101

Operating profit by main area

EURm	Total		Fixed income portfolios		Equity portfolios		Group Funding	
	2002	2001	2002	2001	2002	2001	2002	2001
Income			115	108	-63	28	106	78
Expenses			-9	-8	-5	-4	30	28
Profit excluding investment earnings	76	50					76	50
Investment earnings	38	124	106	100	-68	24		
Operating profit	114	174						

What's your plan?





Whenever individuals or corporations strive to reach their objectives and realise their dreams, we will be there to provide the appropriate financial solution and try to remove any financial obstacles in their path.

Processes and Technology

Nordea will focus on achieving excellence in production processes to improve cost efficiency through further integration of production, processes and technologies.

In order to better coordinate and accelerate the restructuring and integration of production processes in Nordea a new unit Group Processing and Technology (GPT) was established in October 2002. The new unit consists of Group IT, Electronic Banking, Global Operations Services and Production and Productivity. These are all areas, which have significant integration and unification activities under way. Transferring these activities into one unit will release time for the business areas to focus on customers, while at the same time it enables the new organisation to focus on achieving excellence in operations.

GPT has a direct impact on 1/3 of the Group's total costs and has approximately 8,000 employees.

Streamlining production processes

During 2002, several end-to-end production processes have been analysed in the Retail Banking operations with a focus on improving efficiency.

In Sweden more than 20 production tasks have been centralised from branches into central units. Centralising production enabled Retail Banking staff to concentrate efforts on customer-related activities.

In 2003, the findings from the business cases for Loans & Credit operations and Cash and Cashier services will be implemented. The effect of these implementations and other planned cost reduction activities in 2003 will be an annual reduction

in central production units of approximately EUR 10m.

Reprioritising integration projects

In order to speed up integration, Nordea evaluated and reprioritised some 30 existing or planned integration and related projects in the fourth quarter of 2002. As a result, Nordea decided to accelerate four integration activities: consolidation of IT production, reduction in the number of IT business applications, further development of a common e-bank platform and integration of Postgirot operations and systems into Nordea. Other previously planned projects were continued with modifications, re-scoped or postponed.

IT production and development

IT accounts for approximately 20% of Nordea's total expenses. Of total IT expenses development accounts for 47% and production for 53%. When deciding new financial targets in the autumn of 2002 it was decided in 2003 to cap IT development costs at 80% of the 2002-level, corresponding to a cost saving of approximately EUR 90m.

During 2002 it was decided to consolidate IT production at the Nordic level. The number of technological platforms will be reduced and each platform will be consolidated into one single location. The aim is to achieve the lowest IT operational cost per transaction in the region and at the same time reach a significant reduction in total operations costs. Cost reductions can be expected

from centralising and standardising software, reduced license costs and from a smaller workforce. Consolidation will lead to the gradual creation of common Nordic platforms.

In 2002 Group IT started the implementation of a comprehensive governance and control structure for IT development, maintenance and production. All IT development will be business-driven – this means that business areas decide what development is needed and IT decides how the development will take place.

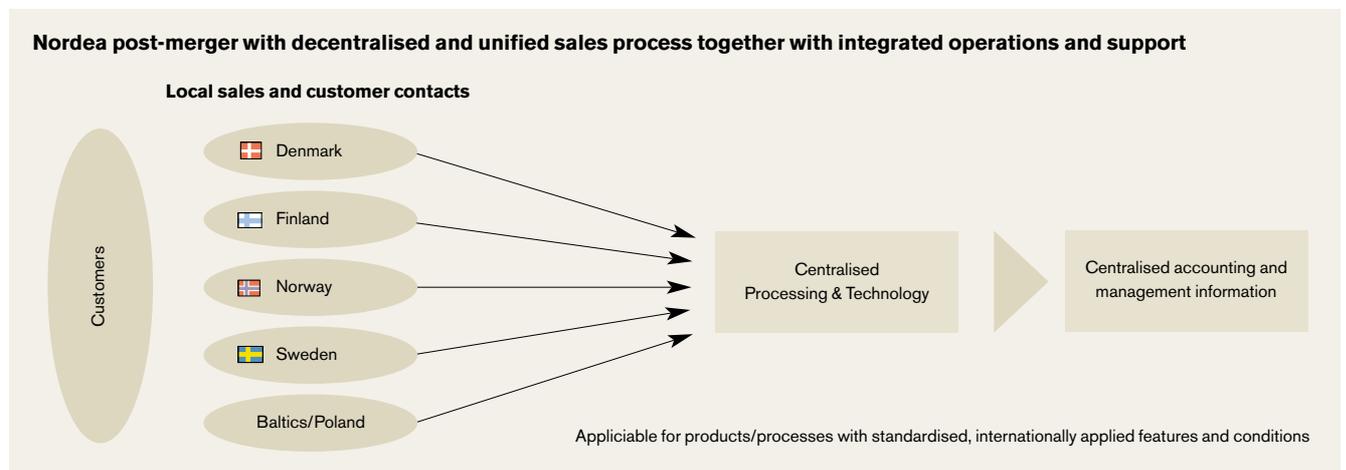
The organisation of Group IT has been harmonised to reflect Nordea's philosophy for IT op-

erations. Clarity of roles and responsibilities and a genuine Nordea perspective are some of the key ideas behind the change.

Reducing complexity

A crucial factor in improving Nordea's cost efficiency is to evaluate the portfolio of business applications and related value chains and reduce the number of applications through integration, standardisation and simplification. This is one of the key integration activities during the coming two to three years.

Standardisation of different end-to-end processes will be continued during 2003.



Corporate Social Responsibility, CSR¹

Nordea has started taking decisive action at Group level in the field of Corporate Social Responsibility. After thorough assessment and strategy development, the Board of Directors has adopted the Nordea Corporate Citizenship Principles and a strategy to integrate CSR aspects into the Group's management system.

Phased implementation

The core strategy is to set appropriate policies, integrate CSR issues into relevant aspects of the business and to report transparently.

In a first step of the implementation plan, relevant policies are being developed starting with a Group Code of Conduct which has been adopted by the Board of Directors.

A CSR Officer will be appointed to support the efforts by networking with business units.

In the second step, based on policies and commitments, CSR-related focus areas and relevant measurements will be integrated into the balanced scorecards of the Nordea management system. Thirdly, disclosure will be extended.

Compliance – Business ethics

The Group Compliance function has been strengthened and shall provide support and guidance to business areas to ensure that principles for conducting business and actual conduct are in accordance with all applicable laws, rules, codes and standards.

The network of Compliance Officers within the business areas of Asset Management & Life and Corporate and Institutional Banking focus their work on ensuring adequate reporting routines for compliance incidents. These, as well as regular compliance reports, are submitted both to the business organisation and through the independent Compliance Officer network to Senior Management.

Corporate Citizenship Principles

Nordea is committed to sustainable development by combining financial performance with environmental and social responsibility.

- **We are committed to freedom.** We stand for democracy and a responsible market economy. We support the UN Global Compact and follow the UN declaration of Human Rights, ILO-conventions and the OECD Guidelines for Multinational Enterprises. We do not discriminate based on gender, ethnic background, religion or any other ground.
- **We are committed to equal opportunities.** We seek high professionalism and make it possible for our employees to develop and assume responsibility. We support diversity and a fair representation of women and men as well as ethnic minorities in our organisation.
- **We are committed to caring for the environment.** We work to reduce negative and increase positive environmental impact from our business activities. We have signed the UNEP Banking Principles.

- **We are committed to good citizenship.** We respect the laws, regulations and norms of the countries where we operate while also adhering to our Group policies. We work with others for a prosperous and sustainable development in the communities where our customers and employees do business and live.
- **We are committed to ethics, honesty and sincerity.** We do not offer, request or accept unwarranted gifts and payment nor limit free and fair competition. By adhering to Group policies so that our integrity can not be questioned, we enable shareholders, customers, employees and other concerned parties to make balanced and well-founded decisions.

To ensure performance according to these principles, we adopt relevant policies, set targets in our management system, ensure that these principles are known throughout the organisation and encourage reports on non-compliance, carry out systematic follow up and deliver open and reliable reporting.

¹ Corporate Social Responsibility, CSR, and Sustainable Development, SD, are becoming interchangeable concepts. Social Responsibility includes environmental responsibility and Sustainable Development includes social developments. Combined with financial performance they are covered by the single concept of Sustainability. For Nordea, CSR, has become the term most often used when referring to the area of Corporate Governance, Business Ethics, Environmental Care and Social Responsibility.

Nordea Environmental Policy

A Group Environmental Policy based on the Corporate Citizenship Principles will be adopted. The policy will provide guidance on how the Group shall manage and control environmental issues in its own operations (“Environmental Footprint”) and at the same time support the reduction of costs and business risks of the Group.

The policy will also guide policymaking and business initiatives regarding financial involvement by business units and cooperation with suppliers.

For further information on CSR in the Nordea Group, please refer to www.nordea.com.

Nordea Code of Conduct

Introduction

Nordea’s values are based on our Nordic heritage of freedom, equal opportunities, care for the environment and good citizenship including ethics, honesty and sincerity. They are articulated in our Corporate Citizenship Principles that the Board approved in December, 2002.

Nordea’s long-term success is based on trust and confidence. To uphold trust and confidence we must ensure that our behaviour supports the values we stand for. This is what we mean by a high standard of business ethics.

The Nordea Code of Conduct describes in general terms the ethical principles for guiding our business, treating our customers, and the behaviour we expect from our employees. The code is intended to support the Group and its employees in performing their assigned tasks and decision making. In cases of uncertainty, the rule is to seek advice and guidance from your nearest supervisor.

By following this code employees will strengthen Nordea’s reputation and contribute to our goal of being the leading financial services group in the Nordic and Baltic Markets.

High standards of integrity and fair business

- Nordea shall be characterized by a high degree of integrity, professionalism and ethics.
- Nordea is only involved in business that is in accordance with law, regulations, signed commitments and our own standards of business ethics.
- Nordea employees are qualified, trained and have management structures to provide the relevant services.
- When providing services, Nordea has terms and conditions for the services that set out the rights and obligations of the parties.
- Nordea has organisational structures, procedures and internal control (i.e. Chinese walls) so that sensitive market information is not spread beyond the areas in which it should be handled.
- Nordea is diligent when providing advice.
- Nordea’s marketing and advertising material is not misleading and provides accurate information on the services offered.

Proper handling of customers

- Within the appropriate business context, Nordea familiarises itself with the customer’s financial standing, experience and objectives.
- Nordea provides understandable information (if relevant including potential risks) on the services provided.
- Our ambition is to always ensure that the customer knows what he is deciding and understands the potential consequences.

- Conflicts of interest between Nordea and its customers are identified and prevented or managed so that customers are justly treated.
- Nordea has procedures for the processing of complaints, and provides instructions on how to file a complaint and responds to them within a reasonable time.

Ethical employee behaviour

- Employees do not offer, request or accept inappropriate gifts, payments or travel.
- Except when using the services provided to ordinary customers through electronic media (e.g. internet banking), employees do not execute their own financial transactions.
- Employees do not participate in business transactions where conflict of interest can arise with their own economic standing or with a third-party where a close relationship exists.
- Employees do not conduct transactions that even can give the impression of using insider information and dishonesty or will undermine the trust and confidence in Nordea.
- Employees do not conduct private transactions or provide economic guarantees that can seriously undermine their own private financial standing.
- Employee external engagements do not interfere with their ability to perform their duties and functions as an employee or undermine trust and confidence in Nordea. In cases of uncertainty external engagements are declared.

Scope and application

- All employees of Nordea Group and non-permanent staff working on behalf of Nordea, are subject to this Code of Conduct.
- It is the responsibility of each manager to ensure that this code is known and conformed to within his/her respective area of responsibility and to act in a manner that sets a proper example.
- It is the responsibility of Business Area and Unit Managers to determine the necessity of more detailed codes.
- Infringement by employees of this code and subsequent policies, guidelines, and instructions could result in disciplinary action.
- The Compliance Organisation provides support and advice to business areas regarding compliance to this Code of Conduct and regularly verifies the adequacy of policies, guidelines and instructions to ensure compliance with the code.
- The Group Compliance Officer leads the Group Compliance Organisation and reports major findings and issues related to this code directly to the Group Executive Management.

Human Resources

In Nordea the aim is to attract, develop and retain highly motivated, competent and empowered employees. The employees form the basis for the successful development of Nordea. To be an attractive employer for the generations to come and to retain the excellent mix of young potentials and experience in the organisation are challenging tasks for the line organisation and the HR function.

The number of full-time employees showed a decline in 2002. The slight increase in September was due to the inclusion of LG Petro Bank.

This trend is expected to continue. When vacancies occur, the aim is to fill these by internal rather than external recruitment. Analysis of the employee structure in Nordea shows an excellent mix of young potential and experience.

There is a large number of employees in the age group 25–35 years old. There is a broad base of experience.

However, in the light of needs for reduction in manpower in accordance with further development of customer self-service and other changes there is also flexibility since many employees are approaching retirement. There is a large proportion of employees with a higher education, ensuring capacity for the ongoing changes.

Employment satisfaction

An employee satisfaction (ESI) survey is carried out on a yearly basis.

The results from the 2002 survey showed a drop in the overall Employee Satisfaction Index of 3 points from 70 to 67 on a scale from 0–100 with 61 as the lowest and 68 as the highest score on business areas/group functions level.

The main reason for the drop in the overall score is the drop in the perception of “Nordea’s image as employer” and “Terms of employment”. Further analyses on these are carried out and appropriate actions taken.

The survey was this year expanded with a possibility to benchmark externally with the European Employee Index.

The benchmarking of the results shows that employees in Nordea generally are more satisfied and motivated than the general findings both compared to financial labour markets and the general national labour markets.

Further it shows higher satisfaction with “Immediate superior” and “Teamwork”, establishing a good foundation for further development in efficiency and productivity.

A common system for performance & development dialogue has been introduced resulting in 90% of the employees having had a performance & development dialogue in 2002.

Employee Satisfaction Index

	2001	2002
Nordea ¹	70	67
Corporate and Institutional Banking	65	63
Asset Management & Life	65	65
Retail Banking ²	70	68
Group Corporate Centre	65	61
Group Staffs	70	64
Group Audit	64	62

¹ Nordea 2001 estimated

² Retail Banking 2001 estimated

The HR Partner concept has been revised to provide an even better support to managers in business areas and group functions in the dealing with HR matters. Necessary training of HR Partners has accordingly been conducted.

An audit of executive managers has been done in order to scout for new talent.

As supplements to the already existing Nordea Executive Education & Development programme for executive managers, new Nordea programmes for first line managers and managers leading through managers have been developed.

These programmes are designed to support the development of one Nordea focusing on the managerial skills necessary to create shareholder value aligned with the core values.

The existing profit sharing systems for all employees have been revised and it was decided to start to harmonise the incentives paid out.

HR processes/systems

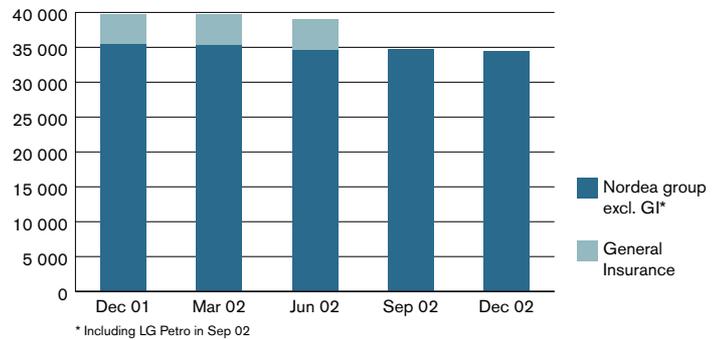
To ensure more efficient running of the administrative HR routines especially cross-border, a project implementing SAP HR has been initiated.

The project will create full transparency of the competencies available in the Nordea Group and further create a high level of self-service for all managers and employees when dealing with HR administration.

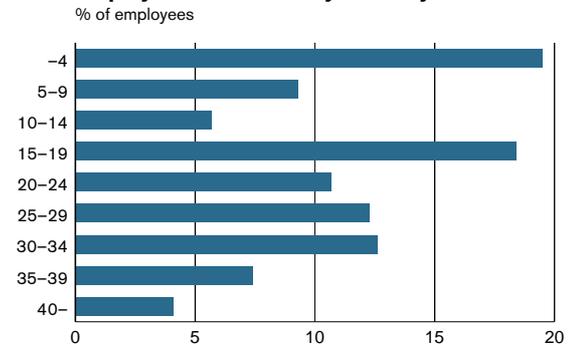
In order to meet the rising demand for training and development a common system for e-learning has been implemented. e-learning will be incorporated in most training activities enabling the individual employee to participate in training with a reduced number of formal training days.

Training will be more cost efficient and allow more time to meet the customers. Not least, new training programmes can reach more employees at a higher speed improving the quality of customer service.

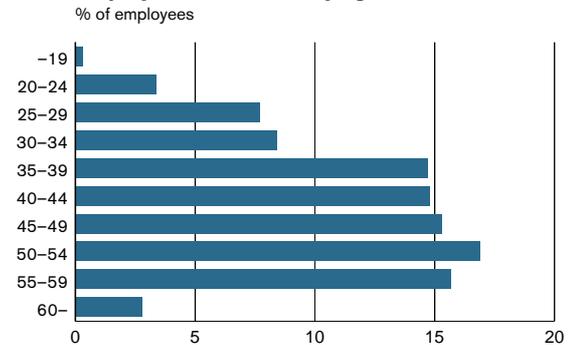
Full time employees



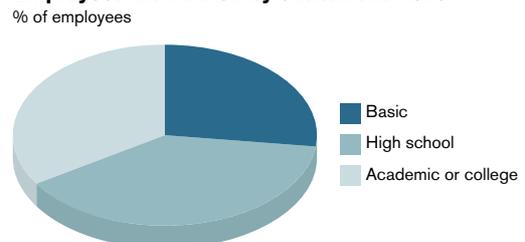
Employees distributed by seniority



Employees distributed by age



Employees distributed by educational level



Board of Directors



Hans Dalborg

Chairman

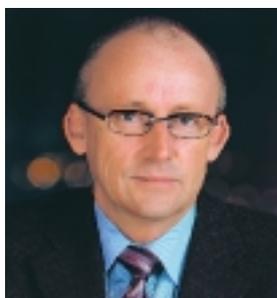
Board member since 1998. Born 1941. Board chairman of the Royal Swedish Opera, Uppsala University, Young Enterprise Sweden and the Norwegian-Swedish Chamber of Commerce. Board member of Axel Johnson AB, AB Svenska Spel, the Stockholm Concert Hall Foundation. Member of EFR – European Financial Services Round Table and IVA – Royal Swedish Academy of Engineering Sciences. Shareholding: 40,760 Nordea



Timo Peltola

Vice Chairman

Board member since 1998. Born 1946. Chief Executive Officer of Huhtamäki Oyj. Chairman of the Supervisory Board of Ilmarinen Mutual Pension Insurance Company and of Instrumentarium Abp. Member of the Supervisory Boards of the Finnish Cultural Foundation and the Finnish Fair Corporation. Shareholding: 5,187 Nordea



Kjell Aamot

Board member since 2001. Born 1950. Chief Executive Officer of Schibsted ASA. Board chairman of Aftenposten AS, Verdens Gang AS, Schibsted TV & Film AS, Schibsted Print Media AS, Schibsted Multimedia AS. Shareholding: 0 Nordea



Dan Andersson

Board member since 1998. Born 1948. Chief economist at the Swedish Trade Union Federation. Board member of Tredje AP-fonden, AMF Pension Fondförvaltning AB, Arbetsmarknadsförsäkringar, pensionsförsäkringsaktiebolag och Arbetsmarknadsförsäkringar, ömsesidigt kreditförsäkringsbolag. Shareholding: 0 Nordea



Edward Andersson

Board member since 1999. Born 1933. Professor Emeritus. Board member of Helvar Merca Corporation and Suomi Life Insurance Company. Chairman of Grankulla City Council, Sigrid Juselius Foundation, Ella and Georg Ehrnrooth's Foundation and Föreningen Konstsamfundet. Shareholding: 28,560 Nordea



Harald Arnkværn

Board member since 2001. Born 1939. Partner at Advokatfirmaet Haavind Vislie DA. Board chairman of AS Vinmonopolet, Schøyen Gruppen AS and GIEK Kredittforsikring AS. Board member of Concordia BV and Concordia Bus AB (publ). Chairman of Board of representatives Orkla ASA. Shareholding: 0 Nordea



Bertel Finskas

Board member since 2000. Born 1948. Employee representative. Shareholding: 1,400 Nordea



Liv Haug

Board member since 2001. Born 1954. Employee representative. Shareholding: 0 Nordea



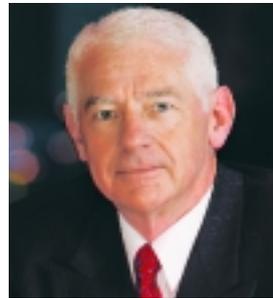
Lene Haulrik
Board member since 2000.
Born 1959.
Employee representative.
Shareholding: 2,457 Nordea



Claus Høeg Madsen
Board member since 2000.
Born 1945. Partner at Jonas Bruun Advokatfirma. Board member of Genpack A/S, ISS A/S and Singer Danmark A/S.
Shareholding: 1,803 Nordea



Bernt Magnusson
Board member since 1998.
Born 1941. Board chairman of Swedish Match AB and Dyno Nobel ASA. Board vice chairman of Net Insight AB.
Board member of Volvo Car Corporation, Höganäs AB, Emtunga International AB.
Advisor to the European Bank for Reconstruction and Development.
Shareholding: 27,000 Nordea.



Jørgen Høeg Pedersen
Board member since 2000.
Born 1938. Managing Director of Copenhagen Wholesale Market for Fruit, Vegetables and Flowers. Chairman Nordea Danmark Fonden. Board member of Ejendomsselskabet Axelborg I/S.
Shareholding: 7,519 Nordea



Kaija Roukala-Hyvärinen
Board member since 2000.
Born 1953.
Employee representative.
Shareholding: 135 Nordea



Maija Torkko
Board member since 2002.
Born 1946.
Senior VP and Corporate Controller of Nokia Corp.
Shareholding: 12,000 Nordea

Shareholdings also include shares held by family members.

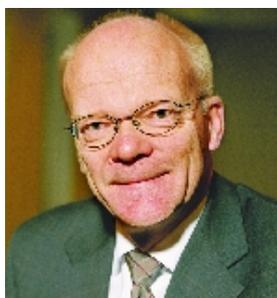
Group Executive Management



Lars G Nordström
Group CEO.
Born 1943.
Appointed member 2000.
Shareholding: 15,000 Nordea.



Christian Clausen
Head of Asset Management & Life.
Born 1955.
Appointed member 2001.
Shareholding: 8,267 Nordea.



Carl-Johan Granvik
Head of Group Credit and Risk Control, CRO.
Born 1949.
Appointed member 2000.
Shareholding: 4,175 Nordea.



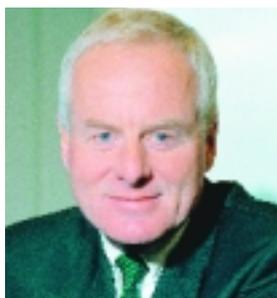
Kari Jordan
Head of Retail Banking.
Born 1956.
Appointed member 2002.
Shareholding: 1,356 Nordea.



Arne Liljedahl¹
Head of Group Corporate Centre, CFO.
Born 1950.
Appointed member 2000.
Shareholding: 11,100 Nordea.



Markku Pohjola¹
Head of Group Processing and Technology, Deputy CEO.
Born 1948.
Appointed member 2000.
Shareholding: 8,080 Nordea.



Tom Ruud¹
Head of Corporate and Institutional Banking.
Born 1950.
Appointed member 2001.
Shareholding: 0 Nordea.



Peter Schütze¹
Head of Group Staffs.
Born 1948.
Appointed member 2002.
Shareholding: 7,660 Nordea.

Nordea Management

Lars G Nordström
CEO

Retail Banking
Kari Jordan

Regional Banks Denmark
Peter Lybecker

West Denmark
Jørn Kr. Jensen

East Denmark
Michael Rasmussen

Regional Banks Finland
Harri Sailas

Helsinki & Uusimaa
Pekka Nuutila

Central & Western Finland
Pekka Ojala

East & North Finland
Jukka Perttula

Regional Banks Norway¹
Baard Syrrist

Oslo
Alex Madsen

East Norway
Sigvart Hovland

South & West Norway
Inge Støve

North Norway
Egil Valderhaug

Regional Banks Sweden
Hans Jacobson

Northern & Central Sweden
Siv Svensson

Stockholm
Johan Sylvén

Western Sweden
Sten Lindblad

Southern Sweden
Arne Bernroth

Regional Banks Poland and Baltic Countries
Thomas Neckmar

Household
Roland Olsson

Corporate
Håkan Nordblad

Long Term Savings & Life²
Thomas Ericsson
Eira Palin-Lehtinen

Planning and Control
Claus K. Møller

Market Support
Maj Stjernfeldt

Nordea Finance
Stefan Källström

Corporate and Institutional Banking
Tom Ruud

Corporate Banking Division
Henrik Mogensen

Corporate Banking Division Denmark
Jørgen Høholt

Corporate Banking Division Finland
Olli-Petteri Lehtinen

Corporate Banking Division Norway
Øivind Solvang

Corporate Banking Division Sweden
Birger Gezelius

International and Shipping Division
Carl E. Steen

Markets
Peter Nyegaard

Investment Banking, Nordea Securities
Frans Lindelöw

Financial Control
Ari Kaperi

Asset Management & Life
Christian Clausen

Investment Management
Henrik Priergaard

Investment Funds
Jan Petter Borvik

Long Term Savings & Life²
Thomas Ericsson

Nordic Private Banking
Eira Palin-Lehtinen

European Private Banking
Jhon Mortensen

Life & Pensions
Allan Polack

Business Area Controller
Magnus Erkander

Group Processing and Technology
Markku Pohjola, Deputy CEO

Group IT
Jarle Haug

Electronic Banking
Bo Harald

Global Operations Services
Tapio Saarelainen

Production and Productivity
Per E. Berg

Group Integration Office
Timo Jalamo

Group Corporate Centre
Arne Liljedahl, CFO

Group Credit and Risk Control
Carl-Johan Granvik, CRO

Group Treasury
Jakob Grinbaum

Group Planning and Control
Erik Ohman

Group Finance
Jarmo Laiho

Investor Relations
Sigurd Carlsen

Group Corporate Development
Jakob Grinbaum

Group Staffs
Peter Schütze

Group Support and Procurement
Gert Aage Nielsen

Group Human Resources
Peter Forsblad

Group Identity and Communications
Torben Laustsen

Group Legal
Lena Eriksson

Group Compliance
Sonja Lohse

Group Management Secretariat
Flemming Dalby Jensen

Internal Audit Activity
Dag Andresen

Company Secretary
Kari Suominen

¹ As of 1 April 2003, the four regional banks in Norway will be reorganised into two regional banks, Regional Bank East and Regional Bank Coast, headed by Alex Madsen and Egil Valderhaug, respectively.

² Long Term Savings & Life is a Joint Unit between Retail Banking and Asset Management & Life.

Notice of the Annual General Meeting

The annual general meeting (AGM) of Nordea AB (publ) will be held on Thursday 24 April 2003 at 2.00 pm Swedish time in Aula Magna, Stockholm University, Frescativägen 10, Stockholm, with the possibility to participate, through telecommunication, at 3.00 pm Finnish time in Finlandia Hall, Congress wing, Mannerheimintie 13 e, Helsinki, and at 2.00 pm Danish time in Bella Center, Copenhagen.

Common instructions to all shareholders

Shareholders who wish to participate in the AGM shall be entered in the share register maintained by the Swedish Securities Register Center (VPC AB) not later than 14 April 2003 and notify Nordea AB (publ) of their participation.

Shareholders, whose shares are held in trust in Sweden, who are holders of Finnish Depositary Receipts in Finland or who are holders of shares registered in Værdipapircentralen in Denmark, therefore have to re-register temporarily their shares in their own names to be entitled to participate in the AGM. Such re-registration shall be completed at VPC AB in Sweden by 14 April 2003, which means that the shareholder shall, in good time prior to this date, inform the trustee about this.

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

Shares registered in VPC AB in Sweden

Notification of participation shall be made at the latest on 16 April 2003 at 1.00 pm to Nordea AB (publ), Group Legal H 50, SE-105 71 Stockholm, or by telephone +46 8 614 97 10, or by fax +46 8 614 87 70, or on the Internet at www.nordea.com.

Finnish Depositary Receipts in Finland

Request for re-registration of Finnish Depositary Receipts and notification of participation shall be made at the latest on 11 April 2003 at 4.00 pm Finnish time to Nordea Bank Finland Plc, 2590 Issuer Services, 00020 Nordea, or by telephone +358 9 165 51397 or +358 9 165 51398 or by fax +358 9 637 256, or on the Internet at www.nordea.com.

Shareholders, whose shares are registered in their own names in VPC AB in Sweden, may also notify their participation in the AGM later, however not later than 16 April 2003 at 2.00 pm Finnish time in the above-mentioned manner.

Shares registered in Værdipapircentralen in Denmark

Request for re-registration of shares registered in Værdipapircentralen in Denmark and notification of participation shall be made at the latest on 11 April 2003 at 12.00 Danish time to one of Nordea Bank Danmark's branch offices, or to Nordea Bank Danmark A/S, Issuer Service, H.H, box 850, 0900 Copenhagen C, or by telephone +45 33 33 33 01, or by fax +45 33 33 10 31, or on the Internet at www.nordea.com.

Shareholders, whose shares are registered in their own names in VPC AB in Sweden, may also notify their participation in the AGM later, however not later than 16 April 2003 at 1.00 pm Danish time in the above-mentioned manner.

Dividend and record date

The Board of Directors and the CEO propose to the AGM that a dividend of 0.23 euro per share shall be paid and that the record date for dividend shall be 29 April 2003. With this record date, the dividend is expected to be distributed by VPC AB on 7 May 2003.

Financial reports 2003

Nordea will publish the following financial reports during 2003:

January – March	7 May
January – June	20 August
January – September	29 October

Investor relations

Investor Relations
SE-105 71 Stockholm, Sweden
Tel: +46 8 614 78 51

Website

All reports and press releases are available on the Internet at: www.nordea.com

Financial reports published by the Nordea Group may be ordered via Investor Relations.

The annual reports of Nordea Bank Danmark A/S, Nordea Bank Norge ASA, Nordea Bank Finland Plc and Nordea Bank Sweden AB (publ) can be downloaded at www.nordea.com

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