

Copenhagen, Helsinki, Oslo, Stockholm, 29 August 2011

Nordea initiates negotiations with unions on staff cost reduction

Nordea's ambition in the New Normal is to maintain its place among the top-league banks in Europe. The increased costs imposed by new global regulation will create challenges for all banks. Nordea has decided to take early action to safeguard its strong position on funding and customer relations. That will require Nordea's return on equity to increase, by higher efficiency on cost as well as capital and use of risk weighted assets. As a step in those plans, negotiations with trade unions in the four Nordic countries have been initiated on reducing the total number of employees.

- To increase efficiency is never easy. But we will act early and from a position of strength. By initiating measures to increase profitability early, we safeguard our good rating, competitive funding and thus our ability to offer products and services at the right price to our customers. The alternative – to wait and see – is not an option, says Christian Clausen, President and CEO of Nordea.

Nordea has earlier announced its ambitions under the new global requirements regarding capital, liquidity and cost. The assessment is that the best banks in Europe will reach return on equity levels of around 15 per cent, and Nordea's ambition is to be in that group. In the report for the second quarter 2011, it was stated that in the autumn the bank would "implement plans to contain cost growth in the later part of 2011, and thereafter keep costs largely unchanged for a prolonged period of time".

As a step in those plans, Nordea has today initiated the negotiations with trade unions on reducing the number of employees in Nordea. The reduction follows last years' initiatives to increase efficiency and will lead to a stricter profitability prioritisation in business going forward.

To reach the anticipated cost efficiency and profitability, the required reduction of employees in 2011 and 2012 is about 2,000, of which between 500 and 650 in Denmark, Finland and Sweden, respectively, and between 200 and 300 in Norway. Today the total number of employees in Nordea is more than 34,000.

The ambition is to reach a large share of the reduction in staff cost through natural turnover and voluntary agreements. The stipulated time for the formal trade union negotiations is different from country to country, and all processes are expected to be finalised in November.

In addition, Nordea will continue with other cost and capital efficiency measures in the autumn, and will come back with cost savings and restructuring cost estimates.

For further information:

Rune Kibsgaard Sjøhelle, Head of External Communications, +47 40200210
Helena Östman, Head of Communications Sweden, +46 70 200 40 50

Nordea's vision is to be a Great European bank, acknowledged for its people, creating superior value for customers and shareholders. We are making it possible for our customers to reach their goals by providing a wide range of products, services and solutions within banking, asset management and insurance. Nordea has around 11 million customers, approx. 1,400 branch offices and is among the ten largest universal banks in Europe in terms of total market capitalisation. The Nordea share is listed on the NASDAQ OMX Nordic Exchange in Stockholm, Helsinki and Copenhagen.