

Press release

Stockholm May 31, 2023

Handelsbanken enters into an agreement to sell private, SME and life insurance operations in Finland

Handelsbanken AB has reached an agreement with S-Bank Plc, Oma Savings Bank Plc and Fennia Life Insurance Company Ltd regarding the transfer of parts of the Bank's operations in Finland. The private customer, asset management and investment services operations are to be sold to S-Bank, who will also take over lease agreements for branch offices. The small and medium-sized enterprise operations are to be sold to Oma Savings Bank. The life insurance operations are to be sold to Fennia Life Insurance Company. Upon the transfer date, the Bank will receive cash consideration equal to the actual net asset value (approximately EUR 1,300 million as per Q1 2023) plus a maximum premium payment of EUR 8.5 million. The transaction is expected to be finalised during second half of 2024.

The transaction includes lending volumes of approximately EUR 4.1 billion corresponding to a risk-weighted exposure amount of approximately EUR 1.3 billion and deposit volumes of approximately EUR 2.8 billion (based on balances as of March 2023). The transaction represents approximately 30 per cent of the lending volumes and approximately 50 per cent of the risk-weighted exposure amounts in the Bank's operations in Finland. The divestment of the Bank's remaining operations in Finland continues as part of a separate process.

On the transfer date, the value of the assets will be reduced by an amount corresponding to the liabilities assumed by the buyers, primarily comprised of deposits from the public. The remaining amount will be paid in cash, plus a net premium of maximum EUR 8.5 million.

The net non-recurring financial effects impacting the Group's operating profit are expected to be marginal.

The sales are contingent on customary approvals by public authorities and the relevant trade unions have been informed.

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This information is of the type that Svenska Handelsbanken AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the agency of the contact person set out above, at 07:00 CET on May 31, 2023.

For more information about Handelsbanken, see: www.handelsbanken.com