

Nordea in 2017

In 2017, it was for the first time a synchronised growth in all four of Nordea's Nordic home markets. It was also the lowest market volatility in a very long time, and the geopolitics challenged the globalisation trends as the dominating force.

Under these market conditions, Nordea showed 8 per cent increase in net profit, further improved credit quality and a return on equity of 9.5 per cent. Nordea's Board of Directors decided in 2017 to initiate a re-domiciliation process of the parent company from Sweden to Finland. The change of domicile and the new legal structure, with the banking business carried out in branches of the parent company, will enable Nordea to operate as one bank in a more stable and predictable regulatory environment.

Nordea's response to the market environment and to the changing forces to the industry – digitalisation and regulation – is a transformation of the bank, in order to create a safer, more resilient and agile bank with strategic optionality. The key elements of the transformation are the following:

- investments in compliance and risk management
- technology investments including the core banking platform replacement which is going according to plan and which will lead to lower operational risks, improved customer satisfaction and better cost efficiency
- digital platform investments, which will lead to an increased roll out frequency of improved products and services to customers
- a substantial improvement in cost efficiency, with a target to reduce operational expenses between 2017 and 2021, and
- a new legal structure and change of domicile

In the business areas, the significant transformation continues and the influence of digitalisation changes what customers expect from their bank. In **Personal Banking**, more and more customers choose to handle their banking activities in digital channels, and one out of four advisory meetings is held online. In **Commercial & Business Banking**, there was a substantial growth in the usage of online and mobile services. The demand for solutions that meet the expectations of Nordea's customers and support their new business models also grew.

In **Wholesale Banking**, the leading position in corporate advisory services in the Nordics was confirmed and Nordea received several number one rankings in customer surveys and leading league table positions. In **Wealth Management**, total assets under management grew to a new all-time high of EUR 330 bn. Nordea is now in top 10 of the annual brand ranking of the European Asset Management Industry according to The Fund Brand 50 Report.

The positive effects of Nordea's transformation are starting to reach customers all over the Nordics. As a result, Nordea received awards and top rankings including: best private bank, IT innovation of the year, best in real estate finance, best transaction banking and a number one ranking for the large corporates operation. In addition, several partnerships have been developed to meet customers' demands in the payment area. Mobile bank is becoming the natural contact point between Nordea and its customers.