

Nordea

In 2015, the Nordic economies showed diverging trends. While Sweden continued to show one of the best growth rates in Europe, Finland was struggling to get back to a growth path. Norway was experiencing a slowdown of growth, mainly in the offshore economy, while Denmark displayed a better growth rate and higher real estate prices.

Under these market conditions, Nordea showed 3 per cent increase in income in local currencies and excluding one-offs, a reduction in costs, improved

credit quality, improved operating profit by 7 per cent, and a return on equity which improved to 12.3 per cent.

Delivering Value to Customers

In Retail Banking, digitalization continued to make a significant impact on the business. Nordea's customers increase rapidly their use of online and mobile offerings and also appreciate the accessibility of online meetings, with one of seven customer meetings now carried out online. Nordea has launched new digital services, e.g. updated mobile bank with easy access features such as touch ID, pre-authentication on the chat and call functions.

In Wholesale Banking, customer activity was solid despite intense competition. Nordea consolidated its position as the leading business partner to corporates and institutions in the Nordics. Nordea was awarded

Best Equity Research and Brokerage in the Nordic region by TNS SIFO Prospera and Greenwich announced Nordea to be the bank with the largest corporate customer base.

In Wealth Management, Nordea's customers continued to show strong interest in the broad offering of investment products. Nordea was the eighth best-selling fund provider in Europe and had an overall positive net inflow of EUR 15 billion with contribution from all segments – Nordic retail funds, Private Banking, Life & Pensions, Global Fund Distribution and Institutional clients.

2016 to 2018 – a Transition Period to Deliver One Nordea

The coming three years will be a transition period in which Nordea will execute on its transformational change agenda in order to create a truly digital bank. This change agenda is driven by changed customer behavior, a shift in technology as well as regulatory requirements.

Nordea will undertake a number of activities to accelerate this transition. These will be carried out during 2016-2017 and will start to deliver efficiencies in late 2016, which will enable continued investments

in competencies, product offerings and IT. As substantial investments will be carried out in 2017-2018, net cost reductions will start materializing from 2019.

Together with the investments in the core banking platform, the outcome of the transformational agenda will lead to a more efficient and straightforward structure and reduce administrative complexity to the benefit of customers, employees and investors and enable the bank to become truly One Nordea.

Nordea has around 11 million customers and approximately 650 branch office locations and the Nordea share is listed on the Nasdaq Stockholm,

Nasdaq Helsinki and Nasdaq Copenhagen exchanges.