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Nordea to acquire Gjensidige Bank and enter Strategic Partnership with Gjensidige

Nordea has entered into an agreement with Gjensidige Forsikring ASA to acquire all shares in Gjensidige Bank ASA. The agreement also includes a long-term strategic mutual distribution cooperation with Gjensidige in Norway.

Gjensidige Bank is one of Norway's leading online banks. The bank offers private individuals a suite of digital banking services, mortgages, car financing, unsecured loans and savings and investments distributed online and through a network of strong partners.

"This is a significant step for us and underlines our strategy and ambition to grow in the important Norwegian market. As the largest bank in the Nordics it is natural for us to partner up with the leading insurance company in Norway. This agreement means that many more Norwegians will get a relation to Nordea, and we fully intend to serve them to the best of our capability," says Snorre Storset, Branch Manager, Nordea Norway.

"We are firmly convinced about the strategic importance of offering both insurance and financing products to our customers in Norway. Our partnership agreement with Nordea will enable Gjensidige to offer a wider range of financing products to both private and commercial customers. The agreement will also provide the opportunity to expand our customer reach through one of the leading Nordic banks with digitalisation and innovation high on the agenda. We are very pleased with the agreement and look forward to a close collaboration with Nordea going forward," says Helge Leiro Baastad, CEO, Gjensidige.

Nordea will acquire Gjensidige Bank for an estimated cash consideration of NOK 5,500 million (€578 million), that will be adjusted for the equity generated by Gjensidige Bank until closing of the transaction. The acquisition, which is subject to e.g. regulatory and other approvals, is expected to close in the first quarter of 2019.

The acquisition will enhance Nordea's position as the second largest bank in Norway and adds 176k customers with €4,840 million customer assets (as of 31 December 2017). Gjensidige Bank is a profitable and fast-growing business (RoE >10% and 12% customer asset growth CAGR in the years 2015-2017). Gjensidige Bank will gradually be integrated with Nordea and Nordea will welcome about 170 employees from Gjensidige Bank.

Nordea expects to deliver annualised cost synergies of approximately €25 million from the combined Nordea and Gjensidige cost base by 2022. In addition there will also be revenue synergies from the growth ambitions. The acquisition will have a positive impact on Nordea's earnings per share from year one, a return on investment of approximately 16% by 2022 and reduce Nordea's CET1 capital ratio by approximately 60bps.

"We view Nordea and Gjensidige as natural strategic partners. Both of us have a strong internal culture and our set of values is a perfect match. We are certain that the customers we both serve will benefit from the wider and better offering that will follow when the two strong partners join forces," says Storset.

In recent years, Nordea has focused its operations to the Nordic core markets. With one of the strongest balance sheets in Europe we have opportunities to strengthen the standing in these markets and take part of profitable growth.

For further information:

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