

Nordea activities 2003



This is Nordea

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 almost 11 million customers and 1,224 branch offices. The Nordea Group is a world leader in Internet banking, with 3.7 million e-customers. The Nordea share is listed in Stockholm, Helsinki and Copenhagen.

Annual report practice

Nordea relies increasingly on the Internet in its communication with shareholders and investors. All significant financial information about the Nordea Group can be found at the Group's homepages. During 2003 over 1.3 million visitors have entered www.nordea.com and downloaded almost 350,000 financial reports and press releases.

This is a summary of the Nordea Annual review 2003. The Nordea Annual Report 2003 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 2003 is a review of the business development in the Nordea Group in 2003 including an overview of its strategy and business areas.

Financial reports 2004

Nordea will publish the following financial reports during 2004:

January – March	28 April
January – June	18 August
January – September	27 October

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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.

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Increased focus and speed led to improved performance



In November 2002 we identified a number of short-term top priorities and a plan to improve our performance was developed. When comparing Nordea today with Nordea a year ago, I see a bank that has undergone significant changes. Today we are more focused, changes are made at a more rapid speed and the concept of continuous improvement is internalised throughout the organisation.

2003 results: Solid improvements

Operating profit was up by 17% in 2003 compared to 2002 reflecting stable income, reduced total expenses, increased loan losses, a sharply improved operating profit from insurance activities as well as stronger investment earnings, banking.

Net profit increased by 68% to EUR 1,490m reflecting the improvement in operating profit, the positive tax contribution in the third quarter, last year's allocation to pension foundations and General Insurance losses as well as

the impact of the real estate write-downs in the fourth quarter 2003.

Earnings per share were EUR 0.51 compared to EUR 0.30 in 2002 and return on equity (excluding goodwill) was 16.7% compared to 11.3% in 2002.

During the year the share price of Nordea appreciated by 40.6% on the Stockholm Stock Exchange. Total shareholder return (TSR) for 2003 was 47.9%, which places Nordea as number 3 in terms of TSR within a defined peer group of 20 European banks.

Short-term top priorities addressed – delivering on promises

In the autumn of 2002 there was a general feeling of disappointment with Nordea among shareholders, other investors and analysts, which was reflected in a poor share price performance. To start the turnaround that was needed, I introduced the key words focus, speed and performance, and we identified a number of short-term top priority areas:

- Reduce volatility and ensure growth of income
- Improve cost control
- Ensure capital efficiency
- Maintain credit portfolio quality

And we created a "sense of urgency" throughout the entire organisation.

Today I feel confident that not only have we succeeded in improving our performance, but we have also done so in a manner that has institutionalised a

Still, although our performance has been improved, there is – as always – room for further improvement

The summary is produced in English and in the four Nordic languages and is available on the Internet and at bank branches.



- ▶ continuous improvement process driving the increased competitiveness of the Group forward as part of the Nordea culture.

In some areas, structural measures have been taken in order to adjust our cost level to stagnating or declining income triggered by the macroeconomic environment and financial market developments.

Let me recapitulate on our achievements in relation to the short-term top priorities.

Volatility has been reduced primarily through divestment of General Insurance and a changed business model for Life & Pensions.

Income has been maintained at a stable level despite all-time low post war short-term interest rates, a drop in equity market activities and a subdued macroeconomic environment.

A culture of strict cost management has grown, and costs in 2003 were well within our target of unchanged costs compared to 2002.

Our capital efficiency has been strengthened through divestments of real estate and other non-core assets, changed business models, growth of off-balance-sheet business and implementation of economic capital and economic profit framework. This has enabled us to start a share buy-back programme and to propose increased dividend per share.

Credit losses have been slightly decreasing throughout the year and are concentrated to a single industry. Our credit portfolio in general is in a healthy shape.

The income development in the current macroeconomic environment is still an area of concern, and we will pay special attention to this issue going forward.

Strict cost management will remain high on our agenda, and we have raised the cost ambition for 2004. This is not a simple cost-cutting exercise. This is a question of a genuine transformation into one bank – focusing, keeping up speed and not being sentimental when it comes to implementation of changes or even day-to-day management.

Complexity is being reduced – moving from "too many" to "just one"

Emerging from four major banks in four different countries, Nordea's point of departure was characterised by inherent complexity. During 2003 reduction of complexity has been addressed throughout the organisation.

Group Processing and Technology, which was established in the autumn of 2002, has been an important driver and facilitator for consolidation and integration of processes, production and technology. Major initiatives include a substantial reduction of IT development costs and the consolidation of IT production in a joint venture with IBM, Nordic Processor, which is now fully operational.

The management of the integration project portfolio has been centralised, and future additional targets for reduction of complexity have been identified.

The first steps in the simplification and transformation of the Group legal

structure into a European Company have been taken.

The unification of the business organisation within Retail Banking is under completion, and service and support functions have been transformed from being mainly policy-making functions into central service and support units for the whole Group contributing to the development of the Nordea corporate culture.

Key words becoming corporate values

The key words of focus, speed and performance have had a very high impact on the entire Group. We are all familiar with the words, and we apply them to our work – therefore we have now turned them formally into our corporate values as well.

It is important that our values reflect what we really stand for, how we work, and what we do. As such focus, speed and performance complete our mission and vision, which reflect the aim of our operations, what we want to achieve and how we wish to be perceived.

Focus

- We concentrate on creating value for our customers and shareholders
- We concentrate on our strengths and core activities, and we discontinue activities when needed

Speed

- We provide a broad set of easily accessible and competitive financial services and solutions
- We are quick, adjust to market conditions and do not hesitate to execute decisions made

Performance

- We aim to deliver better solutions and results than our competitors
- We continuously improve in everything we do, and we deliver on our promises

Continuous improvement

Our performance is significantly improved and we have the prerequisites to stay on the winning course:

- A large customer base
- Strong distribution power
- Advantages of size, scale and scope
- Strong capital base and high market capitalisation

We are increasingly becoming one bank with a common culture centred around performance orientation and with a strong local presence and customer contact.

We have reduced complexity and will continue to do so.

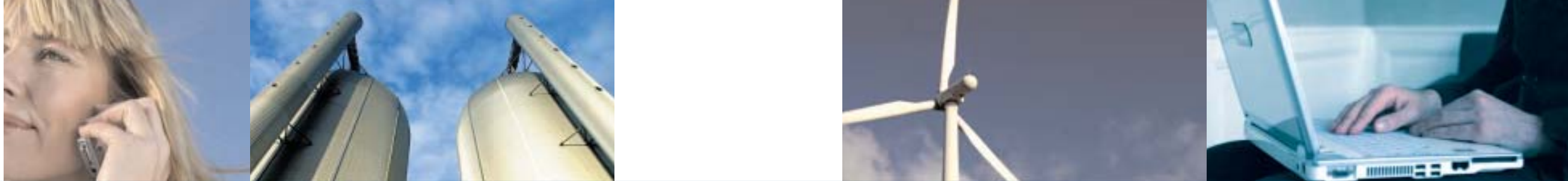
Indeed, we have achieved a lot since last year. I would therefore, like to take the opportunity to thank all employees for their dedicated efforts and for bringing about the 2003 results.

Still, although our performance has been improved, there is – as always – room for further improvement.

Best regards

A handwritten signature in blue ink, reading "Lars G. Nordström".

Lars G Nordström



Nordea's corporate statement

Mission: Making it possible

By providing easily accessible and competitive financial services and solutions, Nordea helps customers to reach their objectives.

Vision

- We will be valued as the leading financial services group in the Nordic and Baltic markets with substantial growth potential
- We will be in the top league or show superior and profitable growth in every market and product area in which we choose to be present
- We will have the leading multichannel distribution with a top world ranking in e-based financial solutions and a high level of use of our e-services
- We will be a good corporate citizen ensuring confidence and trust

Nordea has defined a set of shared corporate values and key words that

identify, drive and guide all activities internally and externally.

Corporate values and key words

Focus

- We concentrate on creating value for our customers and shareholders
- We concentrate on our strengths and core activities, and we discontinue activities when needed

Speed

- We provide a broad set of easily accessible and competitive financial services and solutions
- We are quick, adjust to market conditions and do not hesitate to execute decisions made

Performance

- We aim to deliver better solutions and results than our competitors
- We continuously improve in everything we do, and we deliver on our promises.

Financial targets

Key performance indicators	2003	2002	Target
Total shareholder return, peer group ranking	3	15	In the top five of the peer group of 20 banks
Return on equity excluding goodwill, %	14.5 ¹	11.3	RoE >15% from 2004
Costs, EURm	3,673	3,745	Same cost level as in 2003
Loan loss ratio, %	0.25	0.18	< 0.40% of loans and guarantees on average over a business cycle
Dividend pay-out ratio, %	48 ²	76	> 40% of net profit
Tier 1 capital ratio, %	7.3	7.1	> 6.5%
Supporting performance indicator			
Cost/income ratio, %	63	64	< 55% from 2005

¹ With standard tax rate in Q3 2003 and excluding the negative impact of real estate write-downs at year-end.

² Proposed

The Nordea share

Nordea ranks among the largest companies in the Nordic region in terms of market capitalisation and is one of the most liquid shares in the region.

Total shareholder return

Nordea's overall financial target is to create value for shareholders in the top five of a peer group of 20 Nordic and European financial services companies. Total shareholder return is measured as growth in the value of a shareholding over a specified period of time, assuming that dividends are re-invested at the time of payment to purchase additional shares. Total shareholder return in 2003 was 47.9%.

In 2003 Nordea ranked number 3 among peer group banks in terms of total shareholder return compared to number 15 in 2002.

Shareholder and dividend policy

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. The proposed dividend pay-out ratio for 2003 is 48%.

Share price development in 2003

The market capitalisation of Nordea at the end of 2003 was approximately EUR 17.5bn compared to EUR 12.6bn end of 2002. Ranked by market capitalisation Nordea was the seventh-largest company in the Nordic area. During the year the share price of Nordea appreciated by 40.6% on the Stockholm Stock Exchange from SEK 38.40 on 30 December 2002 to

SEK 54.00 on 30 December 2003. The daily prices listed for the Nordea share during 2003 (closing prices at Stockholm Stock Exchange) ranged between SEK 33.20 and SEK 54.50. The SX40 Financials Index of the Stockholm Stock Exchange appreciated during the year by 28.3%, the Dow Jones STOXX European banks index appreciated by 21.3%.

The Nordea share is listed on the stock exchanges in Stockholm (in SEK and EUR), Helsinki (EUR) and Copenhagen (DKK). One trading unit is equivalent to 500 shares.

Nordea's share price can be monitored at www.nordea.com, where it is also possible to compare the performance of the Nordea share with competitors and general indexes as well as historical share prices of the Nordea share.

Shareholders

With approximately 503,000 registered shareholders at 31 December 2003, Nordea has one of largest shareholder bases of all Nordic companies. The number of Nordea shareholders registered in Denmark is approximately 211,000, in Finland 207,000 and in Sweden 85,000.

The largest among the various categories of shareholders is Swedish institutional investors, holding 30.2% of the shares in Nordea. The largest individual shareholder is the Swedish state with a holding of 19.0%. The Swedish state has declared that it will dispose of its holdings in Nordea.



Key financial figures

Operational income statement

EURm	2003	2002	Change %
Net interest income	3,366	3,451	−2
Net commission income	1,486	1,535	−3
Trading income	567	530	7
Other income	220	154	43
Total income	5,639	5,670	−1
Personnel expenses	−2,101	−2,086	1
Profit sharing	−46	−	
Other expenses	−1,526	−1,659	−8
Total expenses	−3,673	−3,745	−2
Profit before loan losses	1,966	1,925	2
Loan losses, net	−363	−261	39
Equity method	57	52	10
Profit before investment earnings and insurance	1,660	1,716	−3
Investment earnings, banking	170	122	39
Operating profit, life insurance	149	2	
Operating profit, general insurance	−	−122	
Goodwill amortisation and write-downs	−167	−171	−2
Operating profit	1,812	1,547	17
Real estate write-downs	−115	−	
Allocation to pension foundation	−	−255	
Taxes	−205	−405	
Minority interests	−2	0	
Net profit	1,490	887	68

Ratios and key figures

Earnings per share, EUR	0.51	0.30
Share price, EUR, end of period	5.95	4.20
Shareholders' equity per share ¹ , EUR	4.28	4.06
Shares outstanding ¹ , million	2,846	2,928
Return on equity excluding goodwill ² , %	16.7	11.3
Return on equity, %	12.3	7.5
Lending, EURbn	146	146
Deposits and borrowings from the public, EURbn	96	94
Shareholders' equity ¹ , EURbn	12	12
Total assets, EURbn	262	250
Assets under management, EURbn	113	96
Cost/income ratio, banking ³ , %	63	64
Cost/income ratio, excluding investment earnings, %	64	65
Tier 1 capital ratio, %	7.3	7.1
Total capital ratio, %	9.3	9.9
Risk-weighted assets, EURbn	134	135

¹ End of period. Total shares registered was 2,928 (2,985) million. Number of own holdings of shares in Nordea AB (publ) was 82 (57) million. Average number of own shares was 50 (30) million. Average number of shares Jan-Dec 2003 was 2,921 million (Jan-Dec 2002 2,955 million). Dilution is not applicable.

² Net profit before minority interests and goodwill amortisation/write-down as a percentage of average shareholders' equity (per quarter). Average shareholders' equity includes minority interests but with all outstanding goodwill deducted.

³ Total expenses divided by total income, equity method and investment earnings, banking.



Operational income statement

Solid improvements in 2003

- Net profit up 68% to EUR 1,490m (EUR 887m in 2002)
- Operating profit up 17% to EUR 1,812m (EUR 1,547m)
- Total income largely unchanged at EUR 5,639m (EUR 5,670m)
- Total costs down 2%
- Earnings per share EUR 0.51 (EUR 0.30)
- Return on equity (excluding goodwill) 16.7% (11.3%)
- Proposed dividend EUR 0.25 per share, an increase by 9%

Delivering on promises

- Short-term top priorities have been addressed
 - Volatility has been reduced and income maintained at a stable level
 - Costs are kept well within the flat cost target – costs in 2004 expected to be unchanged compared to 2003
 - Capital efficiency has improved
 - Credit losses decreased slightly throughout the year – Credit portfolio in general in healthy shape
 - Special attention on income development going forward

Result summary 2003

In 2003, Nordea's financial performance improved and tangible results were delivered on the four short-term top priorities identified in the autumn of 2002. Earnings volatility was reduced and income was maintained at a stable level despite all-time low post-war short-term interest rates. A culture of strict cost management has grown in the organisation and costs in 2003 were well within the stated target of unchanged costs compared to 2002. Capital efficiency was strengthened

and loan losses occurred mainly in one single industry. Operating profit was up by 17% in 2003 compared to 2002 reflecting stable income, reduced total expenses, increased loan losses, a sharply improved operating profit from insurance activities as well as stronger investment earnings, banking.

Earnings per share were EUR 0.51 compared to EUR 0.30 in 2002 and return on equity (excluding goodwill) was 16.7% compared to 11.3% in 2002.

Income

Strong sales efforts contributed to increased business volumes and maintained income level despite difficult markets in 2003. Total income was EUR 5,639m, 1% lower than in 2002. Adjusted for currency fluctuations, total income increased marginally.

Expenses

Expenses were EUR 3,673m, a decrease by EUR 72m, or 2% in 2003. Total costs were well within the target of flat costs compared to 2002, even when including EUR 46m reservation for profit-sharing schemes.

Underlying expenses decreased by approx. 6%. Total costs in 2003 included acquired business in Poland and reservation for profit-sharing, which were not included in 2002, as well as higher restructuring costs and higher variable salaries than in 2002. The effect of currency fluctuations has also been taken into account when determining the underlying cost development.

Loan losses

The Group's continuous

concentration on Nordic customers has helped to maintain the credit quality at a satisfactory level and the overall quality of the portfolio is good. Loan losses were EUR 102m higher than last year, primarily reflecting the weakness in parts of the Norwegian Retail Banking portfolio. Loan losses corresponded to 0.25% of total loans and guarantees.

Investment earnings, banking

Investment earnings increased by EUR 48m to EUR 170m in 2003 following gains on the fixed income portfolio in the first half of the year and on the equity portfolios in the second half of 2003.

Life insurance

Profit from life insurance improved to EUR 149m from EUR 2m in 2002 mainly reflecting the gradual implementation of the changed business model in Life.

General insurance

In 2002, a loss of EUR 122m was generated in the general insurance activities that were sold in that year.

Real estate write-downs

A write-down of EUR 115m materialised in the year-end accounts. The net financial effect of recent and ongoing real estate disposals is expected to be a gain of approx. EUR 200m.

Net profit

Net profit increased by 68% to EUR 1,490m reflecting the improvement in operating profit, the positive tax contribution in the third quarter, last year's allocation to pension foundations as well as the impact of the real estate write-downs in the fourth quarter 2003.

Kari Jordan
Head of Retail Banking



Customer service and sales priority

With a service network second to none in the Nordic region, Retail Banking has customer responsibility for personal and corporate customers and develops, markets and distributes a broad range of financial products and services.

In an effort to demonstrate the value of bringing more business to Nordea, the bank provides a transparent customer programme differentiated by service and pricing levels. Superior levels of pricing and service are offered as customers increase their business volume and product holdings.

– During 2003 we paid special attention to customer meetings and sales activity. Retail Banking's overall ambition is to serve existing customers well, but at the same time to win new customers in an increasing volume. One way to measure the results is the Customer Satisfaction Index, which to a large extent was stable among personal customers during 2003, says Kari Jordan, head of Retail Banking. Also, a number of product packages and advisory initiatives were launched in 2003 for personal customers including a Nordic multichannel campaign with

offers of MasterCard/MasterCard Gold and Visa Electron.

– Among corporate customers the Nordic operating model has been received well and Customer Satisfaction Index has been increasing. The geographically wide service network and the e-services have been the positively differentiating factors for Nordea.

Several new products and services were offered to corporate customers during 2003, including eg financial risk management tools and cash management solutions. The largest customers are now serviced by senior relationship managers in special competence centres, which have been established in all Nordic countries.

As the number of customers having savings is increasing, a new Nordic customer service concept within Private Banking was launched in Denmark, and pilots have been established in Finland, Sweden and Norway. The concept is standardised across the Nordic region and ensures added value for customers.

Key figures per quarter

	Full year 2003	Q4 2003	Q3 2003	Q2 2003	Q1 2003	Q4 2002
Operating profit, EURm	1,544	428	395	376	345	354
Return on equity, %	24	26	24	23	22	18
Cost/income ratio, %	57	55	56	57	60	58
Customer base:						
personal customers, million	9.6	9.6	9.7	9.7	9.7	9.7
corporate customers, million	0.9	0.9	1.0	1.0	1.0	1.0
Number of employees (full-time equivalents)	18,407	18,407	18,771	19,246	19,992	20,300

Strengthening positions in demanding markets

Nordea has a strong position in the corporate and institutional banking market as the leading player with a broad relationship with corporates and institutions in the Nordic market. Nordea is also a major international shipping bank and holds a leading Nordic position in debt capital markets and derivatives.

– Despite challenging market conditions, our strategy for delivering financial products and services to large corporates, shipping, offshore and oil service companies and financial institutions has been very successful, says Tom Ruud, head of Corporate and Institutional Banking.

To strengthen Nordea's client offering, a new business model for investment banking activities has been introduced during 2003 separating Equities and Corporate Finance and integrating the former into Markets and latter into Corporate Banking. The process has already been completed in Sweden, Finland and Denmark.

– Markets has shown remarkable growth and successful business development in many areas. The division is a regional leader in moving from a transaction-based approach to value-added services.

As one illustrative result of this, Nordea in 2003 has far surpassed its Nordic peers in winning major debt capital markets mandates.

Based on a systematic customer team approach, the Corporate Banking Division has strengthened its position in all Nordic markets. This especially goes for Sweden.

– Nordea is now often perceived as being a step ahead of traditional competitors in many deals. Nordic presence and commitment combined with European size and capability make Nordea a natural choice as one of a limited number of core banks for most major clients.

Shipping/Offshore holds a leading position in this global segment and has continued to build strength. The international branches have successfully been restructured for increased competitiveness.

– The establishment of a new Financial Institutions Division in July 2003 is a good example of our commitment to customer focus and willingness to invest in areas with high growth potential, Tom Ruud concludes.

Tom Ruud
Head of Corporate
and Institutional Banking





Now Nordea is often perceived as being a step ahead of traditional competitors in many deals

Key figures per quarter

	Full year 2003	Q4 2003	Q3 2003	Q2 2003	Q1 2003	Q4 2002
Operating profit, EURm	430	100	92	131	107	141
Return on equity, %	14	15	13	19	15	18
Cost/income ratio, %	53	54	56	52	50	55
Number of employees (full-time equivalents)	2,102	2,102	2,172	2,316	2,363	2,444



Turnaround in 2003 – and Nordea was well positioned

 **The key was**
– and is – to focus
even more on the
strengths that are
most important
to our clients 

Nordea is the leading asset manager in the Nordic region with profitable sales channels in the Nordic area as well as the rest of Europe and North America.

– The last few years have been difficult, but our strategy remained unchanged, which is why we were not caught by surprise when the equity markets turned around, Christian Clausen says. – We used these challenges positively and fine-tuned our businesses in savings and asset management. And now more than ever we are ready to generate new profitable growth in our business. The key was – and is – to focus even more on the strengths that are most important to our clients, so that they continue to trust Nordea and invest with us. The inflow of new assets under management reflects

our clients' confidence in Nordea's advisory services and products for savings and investment, including the Life & Pensions area. No less than EUR 12.5bn in new assets were added in 2003. Of this amount, Nordic clients account for two-thirds with one-third from clients in Europe and North America. Nordea is among the leading European providers of investment funds across borders.

– Our inflow of new capital is unique in the Nordic region, and this year we have further strengthened our position as the leading Nordic asset manager. With almost EUR 113bn under management, we can ensure economies of scale while providing advisory services we can be proud of, says Christian Clausen.

Key figures per quarter – Asset Management activities

	Full year	Q4	Q3	Q2	Q1	Q4
EURm	2003	2003	2003	2003	2003	2002
Revenues	472	137	119	111	105	115
Expenses	-184	-48	-44	-44	-47	-52
Distribution expenses	-108	-29	-27	-26	-26	-25
Product result	180	60	48	41	31	38
of which profit within Retail Banking	81	25	22	19	15	19
Cost/income ratio, %	62	56	60	63	70	67
Assets under management, EURbn	113	113	107	102	95	96
Number of employees (full-time equivalents)	784	784	804	829	838	853

Key figures per quarter - Life activities

	Full year	Q4	Q3	Q2	Q1	Q4
EURm	2003	2003	2003	2003	2003	2002
Premiums written, net of reinsurance	2,305	701	457	548	599	722
Product result ¹	161	44	43	52	22	48
of which profit within Retail Banking	47	18	10	10	9	41
Investment return, % ²	5.8	0.7	0.4	3.3	1.4	2.7
Number of employees (full-time equivalents)	1,012	1,012	1,014	1,008	1,011	1,013

¹ Reported life result in the Group's income statement includes the costs related to commissions paid to Retail Banking. In the presented product result these commissions are not deducted since they contribute to the Group's earnings on life products.

² Exclusive of unit-linked business.

Year 2003 in brief

January

- Target of 3.3 million e-banking customers achieved, new target of 3.7 million by the end of 2003

April

- Gunnel Duveblad, Birgitta Kantola and Lars G Nordström elected members of the Nordea Board of Directors

May

- Nordea reduces its real estate exposure by selling Nordisk Renting and properties in Denmark
- Nordea is first to introduce cross-border business to business e-invoicing in and between the Nordic countries

June

- New business model for investment banking
- Nordea sells Finnish real estate broker Huoneistokeskus Oy
- Nordea decides to initiate a change process aimed at reducing its legal complexity and to become one European Company, "Societas Europaea"
- Nordea Bank Polska S.A. and LG Petro Bank S.A. merge

July

- The use of Nordea's netbank grew by 21 per cent during the first six months of the year and Nordea surpasses 3.5 million e-banking customers

October

- Nordea and IBM sign agreement on IT partnership for IT production
- EGM approves changes to Nordea's Articles of Association as a step in the process of reducing Nordea's legal complexity
- Nordea establishes a Nomination Committee

November

- Nordea sells shares in Finnish real estate company Citycon Oyj
- Nordea sells 97 properties in Finland, Norway and Sweden including office space that Nordea leases back

December

- Nordea reaches its target of 3.7 million e-banking customers at the turn of the year.

Six awards

Nordea won six awards in Euro-money's annual competition for the world's best banks. Euromoney is one of the leading financial services magazines in the world and has arranged this competition for several years.

Nordea was chosen as the best bank in Finland 2003. In Denmark Nordea was selected as the best equity house and the securities operations as best local partner.

The cash management services of Nordea were considered the best in the Nordic and Baltic region. Nordea was also chosen as the best equity house and debt house in Finland.

Top marks to Nordea from Global Custodian

Nordea in Sweden was the most improved agent bank among all those measured in Global Custodian's annual survey of 24 major markets for custody services. According to Global Custodian, Nordea has been awarded significantly higher scores. Due to the magazine's rule of not allowing more than one rating move in a year, Nordea did not achieve the highest top-rated status in Sweden, even though the scores were by far the best in the market.





Nordic and local

Nordea secures branches in Denmark against robberies

In future, bank robbers will leave empty-handed if they go for large amounts in Nordea. The reason is that time locks have now been installed on all cash boxes so that customers wishing to withdraw large sums of money have to either call in advance or wait for at least ten minutes before the time lock releases the money.

Employees have no possibility of affecting the time locks, and this goes for the external cash dispensers too. The increased security measures have been well received by customers and employees.



Markka gave way to euro

The Finns have not forgotten their markka, even though it was replaced by the euro already two years ago. Most Finns admit that in their mind they still convert euros to markkas. However, they quickly learned to use euro notes and coins for paying goods.

The Finns had plenty of time to get used to the euro. The prices of goods were displayed in both euros and markkas already in the late 1990s, a couple of years before the introduction of euro cash at the turn of the year 2001–2002. For two months, the Finns used both markkas and euros, after which markkas were given up and could no longer be used for paying.



In the end of 2003, the Finns still held markkas in the amount of 200 million.

Growth in International and Shipping Division

At the end of 2002 the activities of two customer groups in Nordea were merged: Shipping and Oil Service and a Nordic customer group under the name International and Shipping Division (ISD). The division is led from Oslo where more than one-third of the international staff of some 130 are based. About 80 of the staff work with customers within shipping and oil service. The new unit is now through its first year and it can be concluded that it has been an unconditional success.

During 2003 Nordea improved its position in the international ship finance sector. Nordea was awarded the prize “Best overall syndication bank” from Lloyd’s Shipping Economist for syndication of loans of more than USD 5bn to customers in shipping and oil service. As a result, Nordea was ranked number one internationally measured by syndication volumes.

The strong position is a result of long-term focus and commitment within shipping and oil financing and consistent strategy, processing and internal competence building.

New agreement with the Swedish government

In July Nordea entered into a new framework agreement with the Swedish National Debt Office about banking and payment services. The agreement runs from 1 January 2004 to 31 March 2006 with the option for the National Debt Office to prolong the agreement by one or two years. The agreement covers all central government authorities and comprises the government’s payment flow of around SEK 4,200bn a year. Nordea’s combined competence and experience in handling large payment volumes coupled with well-functioning, reliable systems constitute an important competitive advantage when it comes to delivering effective banking and payment services. After the acquisition of Postgirot, Nordea is the largest provider of payment services in Sweden, commanding a market share of 65% of the Swedish government’s payment flow.



Nordea's mission is making it possible.

By providing easily accessible and

competitive financial services and

solutions, we help

customers to reach

their objectives



*Lars G Nordström
President and
Group CEO*



Annual General Meeting

The shareholders of Nordea Bank AB (publ) are hereby summoned to the Annual General Meeting of Shareholders on Wednesday 31 March 2004.

The Annual General Meeting will be held at 2.00 pm Swedish time in the Aula Magna, Stockholm University, Frescativägen 10, Stockholm.

The shareholders may also participate in the Annual General Meeting through telecommunication.

- at 3.00 pm Finnish time in the Dipoli, Otakaari 24, Otaniemi, Espoo
- at 2.00 pm Danish time in the Bella Center, Center Boulevard 5, Copenhagen.

Registration of participation at the Annual General Meeting will terminate at the opening of the Annual General Meeting.

The premises will open at 12.15 pm local time in Copenhagen, at 12.30 pm local time in Stockholm and at 1.00 pm local time in Espoo. At 1.00 pm in Copenhagen and Stockholm and 2.00 pm in Espoo respectively the executive management will hold an information meeting and will then answer questions from the shareholders.

Common instructions to all shareholders

Shareholders who wish to participate in the Annual General Meeting shall be

entered in the share register maintained by the Swedish Securities Register Centre (VPC AB) not later than 19 March 2004. The following shareholders therefore have to temporarily re-register their shares in their own names in VPC AB in Sweden in order to be entitled to participate in the Annual General Meeting.

- Shareholders whose shares are held in trust in Sweden
- Shareholders who are holders of Finnish Depositary Receipts in Finland
- Shareholders who are holders of shares registered in Værdipapircentralen in Denmark

Such re-registration shall be completed at VPC AB in Sweden by 19 March 2004. This means that the shareholder shall, in good time prior to this date, inform the trustee about this.

Dividend and record date

The Board of Directors has proposed to the AGM a dividend of EUR 0.25 per share, corresponding to a payout ratio of 48% of net profit. This represents an increase of 9%, or EUR 0.02 per share.

The proposed record date for the dividend is 5 April 2004, and dividend payments are scheduled to be made on 14 April. The ex-dividend date for the Nordea share is 1 April.

For further information please see www.nordea.com.