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## **Swedbank strengthens governance of the Baltic operations**

**Swedbank's Board of Directors has decided to establish a new Baltic subsidiary of Swedbank AB. The holding company will become owner of the current subsidiary banks in Estonia, Latvia and Lithuania. In this way Swedbank formalises the current operating model while increasing accountability and responsibility of the Baltic Banking management.**

"We have been working on improvements of our internal governance model since early 2020, taking into account the recommendations of regulators as well as industry best practises. The changes aim to ensure a simple and transparent governance structure with clear decision making that supports the bank's long-term strategy in all four of Swedbank's home markets – Estonia, Latvia, Lithuania and Sweden," says Jens Henriksson, President and CEO of Swedbank.

The holding company will create a sub consolidated group within Single Supervisory Mechanism and serve as a legal counterpart to relevant authorities, in addition to the local subsidiary banks.

"We play an important role in all three Baltic countries' financial systems and we are fully committed to maintaining our long-term presence in Estonia, Latvia and Lithuania. By strengthening the governance of the Baltic operations, we will ensure operational synergies, control and efficiency, while maintaining the current operating model with local subsidiary banks," says Jon Lidefelt, Head of Baltic Banking.

The CEO of Swedbank Group will be the Chairman of the Supervisory Board of the holding company and the Head of Baltic Banking will be the CEO. The holding company will be 100% owned by Swedbank AB, and it will be the sole owner of Swedbank subsidiary banks in Estonia, Latvia and Lithuania. The CEO of the holding company will also be appointed Chairman of the Supervisory Boards of Swedbank's subsidiary banks in Estonia, Latvia and Lithuania.

The governance improvements within the bank also clarifies mandates and responsibilities for each of the country management teams in the Baltic subsidiaries. This will ensure that we strengthen the local subsidiary banks.

"The new company will continue to develop the banking experience for the many households and businesses in Estonia, Latvia and Lithuania, and will be managed by the Baltic Banking management team. The subsidiary banks in all home markets will continue to have strong local roots, retain their competences as licensed credit institutions and fulfil their regulatory requirements," says Jon Lidefelt.

The governance changes will not have any impact on Swedbank's customers in Sweden, Lithuania, Latvia and Estonia. Swedbank is the leading bank in Estonia, Latvia and Lithuania employing 6,000 employees who serves more than 3 million individuals and 280,000 companies.

The holding company will be registered in Riga, Latvia, while having employees from all Swedbank's home markets. Pending regulatory approvals, including permission from the FSA, the holding company will be operational by mid-2021.

### **For further information please contact:**

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*Swedbank encourages a sound and sustainable financial situation for the many households and businesses. As a leading bank in our home markets of Sweden, Estonia, Latvia and Lithuania, Swedbank offers a wide range of financial services and products. Swedbank has over 7 million retail customers and around 600 000 corporate customers and organisations with 160 branches in Sweden and 92 branches in the Baltic countries. The group is also present in other Nordic countries, the US and China. Read more at [www.swedbank.com](http://www.swedbank.com)*