

Helsinki/Stockholm, February 16, 2000

This year-end report covers the operations of MeritaNordbanken Group, which forms the Nordic Baltic Holding Group. The Group consists of the Parent Company, Nordic Baltic Holding (NBH) AB (publ) which, directly (and indirectly via Merita Plc) owns MeritaNordbanken Plc, the Parent Company in the group that includes Merita Bank Plc and Nordbanken AB (publ). See also page 10.

MeritaNordbanken Group/ Nordic Baltic Holding:**Year-end report 1999:****Favorable earnings trend continues, high return on equity
One owner company, listed in Stockholm and Helsinki**

- MeritaNordbanken Group's operating profit amounted to EUR 1 386 M (SEK 12.2 bn).
- Operating profit, excluding items affecting comparability, rose 10% to EUR 1 272 M (SEK 11.2 bn).
- Return on equity was 20.9% (20.6% excluding items affecting comparability)
- Earnings per share amounted to EUR 0.53 (SEK 4.64).
- The Board of Directors proposes a dividend of SEK 1.75 per share.
- Operating profit for the fourth quarter of 1999 rose 19% compared with the third quarter to EUR 335 M (SEK 2.9 bn).
- Completion of the new structure a single owner company.
- Cash offer of NOK 24.3 bn to shareholders of Christiania Bank og Kreditkasse extended.
- Streamlining of operations continues; Aleksia real estate company divested.
- MeritaNordbanken is one of the world leaders in Internet banking operations; number of Internet customers exceeds one million.
- Internet expansion is expected to provide possibilities in a three-year perspective for earnings growth of some EUR 250-300 M annually.
- Continuing market success for funds, life insurance and mortgage loans.

MeritaNordbanken, the leading bank group in the Nordic region, provides a broad spectrum of financial products and services to more than 6.5 million private individuals and 400 000 companies and institutions. The Group's service network comprises some 700 branch offices in Finland and Sweden and over 1 000 Swedish post offices. More than 1 000 000 customers use the Group's effective telephone and Internet banking facilities. Customer savings under management total more than EUR 75 billion. Outside the Nordic region, the Group has a presence in 19 countries. Nordic Baltic Holding (NBH) AB (publ) is the Group's parent company. It is listed on the Stockholm Stock Exchange and as an FDR on the Helsinki Exchanges.

1999 Results

(Compared with 1998)

Profit, return on equity and earnings per share

MeritaNordbanken Group's operating profit rose 1% and amounted to EUR 1 386 M (1 370).

Excluding items affecting comparability, operating profit amounted to EUR 1 272 M (1 159), up 10%. Items affecting comparability arose in conjunction with restructuring programs following the merger in 1997. See special section below.

Return on equity was 20.9% (14.3). Excluding items affecting comparability, return on equity amounted to 20.6% (18.7).

Nordic Baltic Holding's earnings per share were EUR 0.53 (corresponding to SEK 4.64).

Income

Total income amounted to EUR 3 025 M (3 351). Excluding items affecting comparability, income was EUR 2 911 M (2 986).

Net interest income amounted to EUR 1 798 M (1 818). Compared with the preceding year, the trend was affected by lower average short-term interest rates, resulting in lower margins on deposits and lower return on shareholders' equity. The steady decrease in interest risk exposure and greater readiness to liquidity contingencies ahead of the millennium shift also offset the effect of larger volumes.

Net commission income increased 14% to EUR 822 M. Buoyant fund sales, combined with a sharp value appreciation, meant that fund commissions increased by a full 26%. Income from securities trading, custody operations and corporate finance also progressed well.

Net result from financial operations amounted to EUR 105 M (445). Excluding items affecting comparability, the result represented a loss of EUR 9 M compared with a profit of EUR 138 M in the previous year. The weakening was due to changes in market interest rates; during the second quarter in particular, both medium and long-term interest rates rose steeply and the upward trend subsequently continued during the remainder of the year but with considerable volatility. A rise in interest rates leads to an immediate decline in market value, although this gradually recovers during the remaining maturity of the security.

The impact of rising interest rates on profit was, however, alleviated through the steady reduction of the Group's interest rate risk during the year. At year-end the duration for financial current assets was 1.6 years. The interest-rate risk in current assets amounted to EUR 17.9 M, measured as VaR, and EUR 67.5 M, measured as a one percentage point parallel shift of the interest curve. In contrast to the parallel shift, VaR takes into account portfolio effects and actual volatility, which explains the different risk levels.

Other income fell 18% to EUR 300 M. This was due primarily to the fact that a large contribution to earnings from Nordisk Renting was received during 1998.

Lower expenses

Total expenses were cut 7% to EUR 1 714 M. Adjusted for items affecting comparability, expenses declined 1%. The reduction reflects continuing favorable cost control, combined with superior productivity and efficiency enhancement.

Personnel expenses amounted to EUR 787 M, representing a reduction of 11%. Excluding items affecting comparability, the decline was 4%.

The number of employees continues to decrease as planned. Since the merger, the gross reduction in the workforce has been 1 500 employees. The increase in personnel by 500 employees has resulted from such factors as expansion in the Baltic area and a strengthening of resources in Asset Management/Life Insurance and IT. Overall, the number of employees in banking operations amounted to about 18 000 at December 31, 1999.

Other expenses totaled EUR 927 M (972), down 5%. Excluding items affecting comparability, expenses increased 2%.

Reduction in loan losses

Continuing favorable economic conditions in primary markets - Sweden and Finland - combined with effective credit control helped to keep loan losses, net after recoveries, at EUR 22 M (139). The loan loss level fell back to a historically low level of 0.04% (0.2).

Cost-to-income ratio (C/I)

The C/I ratio before loan losses amounted to 55%.

Writedown of real estate holdings

A special review of the Group's real estate holdings outside Finland and Sweden (and excluding Aleksia) resulted in a value adjustment of EUR 34 M. Also, the holding in the Citycon real estate company was reclassified as a current asset and thus valued at market which resulted in charges against earnings of EUR 21 M. In addition, a reserve of EUR 90 M was created to cover any losses arising from the sale of Aleksia.

Drawings on pension foundations

Against the background of the surplus values built up in the Group's pension foundations and pension funds, an extra drawing of EUR 65 M (152) was made from the Swedish pension foundation.

Taxes

Tax expenses for the year amounted to EUR 205 M, representing a tax burden of 17%. The relatively low tax rate is attributable to loss carry-forwards that arose in conjunction with value adjustments on real estate and restructuring.

Shareholders' equity

The Group's shareholders' equity amounted at year-end to EUR 5.5 bn after the deduction of the reserve for the ongoing redemption of shares in Merita Plc reduced capital by EUR 0.2 M.

The core capital ratio at year-end was 8.3% (7.3) while the total capital ratio amounted to 12.0% (9.9).

The Group's explicit growth strategy requires that the total capital ratio be maintained at a satisfactory level. The capital base was bolstered during the fourth quarter through the issuance of a debenture loan totaling USD 850 M, of which USD 350 M is deemed to be the risk-bearing capital portion of core capital.

MeritaNordbanken endeavors to maintain a well-balanced capital structure. Against this background, consideration is being given to realizing surplus values (a little more than EUR 0.2 bn) in the Group's Swedish business properties, as well as to a proposal to the Annual General Meeting of shareholders to authorize the Board of Directors to repurchase the company's own shares in Nordic Baltic Holding.

Income statement, excluding items affecting comparability *)

During MeritaNordbanken's initial years, coordination and streamlining of operations was conducted that had a substantial impact on the earnings trend. To illustrate the trend in the Group's operating profit - without the effects of these measures - the table below shows operating profit, excluding items affecting comparability.

The 1999 income statement includes a capital gain on the sale of a shareholding in Pohjola Insurance Company of EUR 114 M. In 1998, items affecting comparability consisting mainly of capital gains from the disposal of shareholdings and restructuring costs were included which had an aggregate impact of EUR 211 M on profit. The quarterly trend is shown in the table on page 19.

	EUR M			SEK M
	1999	1998	Change, %	1999
Net interest income	1 798	1 835	-2	15 848
Net commission income	822	722	14	7 243
Net result from financial operations	-9	138		-74
<u>Other income</u>	<u>300</u>	<u>291</u>	<u>3</u>	<u>2 647</u>
Total operating income	2 911	2 986	-3	25 664
Personnel expenses	-787	-818	-4	-6 938
<u>Other expenses</u>	<u>-927</u>	<u>-906</u>	<u>2</u>	<u>-8 173</u>
Total expenses	-1 714	-1 724	-1	-15 111
Profit before loan losses	1 197	1 262	-5	10 553
Loan losses, net	-22	-139	-84	-195
Profit from companies accounted for under the equity method	97	36		863
Operating profit	1 272	1 159	10	11 221
*) <u>Items affecting comparability</u>				
	1999	1998		
Net interest income		-17		
Net result from financial operations	114	307		
Other income		75		
Personnel expenses		-63		
Other expenses		-66		
Profit from companies accounted for under the equity method		-25		
Total	114	211		
Operating profit, including items affecting comparability	1 386	1 370		12 221

Surplus values

The fixed asset portfolio of interest-bearing securities amounted at the end of the period to EUR 5.8 bn, equivalent to the market value.

Shareholdings, consisting mainly of financial current assets, but which are valued according to the lower of cost and market principle, amounted to EUR 0.5 bn. Unrealized surplus values totaled EUR 0.2 bn. Surplus values in the Group's pension foundations and pension funds amounted to EUR 0.5 bn following the extra withdrawal.

Fourth quarter 1999

(Compared with third quarter 1999)

Operating income in the fourth quarter amounted to EUR 335 M (282).

Total income advanced to EUR 788 M (682). *Net interest income* totaled EUR 457 M (439). Trends in volume and margins had a positive impact on net interest income. *Net commission income* surged to a full EUR 257 M (190), making this a record quarter in the Group's history. Growth in commission was highly favorable in fund management, equities trading, corporate finance and card products. *Net result from financial operations* amounted to EUR 17 M (-7). The interest-related result amounted to EUR -6 M (-40), currency-related profit was EUR 16 M (19) and equities-related profit totaled EUR 7 M (14). *Other income* amounted to EUR 57 M (60).

The Group's total *expenses* rose to EUR 481 M (405). *Personnel expenses* were EUR 200 M (195). *Other expenses* moved up to EUR 281 M (210). The increase was primarily attributable to larger marketing programs in connection with the introduction of the Solo concept in Sweden as well as to higher IT costs (inc. the development of network services and Y2K costs).

Net loan losses during the quarter were a mere EUR 2 M (0). The net volume of nonperforming loans fell back to EUR 805 M (949), amounting to 1.2% (1.4) of lending. The provision ratio amounted to 65% (61).

Market

Lending

At year-end, lending to the public totaled EUR 68.2 bn, up EUR 1.1 bn during the fourth quarter. For the year as a whole, the increase was EUR 8.4 bn or 14%. Market share for corporate lending in Finland was 48.3% (1998: 49.2), and in Sweden 17.1% (16.9).

Lending to households was marked by rising volumes in both Finland and Sweden. Market share dipped to 33.2% (35.1) in Finland, but increased to 14.6% (14.0) in Sweden. Continuing market successes in the Swedish mortgage loan market meant that market share climbed to 15.2%, as against 14.3% at the preceding year-end.

Sharp increase in savings volumes

MeritaNordbanken's aggregate management of customers' savings capital amounted to EUR 75.8 bn, up EUR 9.7 bn during the quarter and EUR 16.8 bn, or 28 % for the year. Savings comprise bank deposits, fund and insurance savings, institutional management and private and share index bonds.

Deposits

Deposits from the public increased 9% to EUR 42.1 bn during the year. The rise during the fourth quarter was 7%. Growth was noted particularly in corporate deposits while household volumes were stable. Market shares in Finland dipped slightly, whereas in Sweden market share in the corporate market increased but declined in the private market.

Good fund year

Net inflow into MeritaNordbanken's fund operations amounted to EUR 2.4 bn, of which EUR 1.4 bn derived from the Swedish market and EUR 1 bn from Finland. Market share of total net savings totaled 20.5% and 30.6% respectively. Fund volume under management amounted to EUR 18.2 bn in Sweden and EUR 3.4 bn in Finland, representing an increase of a full 70% (measured in EUR), and 79% respectively. Market shares of the total fund volume at year-end were 18.2% in Sweden and 28.6% in Finland.

Sharp growth in insurance savings

Premium volumes for the combined Swedish and Finnish insurance operations amounted to EUR 1 354 M. Savings in unit-linked insurance surged and totaled EUR 661 M. Premium volumes in traditional life insurance amounted to EUR 693 M. Unit-linked insurance was dominant in Sweden, accounting for EUR 409 M of a total EUR 549 M and market share nearly doubled to 9.4%. In Finland, traditional life insurance attracted the most capital, accounting for EUR 553 M of a total EUR 805 M. Volumes in insurance operations amounted to EUR 5 bn, of which EUR 1.5 bn in unit-linked insurance.

Internet volumes rising rapidly - more than a million customers impacted positively on earnings

More than one million customers are already connected to MeritaNordbanken's Internet services and the figure continues to rise rapidly. The target is now to reach 2 million at the beginning of the year 2000. The number of payments via Internet is approaching 4 million per month. During the autumn, the Solo concept was introduced into Sweden and WAP services were started in Finland.

MeritaNordbanken has a remarkable potential to benefit from the trends in Internet services.

MeritaNordbanken has the largest customer base in the Nordic region, with more than 6.5 million private customers and 400 000 corporate customers. The possibility to further increase this customer base through continuing expansion in the Nordic and Baltic regions, offers a considerable potential. Internet is opening up new opportunities for advanced customer services and customer benefits, unhindered cross-border access.

Internet operations cut costs for essentially all types of transactions and bank services. Analyses of changing forms of payments, bank and post giro payments, loans and loan applications, share trading, currency orders, card transactions, card issue, cash management, account statements etc, all point in the same direction, namely, that major cost savings can be gained.

This also applies to the impact from changing business processes. In this area, Internet strengthens the ongoing development towards fewer office employees, less office space and new forms of offices for consulting and sales.

New commission income can also be created through new services. These include, for example, affiliation agreements, all forms of e-payments, e-identification and e-signatures. Moreover, such new income sources as payment commissions from e-commerce and income from the distribution of other operators' products can be expected. A strengthening of income can be expected from, for example, increased volumes of consumer credits, student loans, equities trading, fund purchases and improved cross-selling.

Analyses of the impact that the Internet will have in the years to come on MeritaNordbanken's income and costs are, of course, difficult to conduct. Development is moving rapidly and factors that are difficult to gauge are involved. Nevertheless, a rough estimate indicates that in a three-year perspective an annual positive impact on earnings in the order of EUR 250 - 300 M is realistic.

Results by business area

MeritaNordbanken's operations are organized in five business areas: Retail, Corporate, Markets, Asset Management/Life Insurance and Real Estate. In addition to these five, there are the Treasury and Other units. The operating units have decentralized responsibility for earnings, which means that the Group's total business relationship with customers is essentially reported in the customer unit's income statements and balance sheet. Shareholders' equity is distributed to the customer units and the unit's performance is measured against its individual return targets. To date, the distribution of capital has been undertaken in accordance with prevailing regulations governing capital adequacy. During 1999, a model was developed for calculating risk-adjusted capital that is expected to be applied during the current year.

Operating results by business area								
EUR M								
	Retail	Corporate	Markets	Asset Management	Real Estate	Treasury	Miscellaneous	Total
Q1	228	78	28	66	-22	23	-66	335
Q2	216	62	-2	48	-11	10	-41	282
Q3	189	85	-3	60	-12	-17	-22	280
Q4	197	53	29	47	-11	71	103	489
1999	830	278	52	221	-56	87	-26	1 386
1998	745	57	36	160	-114	296	190	1 370

Retail reports increased earnings and high return on equity

Retail accounted for the largest share of MeritaNordbanken's business operations and reported a profit of EUR 830 M in 1999, an increase from the preceding year of EUR 85 M. Lower interest rates during the year contributed to slightly lower deposit margins, while expanding business volumes, notably in housing finance, long-term savings and card payments, had a positive impact on the earnings trend. Overall, however, income declined somewhat compared with a year earlier.

Continuing efficiency enhancement of operations meant that costs could be reduced compared with the preceding year, at the same time as substantial recoveries contributed to maintaining net loan losses at an historically very low level.

Retail return on distributed capital was 26%, with a C/I ratio of 59%.

Corporate's earnings rose

Corporate's profit amounted to EUR 278 M, up a full EUR 221 M from the preceding year, when earnings were affected by low-yield assets, which were excluded in 1999. Last year's profit was also adversely affected by a provision of EUR 84 M for international credit exposure. Continuing rising business volumes, notably during the first half of 1999, plus stable margins and capital gains contributed to boosting income by 55%.

Expenses rose 17%, due partly to measures to strengthen Corporate Finance. Provisions for loan losses made last year in regard to international credit exposure is expected to fully cover any remaining risk of loss. Loan losses, net, were positive. The return on distributed capital was 14%.

Markets' earnings sagged

Markets' profit amounted to EUR 52 M. Profit in 1999 was down EUR 17 M compared with the preceding year, adjusted for loss provisions of EUR 33 M in 1998 in regard to improper equities trading. The major factor underlying the decline was weak earnings in fixed-income securities trading. Profitability in currency trading remained favorable although the introduction of the euro reduced currency trading volumes. Lively activity in the equities market contributed to raising income in equities trading. Markets' expenses fell, as a result of lower systems-development costs, among other factors.

Buoyant trend in fund savings

Product earnings for Asset management/Life Insurance, which include all management income and expenses for management, sales and distribution, rose a full 51% to EUR 166 M. Growing interest among private individuals in long-term saving and active asset management in companies contributed to a highly favorable sales trend during the year. Market share in Sweden again increased. This, combined with a sharp value growth for equities-related savings, particularly during the latter half of the year, meant that total funds under management jumped a full 60% to EUR 33.0 bn. Income rose 34% to EUR 270 M. Management costs rose 19%, due mainly to the broadened product range. Operating profit before sales and distribution expenses amounted to EUR 221 M (160).

Phase-out of real estate continued

Before writedowns of EUR 145 M, real estate reported a loss of EUR 56 M (loss: EUR 114 M). The reduction in losses is due to lower interest rates and continuing phase-out of real estate holdings incompatible with operations. (See also sale of Aleksia below).

Rising interest rates impacted on Treasury's earnings

Treasury's earnings totaled EUR 87 M, down EUR 209 M from the preceding year. During the second quarter of the year, the previously downward trend in market interest rates in both Finland and Sweden reversed with an adverse impact on value growth of Treasury's market-value interest-related portfolio. Interest risk was gradually reduced during the year.

Miscellaneous includes income and expenses that are not directly attributable to any operating unit, such as gains from the sale of holdings in Pohjola, adjustments of redistributed income and expenses among the business areas and Group eliminations.

Cash offer of NOK 24.3 bn to shareholders in Christiania Bank og Kreditkasse

The offer has been extended through March 3, 2000, and is conditional on shareholders representing more than 90% of the total capital accepting the offer and the Norwegian authorities approving the acquisition.

Investment in the Baltic region

The Baltic countries are markets with good growth and will be increasingly more significant for Finland and Sweden's foreign trade. Consequently, during the year, a new regional bank was established for the Baltic countries and Poland. As a result, these countries are also regarded as part of the Group's home market. The Group has operations in Estonia, Latvia, Lithuania and Poland. At the beginning of 2000, operations run by Société Générale in Riga and Vilnius were acquired.

Nordic Baltic Holding (NBH) AB (publ)

MeritaNordbanken Group has conducted a merger of the Group's two holding companies and since the beginning of 2000 has had a single holding company - Nordic Baltic Holding - which is listed in Swedish kronor and euro on the OM Stockholm Stock Exchange as well as in euro on the Helsinki Exchanges.

As a result of the merger of the two previous holding companies, the price differential between the shares as a result of the corporate structure was eliminated. This facilitates the acquisition of shareholders' equity and restructuring deals. The share is more transparent for the financial market, liquidity in trading is improved and the weighting in a number of indexes has increased. Tied-up capital is reduced since dividend can be paid faster from operating subsidiaries to shareholders in Nordic Baltic Holding. For the Group, the simplified structure offers a reduction in operating and legal risks.

At the close of the share exchange period, shareholders representing 95.9% of all shares had accepted the exchange offer. The redemption process involving the remaining shares in Merita has commenced. Holders of 91.2% of the convertible bonds in Merita accepted the exchange offer. In total, Nordbanken Holding issued 815 800 287 new shares in conjunction with the share exchange process. The total number of shares subsequently amounted to 2 091 067 728 before conversion. Conversion may lead to a maximum of an additional 23 206 200 shares.

In January 2000, Nordbanken Holding changed its name to Nordic Baltic Holding (NBH) AB (publ). The company is registered in Sweden. The Parent Company in the banking group, MeritaNordbanken Plc, is registered in Finland.

Rating

The rating institutes, Moody's Investors Service, Standard & Poor's and Fitch IBCA have all confirmed the Group's rating following the announcement of the cash offer to shareholders in Christiania Bank og Kreditkasse and the share exchange offer to shareholders in Merita.

Cooperation with Sweden Post

Over many years, Nordbanken has conducted cooperation with Sweden Post. In autumn 1999, Sweden Post elected to terminate the cooperation agreement which, consequently, will cease to apply as of April 1, 2001. This cooperative venture has been important for Nordbanken over many years, but in line with technical developments and the greater use of self-service, its significance has declined.

Since the termination of the agreement, Nordbanken has been working on identifying an alternative to Sweden Post's service. Among other options, it is planned to establish new offices and service outlets. The customer concept, distributed since 1996 under the brand Postbanken, will continue partly in a changed form. In the future, customers will be offered a fully comparable accessibility in existing as well as newly developed distribution channels.

Real estate sale: Aleksia

In January 2000, it was decided to conduct the sale and stock exchange listing of the real estate company Aleksia. The sale will be finalized and the pricing preliminarily fixed in February 2000.

Millennium shift

The millennium shift was completed within the Group without operational problems or other interruptions.

Share listing

Nordic Baltic Holding was listed on the Stockholm and Helsinki exchanges. On the Helsinki Exchanges, the share is traded in the form of Finnish Depositary Receipts, FDRs, and listed in euro. The listing on the Stockholm Stock Exchange is in Swedish kronor and, since October 1999, also in euro.

Share price trend

The Nordbanken Holding share weakened in 1999 by 3.8%. At year-end, MeritaNordbanken's total market capitalization was EUR 12.3 bn.

Since the start of trading in the Nordic Baltic Holding share on January 31, the share is one of the most liquid in the Nordic region.

Shares in profits

Net profit for the year means that the profit-sharing fund in Finland and the profit-sharing foundation in Sweden receive a maximum dividend corresponding to half the Swedish base amount (SEK 18 200) per full-time employee. The total allocation for the year amounts to EUR 35 M.

Dividend

The Board of Directors proposes that shareholders in Nordic Baltic Holding receive a dividend of SEK 1.75 per share. In total, the dividend corresponds to EUR 427 M, translated at the year-end rate.

Annual General Meeting

The Annual General Meeting of shareholders in Nordic Baltic Holding (NBH) AB (publ) will be held on April 11, 2000 at 2.00 p.m. in Stockholm, and via video in Helsinki.

Stockholm/Helsinki, February 16, 2000

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Financial reports, 2000

MeritaNordbanken Group's reports will be published as follows:

1999 Annual Report	Mid-March
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Interim report for first quarter	April 28
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Interim report for second quarter	August 23
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Interim report for third quarter	October 24
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Income statements

	EUR million		Change	SEK million
	1999	1998	%	1999
Interest income	4 734	5 099	-7	41 734
Interest expenses	-2 936	-3 281	-11	-25 886
Net interest income, note 1	1 798	1 818	-1	15 848
Net commission income, note 2	822	722	14	7 243
Net result from financial operations, note 3	105	445	-76	926
Other income, note 4	300	366	-18	2 647
Total income	3 025	3 351	-10	26 664
Personnel expenses	-787	-881	-11	-6 938
Other expenses, note 5	-771	-803	-4	-6 799
Depreciation and write-downs on tangible and intangible assets	-156	-169	-8	-1 374
Total expenses	-1 714	-1 853	-7	-15 111
Profit before loan losses	1 311	1 498	-12	11 553
Loan losses, net, note 6	-22	-139	-84	-195
Profit from companies accounted for under the equity method	97	11		863
Operating profit	1 386	1 370	1	12 221
Writedowns on real estate holdings	-145	-617	-76	-1 283
Refund of the surplus in the Pension Foundation/Fund	65	152	-57	573
Taxes	-205	-198	4	-1 804
Minority interest	-3	-3	0	-31
Net profit for the year	1 098	704	56	9 676

Note 1: Interest income and expenses

	EUR million		Change	SEK million
	1999	1998	%	1999
Interest income				
Loans to credit institutions	530	586	-10	4 673
Loans to the public	3 536	3 706	-5	31 168
Interest-bearing securities	652	774	-16	5 747
Other interest-bearing assets	16	33	-52	146
Total interest income	4 734	5 099	-7	41 734
of which: net income on leasing operations	49	48	2	435

	EUR million		Change	SEK million
	1999	1998	%	1999
Interest expenses				
Due to credit institutions	716	815	-12	6 312
Deposits and other borrowing from the public	699	904	-23	6 160
Debt instruments outstanding	1 315	1 307	1	11 590
Subordinated debt	171	207	-17	1 510
Capital loans	20	22	-9	177
Other interest-bearing liabilities	15	26		137
Total interest expenses	2 936	3 281	-11	25 886
Net interest income	1 798	1 818	-1	15 848

Note 2: Net commission income

	EUR million		Change	SEK million
	1999	1998	%	1999
Commission income				
Securities	401	319	26	3 532
Payment transmission	219	193	13	1 930
Lending	176	175	1	1 548
Guarantees	31	40	-23	276
Deposits	28	29	-3	246
Other commission income	63	58	9	557
Total commission income	918	814	13	8 089
Commission expenses				
Payment transmission	70	70		613
Securities	13	15		116
Other commission expenses	13	7		117
Total commission expenses	96	92	4	846
Net commission income	822	722	14	7 243

Note 3: Net result from financial operations

	EUR million		Change	SEK million
	1999	1998	%	1999
Equity-related items				
Realized gains/losses	166	396	-58	1 457
Unrealized gains/losses	-8	-84	-90	-68
	158	312	-49	1 389
Interest-rate-related items				
Debt redemption	—	-35		—
Other realized gains/losses	24	120	-80	210
Unrealized gains/losses	-148	-28		-1 301
	-124	57		-1 091
Other securities transactions	0	-1		3
Foreign exchange gains/losses	71	77	-8	625
Net result from financial operations	105	445	-76	926

Note 4: Other income

	EUR million		Change	SEK million
	1999	1998	%	1999
Dividends received	27	83	-67	240
Sale of shares and participations	18	14	29	157
Sale of shares and participations, Group comp.	16	17	-6	140
Sale of real estate (net)	—	-2		—
Net operating result from properties taken over for protection of claims	2	4	-50	14
Real estate income	169	171	-1	1 494
Sundry income	68	79	-14	602
Total other income	300	366	-18	2647

Note 5: Other expenses

	EUR million		Change	SEK million
	1999	1998	%	1999
Information technology	139	127	9	1 222
Marketing	66	62	6	578
Postage and telephone	74	73	1	655
Other administrative expenses	189	188	1	1 666
Compensation to Sweden Post	80	86	-7	709
Rents	89	120	-26	783
Real estate expenses	95	101	-6	838
Sundry expenses	39	46	-15	348
Total other expenses	771	803	-4	6 799

Note 6: Loan losses, net

	EUR million		Change	SEK million
	1999	1998	%	1999
Actual loan losses during the year	838	395		7 381
Previous loan loss provisions utilized	-795	-259		-7 006
Recoveries of loan losses incurred in previous years	-69	-49	41	-605
Specific loan loss provisions made during the year	224	282	-21	1 974
Reversal of previous provisions	-176	-230	-23	-1 549
Total loan losses	22	139	-84	195
Of which: country risks	20	29	-31	176

Exchange rates applied

EUR 1 = FIM 5.94573 (fixed rate)	1999	1998
EUR 1 = SEK	Jan - Dec	Jan - Dec
Income statement (average)	8.8150	8.8202
Balance sheet (at the end of period)	8.5625	9.4874

Balance sheet	EUR million		SEK million
	1999	1998	1999
Assets			
Liquid assets	2 693	996	23 056
Loans to credit institutions	9 095	11 162	77 879
Loans to the public	68 210	59 828	584 050
Interest-bearing securities			
Current assets	8 469	9 997	72 513
Financial fixed assets	5 791	3 698	49 584
Shares and participations	658	517	5 631
Shares and participations in Group and associated companies	666	620	5 699
Intangible assets	142	104	1 212
Tangible assets			
Real estate holdings	2 761	2 991	23 642
Other tangible assets	272	276	2 326
Other assets	3 688	4 294	31 590
Prepaid expenses and accrued income	1 338	1 546	11 458
Deferred tax receivables	194	5	1 664
Total assets	103 977	96 034	890 304
Liabilities and shareholders' equity			
Due to credit institutions and central banks	13 354	17 433	114 345
Deposits from the public	42 074	38 472	360 263
Other borrowing from the public	1 924	2 052	16 473
Debt instruments outstanding	28 094	22 687	240 557
Other liabilities	6 756	6 312	57 834
Accrued expenses and prepaid income	1 427	1 218	12 222
Provisions	234	186	2 005
Deferred tax liabilities	438	292	3 747
Subordinated debt	4 099	2 546	35 103
Minority interest	51	65	440
Total liabilities	98 451	91 263	842 989
Shareholders' equity			
Share capital	1 099	2 340	9 410
Premium reserve	983	320	8 417
Restricted reserves	629	474	5 385
Non-restricted reserves	1 717	933	14 427
Profit for the year	1 098	704	9 676
Total shareholders' equity	5 526	4 771	47 315
Total liabilities and shareholders' equity	103 977	96 034	890 304
Capital adequacy			
Capital base	8 208	6 290	70 279
Risk-weighted amount	68 452	63 732	586 122
Total capital ratio, %	12.0	9.9	12.0
Core capital ratio, %	8.3	7.3	8.3

Derivative instruments

EUR million	1999		1998	
	Contracts made for hedging purposes	Other	Contracts made for hedging purposes	Other
Nominal value				
Interest-rate-related				
Futures and forwards	2 630	148 065	–	187 118
Options				
Purchased	5	842	–	1 545
Written	–	4 427	–	1 987
Interest rate swap agreements	15 622	112 496	3 494	98 646
Currency-related				
Futures and forwards	4 389	61 772	29 762	40 364
Options				
Purchased	–	2 167	–	1 685
Written	–	2 135	–	1 668
Interest rate swap agreements	4 020	4 611	1 858	2 663
Equity-related				
Futures and forwards	–	56	–	146
Options				
Purchased	418	21	236	19
Written	213	9	168	15
Other derivative instruments	–	113	–	32
Total	27 297	336 714	35 518	335 888
Total in SEK million	233 724	2 883 119		

	EUR million		SEK million
	1999	1998	1999
Credit equivalents			
Interest-rate-related instruments	1 923	2 695	16 463
Currency-related instruments	2 169	2 318	18 570

Off-balance-sheet commitments

	EUR million		SEK million
	1999	1998	1999
Guarantees	5 115	4 946	43 801
Stand-by facilities	7 200	4 683	61 653
Credit lines	8 304	5 200	71 102
Other commitments	1 937	880	16 587
Total	22 556	15 709	193 143
Of which, on behalf of associated companies	46	15	390

Financial ratios	1999	1998
Total capital ratio, %	12.0	9.9
Core capital ratio, %	8.3	7.3
Net interest income/Average total assets, %	1.8	1.9
Operating profit/Average total assets, %	1.4	1.4
Return on equity, %	20.9	14.3
- excluding items affecting comparability	20.6	18.7
Cost/income ratio, %		
- before loan losses	55	55
- after loan losses	56	59
Non-performing loans, net, percent of lending	1.2	1.7
Loan losses/lending at beginning of the year, %	0.04	0.2
Number of employees	18 896	19 741
- of whom employed in banking operations	18 032	18 346
Share-related indicators	1999	1998
	Jan - Dec	Jan - Dec
<i>Number of shares at the end of period, mill.</i>		
Nordic Baltic Holding AB	2 091.1	2 123.9
- after full conversion	2 114.3	2 151.0
<i>Earnings/share (EPS)</i>		
Nordic Baltic Holding AB after full conversion	EUR 0.53	EUR 0.33
- excluding items affecting comparability	EUR 0.51	EUR 0.42
<i>Equity/share</i>		
Nordic Baltic Holding AB after full conversion	EUR 2.68	EUR 2.29
<i>Market price at the end of period</i>		
Merita Plc	EUR 5.85	EUR 5.42
Nordic Baltic Holding AB	SEK 50.00	SEK 52.00
<i>Dividend</i>		
Merita Plc	—	EUR 0.18
Nordic Baltic Holding AB	SEK 1,75	SEK 1.64
<i>P/E ratio</i>		
Nordic Baltic Holding AB	11.0	17.8
- excluding items affecting comparability	11.3	13.9

Quarterly income statement, excluding items affecting comparability *

	12 months	Q 4	Q 3	Q 2	Q 1	Q 4
EUR million	1999	1999	1999	1999	1999	1998
Net interest income	1 798	457	439	454	448	459
Net commission income	822	257	190	194	181	189
Net result from financial operations	-9	17	-7	-53	34	18
Other income	300	57	60	91	92	78
Total operating income	2 911	788	682	686	755	744
Personnel expenses	-787	-200	-195	-196	-196	-212
Other expenses	-927	-281	-210	-229	-207	-249
Total expenses	-1 714	-481	-405	-425	-403	-461
Profit before loan losses	1 197	307	277	261	352	283
Loan losses, net	-22	-2	0	0	-20	-38
Profit from companies accounted for under the equity method	97	30	5	19	43	10
Operating profit	1 272	335	282	280	375	255
Taxes ¹⁾	-199	-51	-47	-44	-57	-56
Minority interest	-3	-2	0	-1	0	0
Net profit for the period	1 070	282	235	235	318	199
*Items affecting comparability						
Net interest income	—	—	—	—	—	-4
Net result from financial operations	114	—	—	—	114	137
Personnel expenses	—	—	—	—	—	-40
Other expenses	—	—	—	—	—	1
Profit from companies accounted for under the equity method	—	—	—	—	—	-25
Operating profit/loss	114	—	—	—	114	69
Write-downs on real estate holdings	-145	-145	—	—	—	-617
Refund from Pension Foundation/Fund	65	65	—	—	—	152
Taxes	-6	13	—	—	-19	86
Net profit for the period	28	-67	—	—	95	-310

¹⁾ The quarterly figures have been adjusted with final taxes.

Problem loans	Dec 31	Sep 30	June 30	Mar 31	Dec 31
EUR million	1999	1999	1999	1999	1998
Nonperforming loans, gross	2 252	2 407	2 574	3 061	3 185
Loan loss provisions	-1 460	-1 477	-1 717	-2 126	-2 181
Nonperforming loans, net	792	930	857	935	1 004
Loans with interest deferments	13	19	16	17	17
Problem loans, total	805	949	873	952	1 021
Problem loans, total in SEK million	6 891				
Loan loss provision/ nonperforming loans, gross	64.8 %	61.4 %	66.7 %	69.5 %	68.5 %
Nonperforming loans, net, percent of lending	1.2 %	1.4 %	1.3 %	1.5 %	1.7 %

Results by business area, January-December 1999

EUR million	Retail ¹⁾	Corporate	Markets	Asset mana- gement	Real estate	Treasury	Other	Total
Operating profit/loss								
Income	2 153	425	152	270	113	108	-196	3 025
Expenses	-1 280	-157	-100	-49	-175	-21	68	-1 714
Loan losses	-43	10	-	-	-	-	11	-22
Profit from companies accounted for under the equity method	-	-	-	-	6	-	91	97
Operating profit/loss	830	278	52	221	-56	87	-26	1 386
of which reallocated	193	3	-23	-173				
Write-downs on real estate					-145			
Loss for the year					-201			
<i>Operating profit/loss</i>								
<i>Q 4, 1999</i>	<i>228</i>	<i>78</i>	<i>28</i>	<i>66</i>	<i>-22</i>	<i>23</i>	<i>-66</i>	<i>335</i>
<i>Q 3, 1999</i>	<i>216</i>	<i>62</i>	<i>-2</i>	<i>48</i>	<i>-11</i>	<i>10</i>	<i>-41</i>	<i>282</i>
<i>Q 2, 1999</i>	<i>189</i>	<i>85</i>	<i>-3</i>	<i>60</i>	<i>-12</i>	<i>-17</i>	<i>-22</i>	<i>280</i>
<i>Q 1, 1999</i>	<i>197</i>	<i>53</i>	<i>29</i>	<i>47</i>	<i>-11</i>	<i>71</i>	<i>103</i>	<i>489</i>
<i>12 months 1998</i>	<i>745</i>	<i>57</i>	<i>36</i>	<i>160</i>	<i>-114</i>	<i>296</i>	<i>190</i>	<i>1 370</i>

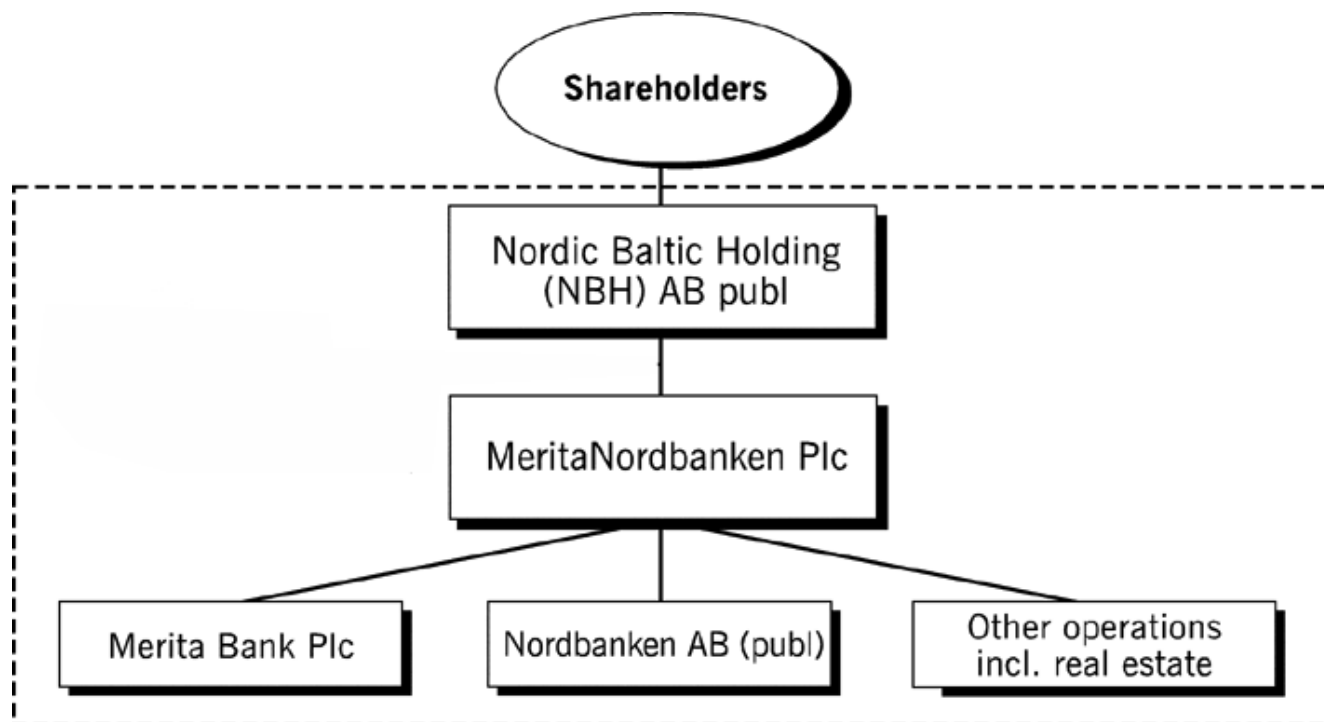
Product earnings

Income	270
Administrative expenses	-49
Sales and distribution expenses	-55
Product earnings	166

Product earnings

<i>Q 4, 1999</i>	<i>50</i>
<i>Q 3, 1999</i>	<i>34</i>
<i>Q 2, 1999</i>	<i>48</i>
<i>Q 1, 1999</i>	<i>34</i>
<i>12 months 1998</i>	<i>110</i>

¹⁾ Includes all Retail units. In previous reports figures have been given for regional banks. Comparative data has been adjusted accordingly.

Legal structure

Merita Bank Plc's Group

1999 YEAR-END REPORT

The earnings trend was positive during the year and operating profit amounted to EUR 638 M (539). This was attributable to a favourable income trend and declining operating expenses and loan losses. Rising interest rates resulted in a lower net result for fixed-income securities.

As a result of MeritaNordbanken's focus on coordination and streamlining of operations, the Group's formerly strategic real estate holdings will be divested. Accordingly, earnings were charged with write-downs on properties of EUR 139 M, reported after operating profit. After these write-downs and taxes, net profit for the period amounted to EUR 436 M, compared with EUR 70 M a year earlier.

Net financial items rose 4% to EUR 931 M, due partly to a lower volume of problem loans and positive development in the deposit structure. Total assets increased 4% compared with the preceding year.

Net commission income increased 10% to EUR 429 M. Commission income rose 10%, due mainly to a continued growth in funds, securities trading and asset management. Commission income for payment services also developed favorably.

The net result from financial operations was EUR 35 M, compared with EUR 175 M a year earlier. EUR 55 M (loss: 10) in realized and unrealized value changes on interest-bearing financial fixed assets were charged against earnings and equity related items generated a surplus of EUR 55 M (138). The result from equities trading includes a capital gain of EUR 27 M from the sale of the bank's shares in the Pohjola Insurance Company. Other securities trading yielded a surplus of EUR 2 million (0).

Profitability in currency trading remained favorable despite the adverse effect on currency trading volumes of the introduction of the euro. The net result of currency operations was EUR 33 M (48).

Other income totaled EUR 54 M compared with EUR 67 M in 1998, when it was affected by gains on sales of fixed assets.

Personnel expenses amounted to EUR 424 M, a reduction of 4% from the preceding year calculated before recovery of surpluses from the pension funds and adjusted for restructuring items of EUR 31 M in 1998. Other expenses declined by 10% to EUR 356 M.

Loan losses fell by EUR 110 M to EUR 57 M, net (167). The improvement was attributable to both lower losses incurred and lower provisions for doubtful loans than in the preceding year.

Total assets of the Merita Bank Group rose during the year by EUR 2 billion and amounted at year-end 1999 to EUR 53 bn. Lending to the public rose during the year by 6% to EUR 28.8 billion at year-end. The growth was attributable mainly to housing loans, which were up 7% to EUR 12.4 billion. Deposits from the public increased by 2% to EUR 23.7 billion compared with a year earlier.

Problem loans declined during the year by 33% to EUR 994 M. Most of the problem loans are nonperforming loans, which decreased by 29% to EUR 636 M.

The bank group's shareholders' equity was EUR 2.6 billion at year-end. Equity rose by EUR 0.5 billion compared with a year earlier. Capital adequacy was 12.1% at the end of the year, 2.3 percentage points higher than in 1998. The core capital ratio was 7.2%.

Tabels

Income statements

Balance sheets

Merita Bank Plc's Group
Income statements

EUR million	1999	1998
Interest income	2 230	2 258
Interest expenses	-1 299	-1 365
Net interest income	931	893
Income from equity investments	6	6
Commission income	469	427
Commission expenses	-40	-36
Net income from securities transactions and foreign exchange dealing		
Net income from securities transactions	2	127
Net income from foreign exchange dealing	33	48
Other operating income	54	67
Total income	1 455	1 532
Administrative expenses		
Personnel expenses		
Salaries and fees	-324	-364
Staff-related expenses		
Pension expenses	-55	-53
Refund of surplus in the Pension Fund	ñ	104
Other staff-related expenses	-45	-55
Other administrative expenses	-201	-194
Depreciation and write-downs on tangible and intangible assets	-47	-57
Other operating expenses	-108	-144
Total expenses	-780	-763
Profit before loan losses	675	769
Loan and guarantee losses	-57	-167
Share of profit/loss from companies accounted for under the equity method	20	-63
Operating profit	638	539
Extraordinary items		
Extraordinary expenses	-139	-580
Profit/loss before appropriations and taxes	499	-41
Income taxes		
Taxes for the financial year and previous years	-151	-61
Change in deferred tax liabilities	92	178
Minority interest	-4	-6
Net profit for the year	436	70
Indicators	1999	1998
Return on equity, % *	21.4	4.0
Income/cost ratio	1.8	1.7
Average number of employees during the year		
- full-time	10 354	11 273
- part-time	1 376	1 325

* Expenses presented as extraordinary have been deducted. Without extraordinary expenses the ratio would be 28.1% (29.0%).

Merita Bank Plc's Group
Balance sheet

EUR million	1999	1998
Assets		
Liquid assets	2 411	798
Debt securities eligible for refinancing with central banks		
Government securities	88	924
Other	2 362	3 944
Loans to credit institutions		
Repayable on demand	304	332
Other	9 221	8 931
Loans to the public and public sector organizations	28 799	27 224
Leased assets	942	844
Debt securities		
Issued by public sector organizations	1 166	219
Other	2 968	2 058
Shares and participations	194	219 *
Participating interests	46	51 *
Shares and participations in Group companies	422	556 *
Intangible assets		
Consolidation goodwill	6	7
Other long-term expenditure	4	8
Tangible assets		
Real estate and shares and participations in real estate companies	35	24
Other tangible assets	129	133
Other assets	2 605	3 320
Prepaid expenses and accrued income	848	1 050
Deferred tax receivables	186	94
Total assets	52 736	50 736

* Items pertaining to Group companies have been transferred between lines.

Appendix A 5 (6)

EUR million	1999	1998
Liabilities and shareholders' equity		
<i>Liabilities</i>		
Due to credit institutions and central banks		
Central banks	4	0
Credit institutions		
Repayable on demand	100	213
Other	7 020	8 244
Due to the public and public sector organizations		
Deposits		
Repayable on demand	15 029	15 156
Other	8 625	7 977
Other liabilities	1 673	1 379
Debt securities outstanding		
Bonds	1 219	1 302
Other	11 455	9 461
Other liabilities	2 433	2 459
Accrued expenses and prepaid income	576	638
Provisions		
Pension provisions	15	16
Other provisions	78	93
Subordinated liabilities	1 945	1 694
Deferred tax liabilities	1	1
Minority interest	12	14
Liabilities	50 185	48 647
<i>Shareholders' equity</i>		
Share capital	1 013	1 013
Revaluation reserve	1	3
Other restricted reserves		
Ordinary reserve	345	345
Capital securities	341	299
Profit carried forward from previous years	432	430
Net profit for the year	436	70
Anticipated dividend	-17	-71
Shareholders' equity	2 551	2 089
Total liabilities and shareholders' equity	52 736	50 736
Off-balance-sheet commitments		
Commitments on behalf of customers in favor of third parties		
Guarantees and pledges	3 440	3 980
Other commitments	568	515
Irrevocable commitments in favor of customers		
Securities repurchase commitments	17	17
Other commitments	5 672	4 212
	9 697	8 724

Merita Bank Group
Off-balance-sheet commitments

EUR million	1999	1998
Contingent liabilities		
Guarantees	3 438	3 978
Stand-by facilities	2 561	2 330
Unused credit lines	2 086	1 784
Other commitments	1 612	632
Total	9 697	8 724
of which on behalf of associated companies	179	306
Pledged assets		
Assets pledged as collateral for own liabilities		
- debt securities eligible for refinancing with central banks	1 337	3 133
- debt securities	296	31
- other	18	ñ
Total	1 651	3 164
The above collateral has been pledged for the following liability items		
- due to credit institutions and central banks	1 341	829
- debt securities outstanding	147	185
- other liabilities and commitments	20	3
Total	1 508	1 017
Derivative instruments (nominal values)		
<i>Contracts made for hedging purposes</i>		
Interest-rate-related derivatives	2 917	2 933
Currency-related derivatives	5 024	31 258
Equity-related derivatives	205	69
<i>Contracts made for other than hedging purposes</i>		
Interest-rate-related derivatives	68 635	167 478
Currency-related derivatives	25 602	11 657
Equity-related derivatives	86	180
Other derivatives	113	32
<i>Total</i>		
Interest-rate-related derivatives, credit equivalents	1 792	1 309
Currency-related derivatives, credit equivalents	1 141	1 483
Capital adequacy		
Total Tier 1 (Incl. profit for the period)	2 541	2 065
- of which capital loans*	341	299
Total Tier 2	1 727	1 513
Tier 3	ñ	ñ
Deductions	-36	-27
Total own funds	4 232	3 551
Risk-weighted items	35 049	36 199
Total capital ratio, %	12.1	9.8
Tier 1 ratio, %	7.2	5.7

* Interest may be paid on these securities only out of distributable funds. The annual interest on the FIM 251 million (EUR 42 million) capital securities issued in Finland is fixed until the year 2004. The securities are perpetual. In September 1997, Merita Bank Plc issued non-cumulative step-up perpetual capital securities in the amount of USD 300 million in the international markets. The securities are perpetual but subject to regulatory approval may be repaid after five years of issuance.

Nordbanken AB (publ)**YEAR-END REPORT 1999**

The swing from a considerable interest decline during 1998 and rising market rates in 1999 resulted in a sharp decline in net result from financial operations. Net interest also declined while net commissions showed a continuing, very positive trend. Operating expenses declined somewhat and loan losses, as in the preceding year, yielded earnings contribution. Operating profit amounted to SEK 5 270 M (6 396). Profit for the year was SEK 4 408 M, compared with SEK 5 164 M in 1998.

Net interest income declined 6% to SEK 8 326 M, due mainly to the contraction in deposit margins and lower returns on securities investments resulting in a reduction in interest-rate risks. Credit demand developed positively and total assets were an average of 13% higher than in the preceding year.

Net commission income rose 19% to SEK 3 409 M. Commission revenues increased 16%, due primarily to a continued rise in securities commissions. Commission revenues from payment administration also developed favorably.

Net result from financial operations in total was a loss of SEK 229 M compared with profit of SEK 844 M a year earlier. Realized and unrealized value changes in interest-bearing financial current assets negatively affected the result by SEK 602 M (positive 1 171) while the result from currency-related operations improved to SEK 338 M (256) and share-related items yielded a surplus of SEK 35 M. The result comparison is further affected by the inclusion in the 1998 figures of a debt redemption cost of SEK 314 M as well as a provision of SEK 290 M for improper equity transactions. Such items were not contained in the 1999 figures. Other income totaled SEK 626 M, compared with SEK 1 156 M a year earlier, when it was affected, among other items, by a nonrecurring gain in conjunction with the ownership restructuring of Nordisk Renting.

Costs

Operating expenses declined 6% to SEK 7 103 M. Adjusted for restructuring costs in 1998 totaling SEK 328 M the decrease in costs was slightly more than 1%.

Personnel expenses amounted to SEK 3 006 M, which adjusted for restructuring costs in 1998 represented a decline in costs of 4%. After comparable adjustment, other expenses were, in principle, unchanged.

Loan losses

Including the change in value of assets taken over, loan losses resulted in an earnings contribution of SEK 227 M, compared with a contribution of SEK 218 M a year earlier. Both charge-offs and provisions for doubtful loans as well as recoveries declined. Concurrently, part of the provisions for country risks made in 1998 were recovered.

Volume trends

Total assets rose 13% during the year to SEK 517 M. Lending to the public increased 10% to SEK 351 billion, while deposits were virtually unchanged at SEK 159 billion.

Capital adequacy was 12.7% and core capital ratio 8.0% (6.3) at year-end.

Nordbanken Group
Income statements

SEK million	1999	1998
Interest income	24 618	25 841
Interest expenses	-16 292	-17 009
Net interest income	8 326	8 832
Dividends received	124	596
Commission income	3 907	3 371
Commission expenses	-498	-499
Net result from financial operations	-229	844
Other operating income	502	560
Total income	12 132	13 704
Personnel expenses	-3 006	-3 406
Other expenses	-3 728	-3 753
Depreciation and write-downs on tangible and intangible assets	-369	-367
Total expenses	-7 103	-7 526
Profit before loan losses	5 029	6 178
Loan losses	269	243
Change in value of property taken over	-42	-25
Share of profit in associated companies	14	
Operating profit	5 270	6 396
Pension adjustment	755	523
Taxes	-1 617	-1 755
Net profit for the year	4 408	5 164
Net commission income	3 409	2 872

Nordbanken Group
Balance sheet

SEK million	1999	1998
Cash and balances in central banks	2 407	1 882
Treasury bills and other eligible bills	21 240	27 575
Loans to credit institutions	68 475	43 953
Loans to the public	351 153	318 580
Bonds and other interest-bearing securities	45 645	36 569
Shares and participations	864	852
Shares and participations in associated companies	371	9
Shares and participations in Group companies	80	80
Tangible and intangible assets	4 048	3 917
Other assets	18 446	21 063
Prepaid expenses and accrued income	4 413	4 908
Total assets	517 142	459 388
Due to credit institutions	125 543	99 871
Deposits from the public	158 838	158 727
Other borrowing from the public	5 990	4 954
Debt securities outstanding	138 729	116 546
Other liabilities	38 267	38 976
Accrued expenses and prepaid income	5 665	5 401
Provisions	3 571	3 307
Subordinated debt	18 742	11 645
Total liabilities	495 345	439 427
Shareholders' equity		
Share capital	5 482	5 482
Legal reserve	11 773	10 133
Reserve for unrealized gains	25	368
Retained earnings	109	-1 186
Net profit for the year	4 408	5 164
Shareholders' equity	21 797	19 961
Total liabilities and shareholders' equity	517 142	459 388
Capital base	38 608	27 401
Risk-weighted amount	303 894	273 248
Total capital ratio, %	12.7	10.0
Core capital ratio, %	8.0	6.3