

Handelsbanken

Press release

Stockholm, 16 September

Handelsbanken gathering its forces at branches, accelerating the pace of digital development and cutting costs

Digitalisation among customers has now reached such a point that the Bank can enter a new stage in its development – at both the branches and digital meeting places.

On one hand, many of Handelsbanken's core customers have ever more advanced demands for their personal meetings. For this reason; Handelsbanken is now strengthening its presence at the branches, in order to meet the demands of, for example, corporate customers and private banking customers. This will be achieved through the granting of an even greater degree of decision-making authority and increased accessibility to specialist expertise, although in fewer locations. The number of branches is expected to decrease from the current figure of 380 to approximately 200 by the end of 2021.

On the other hand, customers would like to be able to perform more and more banking transactions digitally – quickly, simply and personally. Therefore, the Bank is investing a total of SEK 1 billion in IT over the next two years, in order to take its digital customer offering to an entirely new level.

These changes will help us to lower our costs. By the end of 2022, the Group's overall expenses will amount to approximately SEK 20 billion (based on 2020 exchange rates) before any potential allocation to Oktogonen. The cost reductions required to achieve this are expected to result in the Group's income contracting by around SEK 1 billion.

The downsizing of the workforce will affect around 1,000 employees in Sweden over the next two years, not including the measures announced in autumn 2019.

Negotiations and consultations are being initiated immediately with the relevant trade unions.

“Our ambition – as always at Handelsbanken – is to manage these redundancies with care and respect for individual employees,” says Handelsbanken's Group Chief Executive, Carina Åkerström.

As a means to facilitate these adjustments, during the fourth quarter, the Bank will make a provision for expenses estimated at approximately SEK 1.5 billion.

The changes are the result of the Swedish part of the review of the entire Bank's business operations, which was announced last autumn.

In accordance with regulations issued by the European Banking Authority, EBA, the Bank's Oktogonen profit-sharing scheme will henceforth be classified as a variable remuneration system. In order to simplify and adapt management of the scheme to both the EBA's regulations and various national regulatory frameworks, new, national disbursement models are set to be introduced, under which future disbursements will be transferred directly to the

employee – either in cash, to a pension savings programme, to a savings plan or a combination of the three.

Invitation to press and analyst meeting, 10:00 a.m.

A press and analyst meeting will be held today, 16 September, 10:00 a.m. CET at Handelsbanken's head office, Grevgränd 3.

The meeting will be livestreamed at handelsbanken.com/ir, with simultaneous interpretation into English. Given the prevailing coronavirus restrictions, the number of participants will be limited.

International investor meeting, 5:00 p.m.

Telephone number for participants:

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UK: +44 333 300 0804
US: +1 631 913 1422

PIN: 41087258#

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Replay Access code: 301331483#

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