

Digitalisation @Handelsbanken

Version: October 2020

Digitalisation – our way

Digital developments are increasingly rapid. When faced with numerous options, the most important question is: What should we focus on? It's a question that needs to be asked in terms of both cost and efficiency. It also needs to be asked to ensure that we focus on what our customers actually want and stay away from things that simply aren't Handelsbanken.

Digitalisation is a never-ending journey. The following is a selection of what is happening within Handelsbanken's digitalisation efforts. This material is regularly updated, based on what is most relevant at the moment.

For us, digitalisation is not just about the development of digital tools and functions, but about how we create value by combining the local, personal and digital so that we can meet our customers where they are, in the way they want, when they want. It is the overall customer experience that is important.

THEME: Even more Handelsbanken 5

Digitalisation is nothing new for us – but we are setting our ambitions higher and accelerating the pace, to be even more Handelsbanken to even more people. Our way forward will bring us even closer to our customers, and will, with proactive advice and tips, give our customers even better conditions to make important financial decisions – in time. We explain what we are doing here and now, and talk about how we see our digitalisation journey from a slightly longer-term perspective.

The customer meeting 25

The Pension Guide has been rolled out to mobiles, serving as a complement to both branch-based pension advisory services and remote advisory services from pension specialists. Private customers in Denmark can contact their personal advisor directly through Online Banking, while our customers in Norway can now easily file and track card claims via their mobile. Private banking customers in Sweden can now access a new portfolio analysis, giving the customer a better overview of their portfolio.

Building relationships 50

Advisory support in Finland has now been supplemented with the Pension Guide, and we have launched a new tool in Sweden which aids in the branches' and credit specialists' analysis and decision-making for large credit exposures.

Data & security 62

We are continuing to develop our PSD2 APIs on the basis of feedback from system developers.

New co-operations 68

Digital signing was launched in summer and has been well received by our customers. In collaboration with a researcher at Stockholm School of Economics, we have developed an analysis model that uses AI to illustrate the proportion of income, among those companies in which the Bank's funds invest, that comes from products and services which contribute to the Sustainable Development Goals. Apple Pay has now also been launched in Sweden.

One example: Mortgage loans 77

The path to a simpler customer and employee journey

Is it really possible to build relationships through the screen of a smartphone?

For us at Handelsbanken, digitalisation is nothing new. In one way or another, we have been embracing new technology since the 60s. An approach which, along the way, has simplified the day-to-day lives of a great many people. In particular, we can look at just how much easier payments and savings have become for our customers, or administrative tasks for our employees.

By increasing our digitalisation rate, we have essentially been able to spend more time on what we do best – building value-creating relationships with our customers. Perhaps that's why we are especially gratified when SKI's surveys, year after year, show that customers value our digital services and give us the highest customer satisfaction rating of all major banks.

Even still, we have never been further away from being complacent.

Digitalisation sometimes tends to be only conflated with automation. For us, nothing could be less true. Granted, your everyday financial chores might be automated but we believe digitalisation enables us to go beyond that. Further in our ambitions – and closer to the customer. Consequently, we are now moving into the next phase, in which relationships are not solely dependent on physical meetings – and can instead be created, strengthened and nurtured in a digital setting.

At Handelsbanken, we genuinely care for our customers, we recognise their needs, and we believe in the concept that a bank should not only sit passively beside their customers, but actively enable them to live the lives they really want. These ideas along with a higher degree of digitalisation enables us to truly be Handelsbanken, for a lot more of customers.

When the glass between the customer and us is no longer only the branches' windows towards the high street but a smartphone screen, we can be even more proactive, address more customer needs – and give more relevant, personally tailored tips and advice.

Finding a balance between automation and simplification while at the same time helping our customers, with humility and empathy, in the areas that matter most to them, that is our ambition.

But getting there is a journey in itself. To thrive and develop while always evolving is one of the Bank's greatest strengths. Whether in times of crisis or success, we have always been attentive and reacted to changes in the world around us. To move too quickly is no good either. It is all about finding the right pace to build customer confidence. To take in the situation, and adapt in a patient, considered way. Because ultimately, a transformation is more of a marathon than a sprint.

Stephan Erne, Chief Digital Officer



Our four focus areas

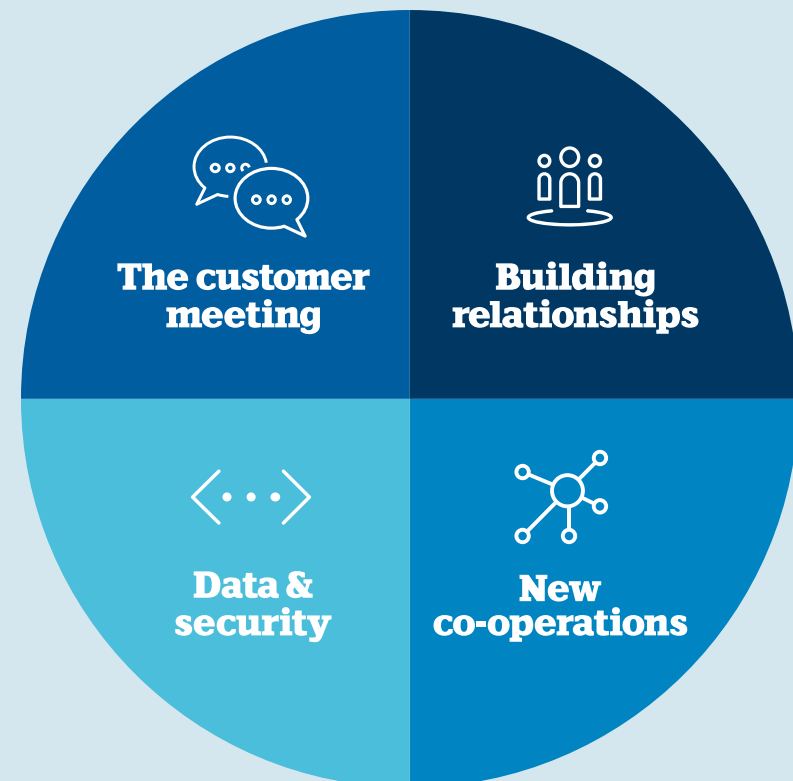
Handelsbanken's development work is focused most distinctly on four areas:

The customer meeting: It has to be simple to be a customer of Handelsbanken. Our meeting places must be accessible and useful, and based on our customers' requirements. We will offer an integrated local and accessible experience, where customers can move between different meeting places.

Building relationships: Our personal and long-term customer relationships give us a competitive edge. By supplementing our personal knowledge of our customers with concrete data, and by reducing the administrative tasks required of our employees, our branches are given the opportunity to provide the right offer, at the right time, in the right place. It must be easy to give service and support to our customers.

Data & security: We use data to offer relevant, customised services and products at all our meeting places. As the importance and value of data are constantly increasing, we have to ensure that our customers feel secure in the knowledge that our use of data meets the highest standards of security, ethics and privacy. Our strength lies in combining this with close relationships and extensive customer knowledge in our customer meetings.

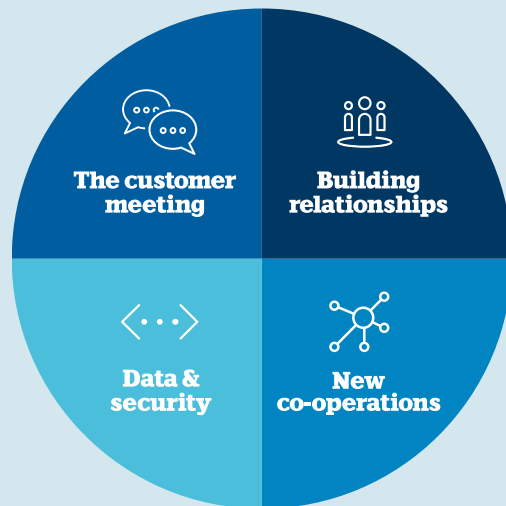
New co-operations: New regulations and new technology are generating increased openness and data sharing. Together with other players, we can capitalise on our in-depth knowledge of our customers' expectations to develop our local and digital presence, and in doing so create customer benefit and business opportunities.



We are upping the pace, without straying from our values or focus areas.

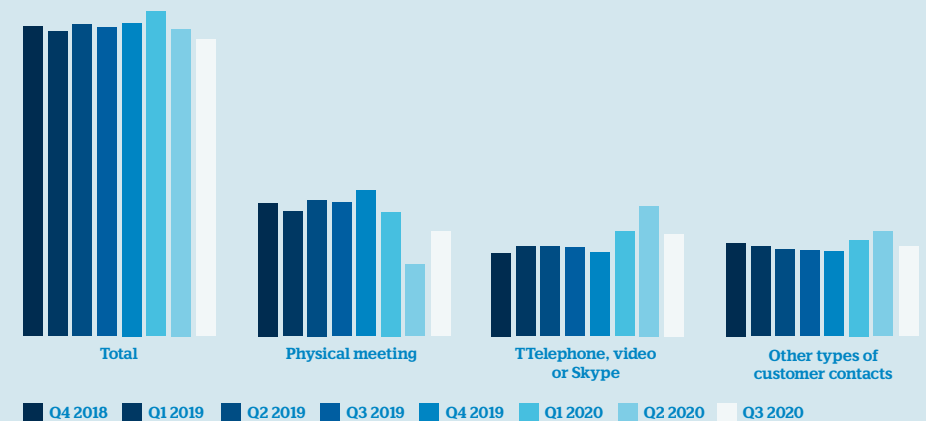
Our relationships define us. The personal relationship between us and our customers is the aspect of our offering that provides the most benefit to our customers. It is the base for the advanced advisory services we provide, but is also the means to solving any immediate problems or needs that arise.

Historically speaking, physical meetings were needed to maintain the personal relationship, but today we can be closer to the customer when it suits them. Quite simply, we can use more – and sometimes better – methods to stay ‘Handelsbanken’ in our customers’ eyes.



* Rolling 12 months, September 30, 2020

Group Customer time



No1

“More of Handelsbanken’s private customers state that they have an individual contact person than at any other bank.”

Source: SKI Bank 2020

1% physical meetings
99% digital meetings
 As of April 2020 (Sweden)

Approx. 10%
 of our digitally active customers in Sweden have received personal advisory*

As we accelerate the pace, we can give more of what makes us Handelsbanken to many more of our customers.

Even more Handelsbanken – to even more people

Our decentralised model aims to make the Bank as accessible to customers as possible. Given that our customers now interact with us more and more via digital channels, we are aiming higher, to be as accessible, efficient and personal in this sphere also – always with the customers' needs at the centre. To be more Handelsbanken, if you would.

For us, this means:

- We make decisions as close to the customer as possible.
- We focus on the things that create the most benefit for the customer.
- The overall customer experience is critical.
- We are organised with the customer as our starting point.

“Customers appreciate the digital offering more and more, but also want to know there is some local commitment there. However, this does not necessarily need to be in the form of a physical branch. It’s more about being close to the customer and understanding their day-to-day lives.”

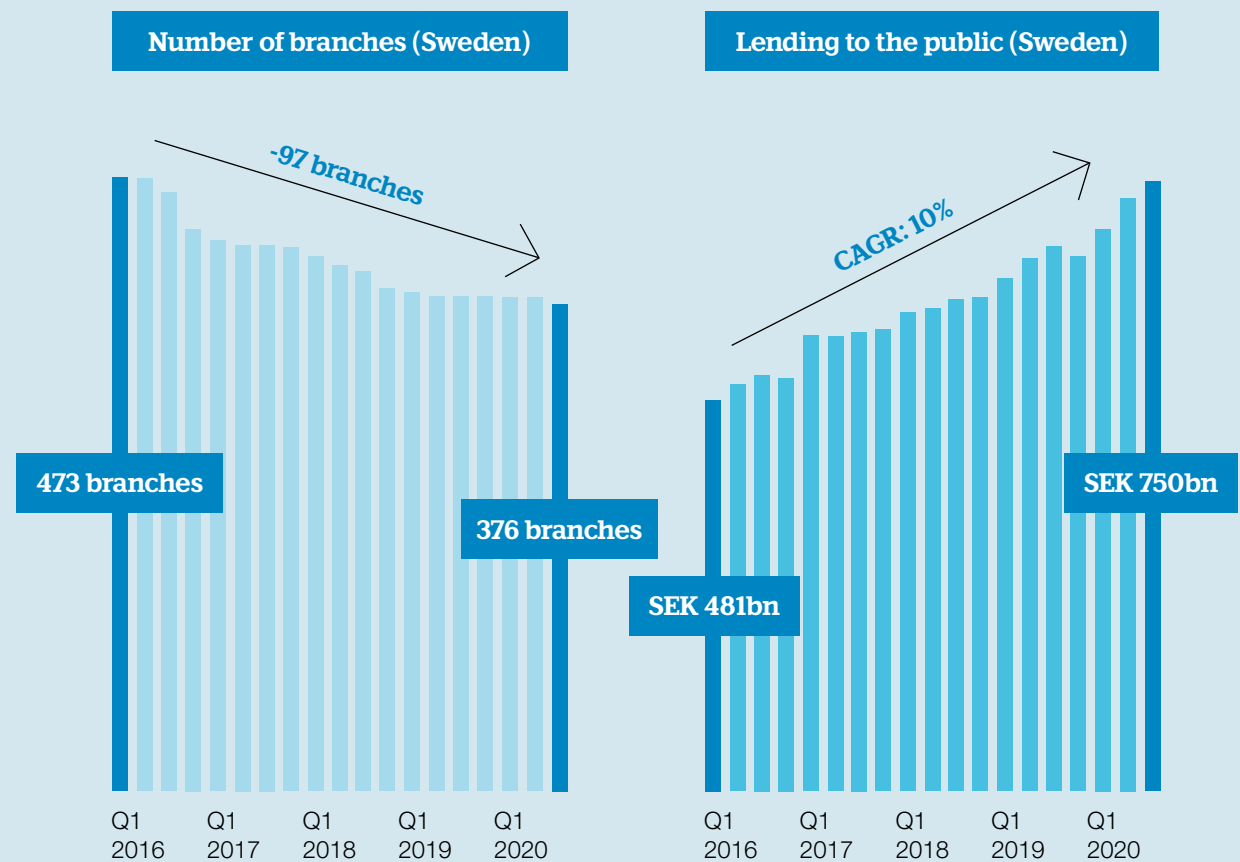
From SKI Bank 2020



Constantly changing and in line with our customers – with improved customer satisfaction and growth

Change work to develop our customer relationships and meeting places is always under way. Over the last five years, digitalisation has had a huge effect on both customer behaviour and our business operations. How and where our customers interact with us has changed drastically, and the Bank in Sweden now has around 100 fewer branches than in 2015.

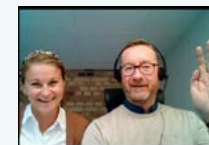
During this period, we have retained a high position in customer satisfaction surveys, and volume growth has continued to go up in both lending and savings. It pays to listen and be attentive, and concentrate our energies where they are needed.



Customer-centric evolution, not panicked revolution

When the world around us is changing enormously, the ability to adapt is crucial. We monitor our customers' needs, and want to offer what they require. Most important of all is the overall customer experience. We do not need to be first. What we do, we have to do well.

Our meeting places and services are constantly being developed. From our first websites and apps to today's video conferences and interactive advisory services.



Most highly-rated banking app among
private customers in SKI Bank
2017, 2018, 2019, 2020



Children's app
Privata Affärer 2018

Three ways forward for our digitalisation journey

Our digitalisation follows three strategies. Together, they aim to develop and display our offering to more people on more occasions.



Even closer to the customer

Our competency and expertise must be made more accessible where our customers are. The distance between development, usage and feedback must be shortened.

Individual and personal advisory services for more people

Realise the potential in our 35 million digital meetings per month, and increase the customer value.

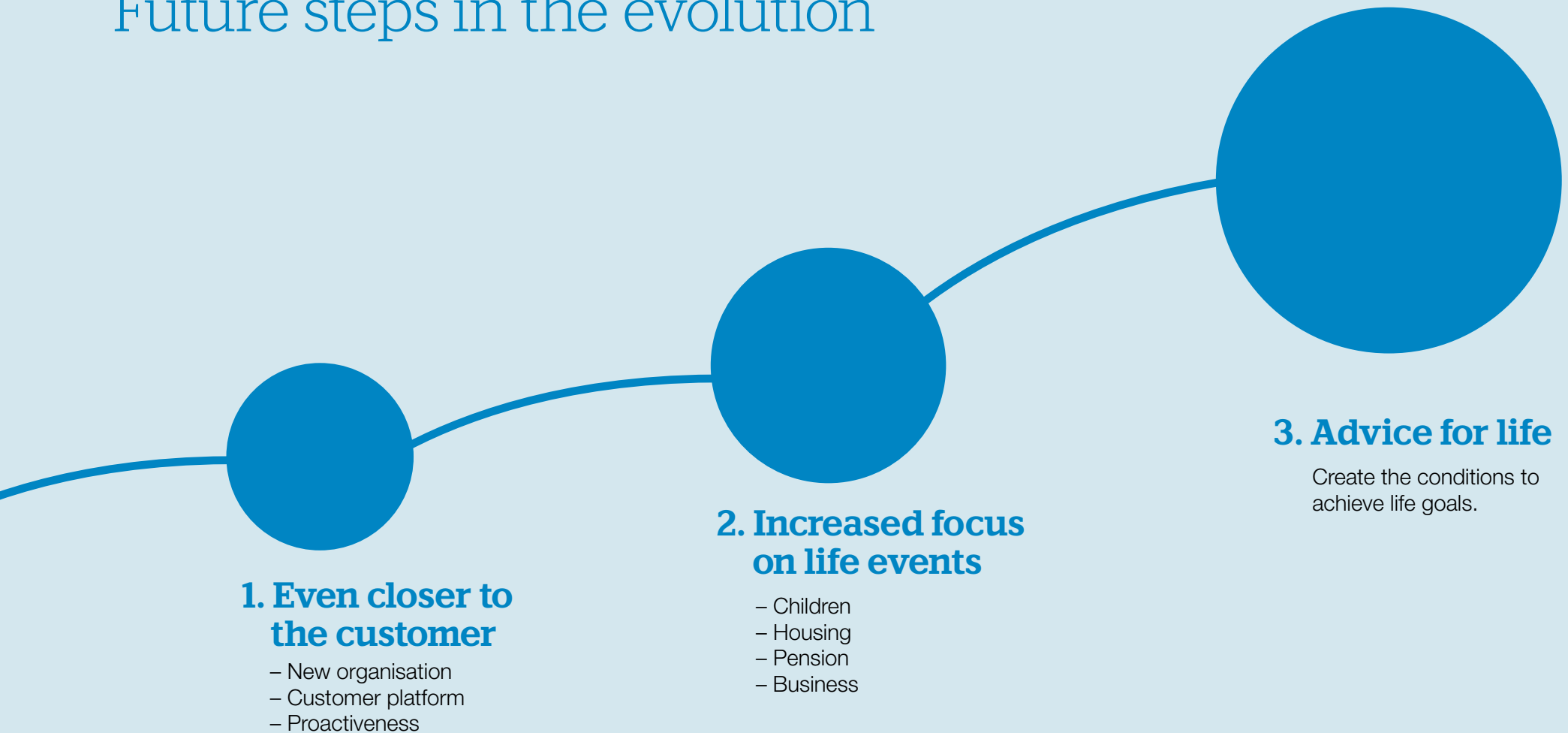
Increased focus on life events

Understand and actively help our customers in the long term with their current life situation as the starting point.

A starting point for our development:

How can we help our core customers to gain more control over their finances, and boost their capacity to make important decisions which improve their economy and development throughout their lives?

Future steps in the evolution



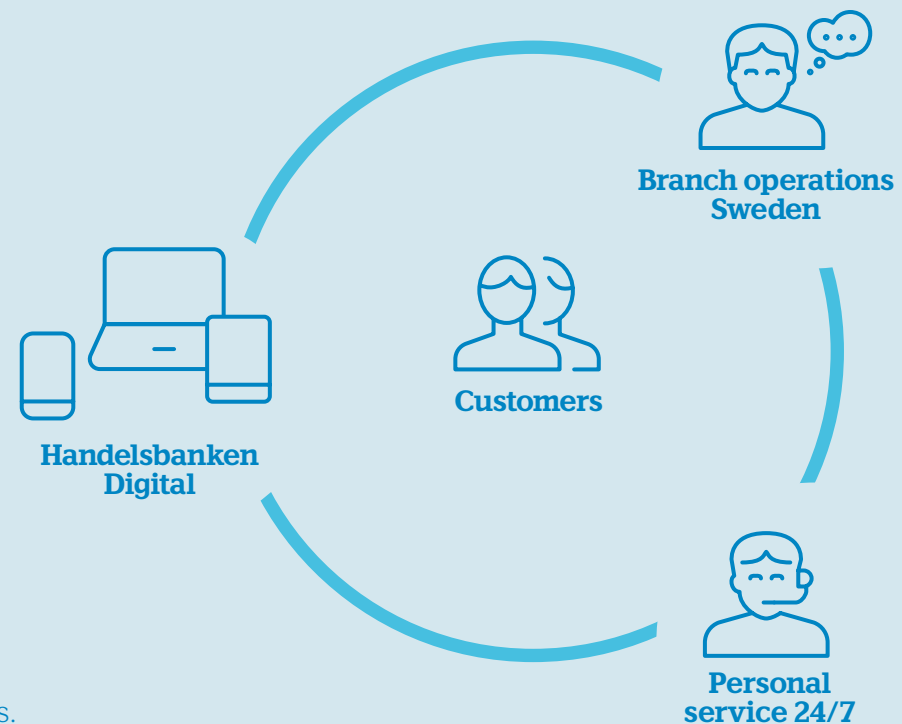


1. Even closer to the customer

- New organisation
- Customer platform
- Proactiveness

Strengthened digital customer experience through organisational concentration of expertise

As a means to create even better conditions for the development of our digital meeting places, a new organisational unit is being formed. The unit will lead Handelsbanken's digital business and make our offering accessible to more customers – based on their needs and situation.



A cohesive customer experience

Our goal is to build as good relationships digitally as we do at branches. In our development of customer meetings, regardless of where the customer meets us, we want to ensure that the customer receives the right offer at the right time, and in the right place. Personal contact and offerings, service and care as it suits our customers – both locally and digitally.

“ We are concentrating our expertise organisationally, focusing on digital customer meetings in order to improve our capacity to create value for our customers. Handelsbanken's unique closeness to its customers will also be a feature of our digital customer meetings, in which we will maintain a high level of availability and an unceasing desire to simplify things for the customer.

Customers will quickly and easily be able to get an overview of and control their finances, and will be inspired by tips, advice and guides to make intelligent decisions regarding their own economy. By using data, our message and offering to the customer will gradually become more and more tailored to the individual – so the customer can be sure that our offering is always relevant and competitive. This will give us a base from which to continue building long-term relationships with our customers, based on trust. ”

Katarina Ljungqvist, Head of Business Development Sweden



1. Even closer to the customer

Now: Gathering our expertise to ensure every meeting is valuable

Smart digital services and increased opportunities for personal contact and advisory services, simplifying daily life for our customers and employees

- Improved personal advisory services in digital channels through facilitating secure communication via the mobile app
- Digital self-service for security solutions, in a secure manner (e.g. renewal of Mobile BankID)
- Enhanced opportunities for personal service 24/7, with simpler identification, and greater chances of help with mortgages, advice and day-to-day finances
- New tool for our employees, facilitating remote co-operation and meetings



Save time



Gain better control



Make decisions

Already today, we meet our customers' needs in several ways

According to the Swedish Investment Fund Association's mutual fund saver survey 2020, 47 per cent of Swedes feel that they need to supplement their pension with private pension savings.

Advisory support for meetings at branches has been gradually developed, but has also been supplemented with remote advisory services with specialists within an area, which many customers perceive as complicated.



The Pension Guide launched in October complements advisory services provided remotely or at a branch

Remote pensions advice - feedback from a customer:

"I received professional help in areas I don't understand. I was pleasantly surprised to learn that I don't need to contact my former occupational pension institutions. This is wonderful!"



4.6 out of 5.0 stars

1. Even closer to the customer

Soon: Personal service in all channels – for real

New customer relations platform and collaboration tools

The implementation of new cloud-based tools for customer relationships and collaboration will improve our ability to actively work to meet our customers' needs, help them when they are in a fix, and support in transitioning from insight to action.

We are creating opportunities to be personal whether the customer would like to talk with their local branch, needs a quick solution from customer service 24/7, or would like to interact in our digital meeting places.

Flexibility and innovative power:

Collaborations with world-leading innovative partners create opportunities for, among other things, progress within cloud services, value-creating use of data and an ecosystem of potential alternatives for identifying the best way to solve and act on our customers' needs.



Improved individualisation, tips and advice digitally

Remote personal advisory service 24/7

Personal advisory service at branches for complex matters



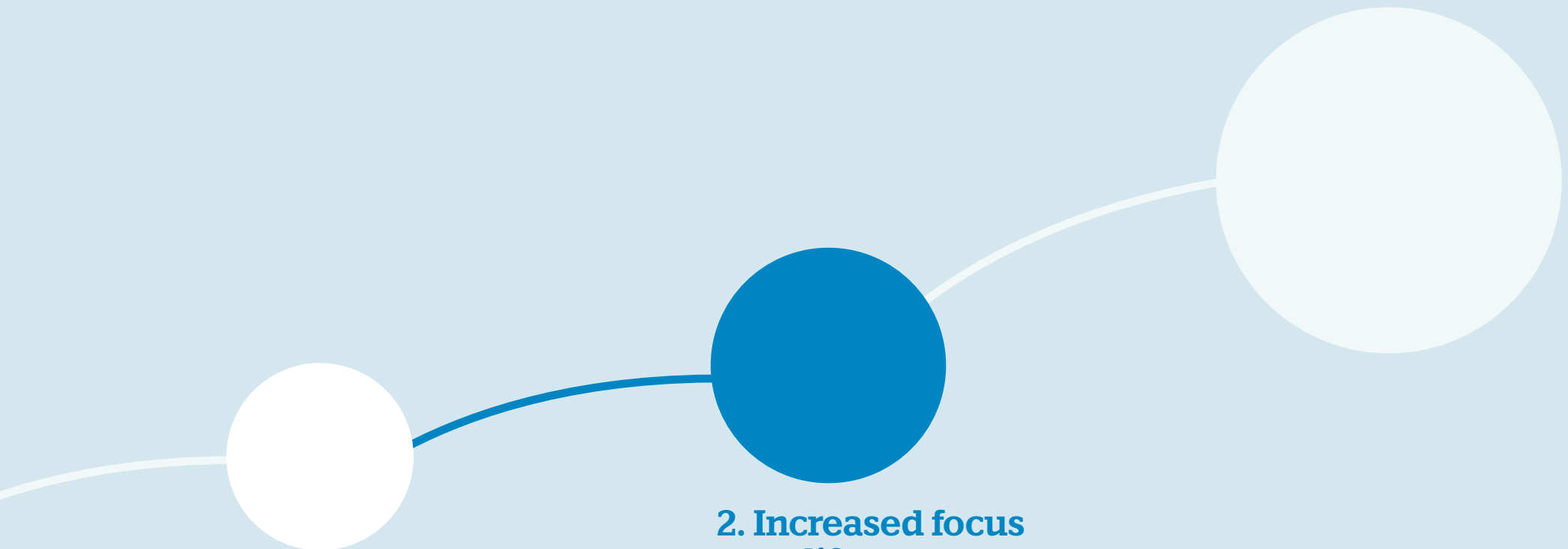
“ We will combine a solid physical presence in all counties with a high degree of decision-making power and cutting-edge digital meeting places. This is modern and is entirely in line with demands from customers such as those I meet - and what the SKI survey shows that customers want. With modern digital tools, we can be more proactive in both advanced advisory services at branches and in digital meeting places, where we meet our customers on a daily basis. The work ahead of us does not mean that our customer relationships are going to become less personal - quite the opposite. It will give us better conditions to develop our personal customer relationships in all places where we meet customers. ”

Michael Green, Head of Swedish branch operations

“ The implementation of modern digital solutions will improve our ability to actively work to meet our customers' needs. In addition, the conditions are created for personal customer meetings, whichever meeting place the customer chooses to use. We have a lot of data we can leverage to create a more personal experience in our digital services. Managing the knowledge about customers we glean from this data is a matter of trust, but this also gives us broader opportunities to better meet their expectations. We are now taking further steps to modernise in collaboration with leading players in cloud services, in a way that enables us to be close to the customer, work data-driven, and understand the customer's genuine needs. ”

Mattias Forsberg, CIO





2. Increased focus on life events

- Children
- Housing
- Pension
- Business

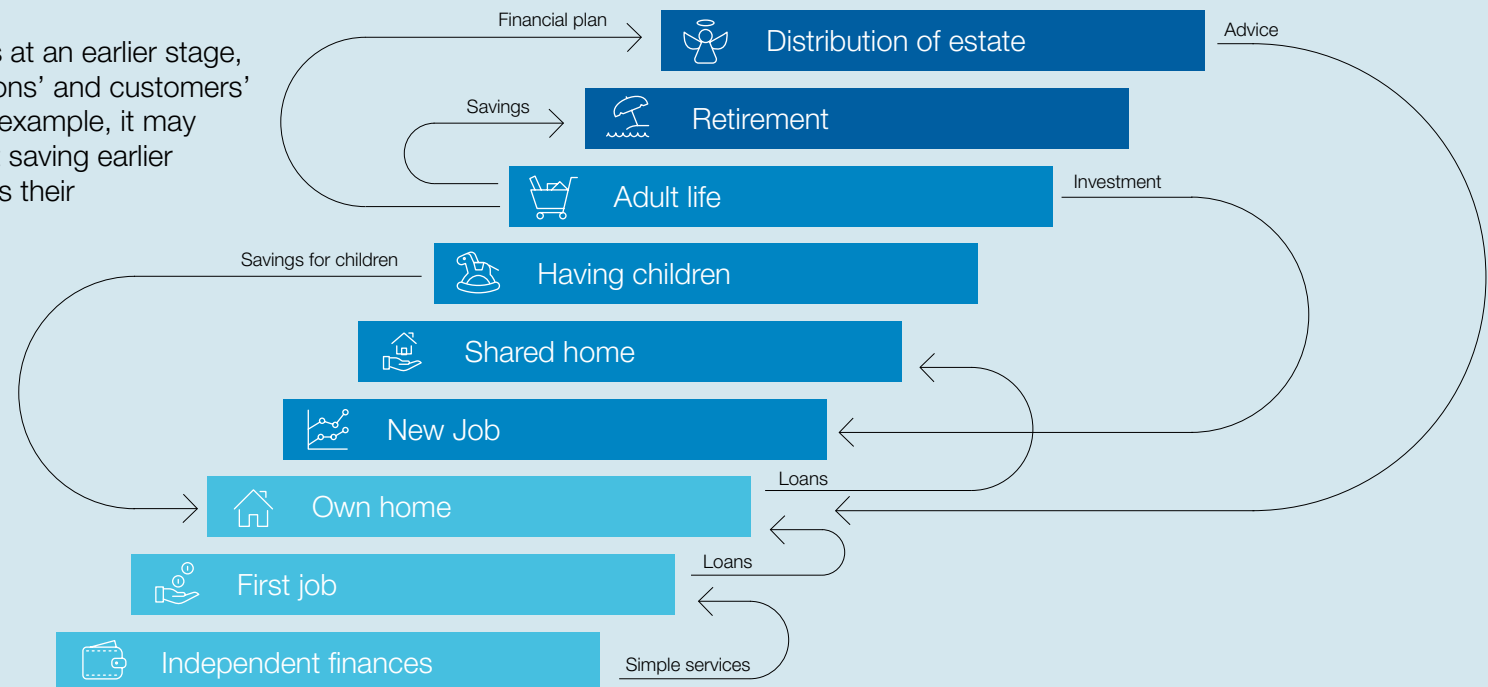
2. Increased focus on life events

Larger customer value and growth by supporting customers through all stages of life

There are many stages of life, and they differ from person to person. Based on our relationship and the customer's needs, we will be even more proactive, and digitally give them relevant tips and advice depending on their needs and life situation.

We are starting our long-term relations at an earlier stage, in order to better meet future generations' and customers' needs, e.g. housing and pension. For example, it may be a matter of helping customers start saving earlier for a down-payment or money towards their children's first home.

An increased focus on life events helps in making important strategic choices - in time.



2. Increased focus on life events

Customer-centric development

Concepts that support customers' needs in various life situations are constantly under development – continuously and methodically, in accordance with Handelsbanken's design process – together with our customers and employees. Insights and feedback directly from end users help us to optimise our offering, but also provide inspiration for new solutions and offerings.

Some examples of feedback from recent test users of new concepts:



"This is something my bank is missing today. This is very interesting – the Bank is working for me!"



"The security of my children is 1,000% for me. I'm not an investment expert so I'm more than happy to take advice from my Bank."



"It's great to have advice presented to me in this way, you're always reminded. Quite often I simply forget."



"This feels serious and good. Especially being able to check off what you've done. Many services merely give advice but never follow up."



1. Understand needs together with the customer

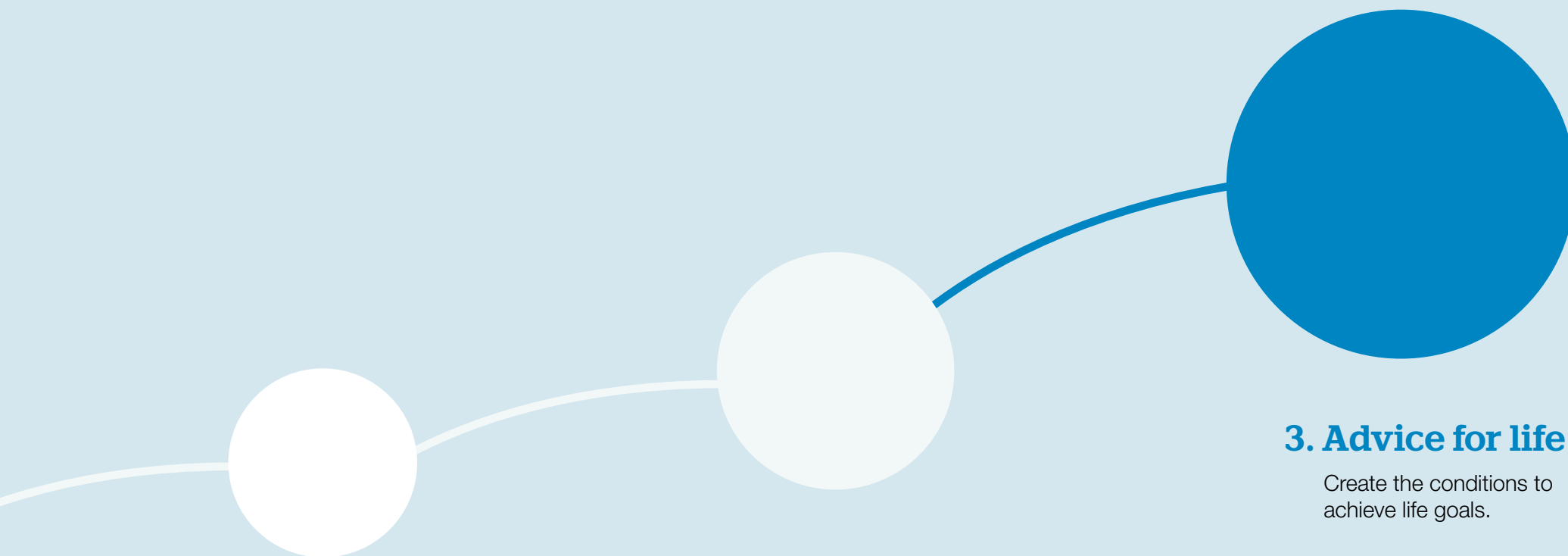
2. Clarify and choose a focus

4. Test and improve

3. Propose a solution



We also gain valuable insights through the day-to-day contact we have with our customers. One such example is the Pension Guide on a mobile (see page 29). Based on insights from thousands of advisory sessions in which similar tools and logic were used, we have formed this support tool for customers to independently tackle their future pension. Of course, during the development process, we have had several series of users test the Pension Guide in the app and give feedback.



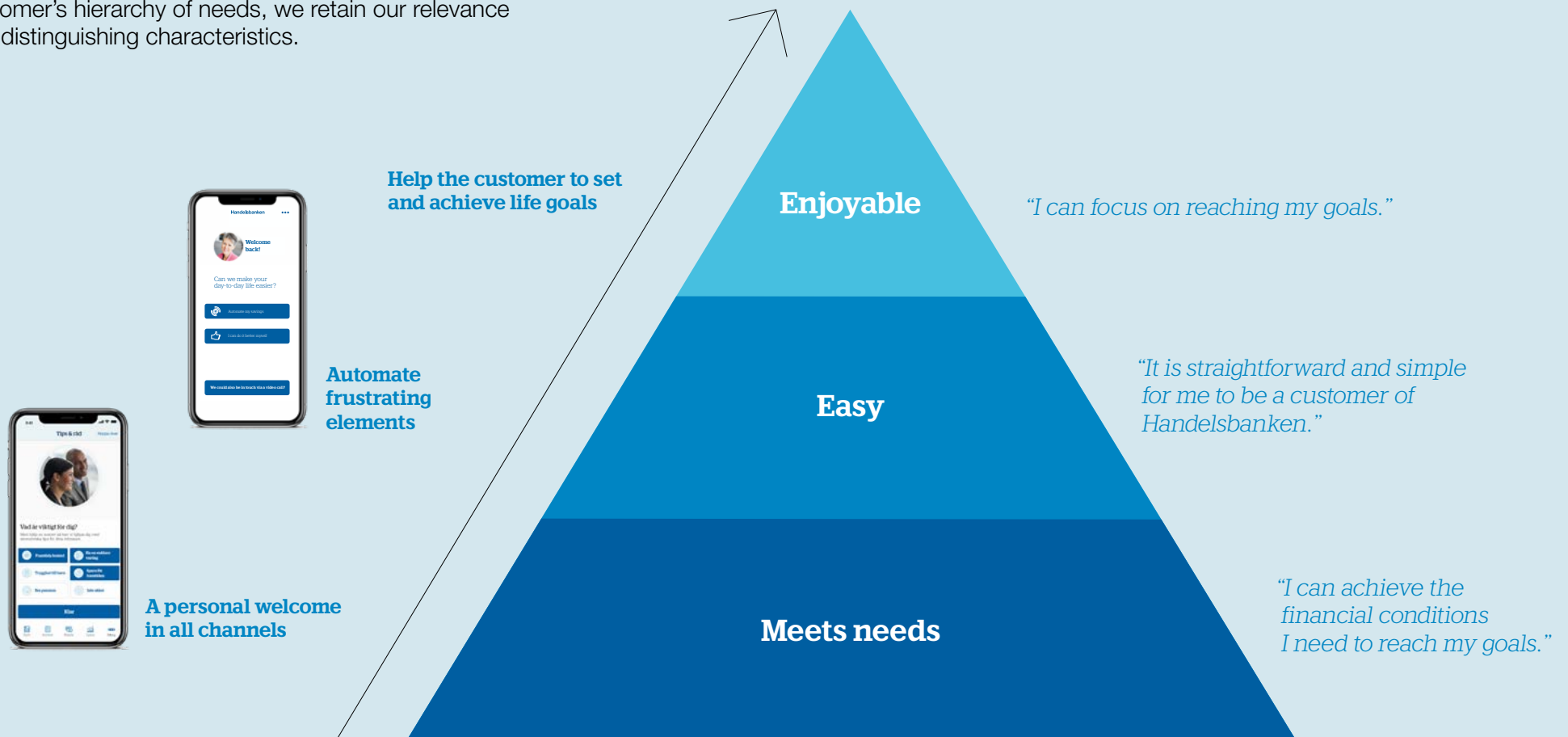
3. Advice for life

Create the conditions to achieve life goals.

3. Advice for life

We create the conditions to achieve life goals

By continuously acting more quickly and higher up the customer's hierarchy of needs, we retain our relevance and distinguishing characteristics.



3. Advice for life

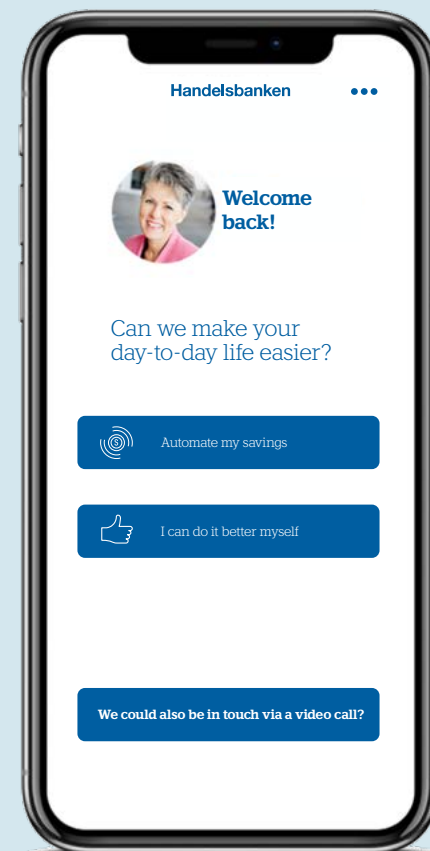
When someone says “Self-driving finance”, what do we say?

When we know customers' financial goals and priorities, it is easy to automate and optimise their economy – completely free of manual intervention. New services such as these are constantly being developed nowadays, and steps towards “self-driving finance” are being taken at an ever faster rate.

Our view is, as always, that customer needs and desires must steer this development. What method is appropriate – automatic, self-service or personal service – for various matters and services must be decided by our customers.

We must always be available to our customers, with smart digital services and personal contact with advanced advisory services.

Our way will perhaps then become “self-driving attentiveness”?



Idea / Sketch



In summary:

**We make what's
simple simpler,
and what's complex
more personal.**

The customer meeting

It has to be simple to be a customer of Handelsbanken. Our meeting places must be accessible and useful, and based on our customers' requirements. We will offer an integrated local and accessible experience, where customers can move between different meeting places.

New paths to our customers: Personal meetings online to several customers



Our customers in Finland have already been able to book advisory meetings to take place digitally. Since 19 March, it has been possible in Sweden, too, for advisors to have a meeting with private customers who can't or don't want to go to their branch. There is also a sustainability aspect to this, as less travel reduces our environmental impact.

- The meeting is secure, since the customer verifies their identity with a QR code and Mobile BankID.
- Online meetings give greater flexibility in meeting customers and can enhance our local and personal approach even more.
- Customers can receive help and advice online from their local branch, or from personal service 24/7.

How does it work?

The customer joins an online meeting in Online Banking, via their computer, mobile or tablet. The advisor is at the branch, while the customer is at the place that suits him/her best. The call takes place over the phone, and is recorded if necessary.

“In the meeting, I can guide the customer through opening agreements and making investments, while a pension review via the online meeting is always well-received, as we can together take a look at the customer's situation in My Pension.”

Peter Nordin, investment advisor, Stockholm Globen



More ways to meet: Skype with external participants



- At the beginning of March, the possibility of inviting external participants to our Skype meetings was introduced.
- The solution is available to all employees throughout the Group, and is to be used when the meeting does not involve advisory services, and the conversation does not require the formal identification of its participants. Thanks to this, we can now more easily communicate with potential customers, public authorities and service providers.
- The function also now allows for connection to Skype meetings via mobile, or joining via a standard phone call, improving the flexibility for joining the meeting.
- Once in the meeting, participants can share their screen and presentations*, which has been extremely useful of late, given that meetings have largely been held remotely instead of physically.
- Employees are now able to connect to external video meetings via, for example, Teams, Google Meet and WebEx. The meeting type can thus be selected based on the situation.

“The coronavirus has made it imperative that we offer customers other ways to meet us than at the branch. Therefore, we are now giving our customers the option of choosing between a physical or digital meeting, depending on what is most comfortable in the current situation – a choice they value highly.”

Jarle Hundvin, Branch Manager Bergen Syd



Attentiveness remotely with pension advisory services

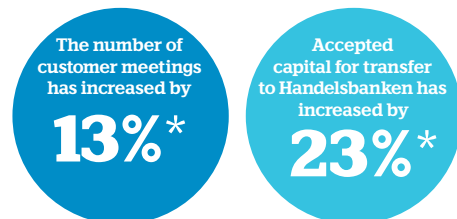


Since 2019, customers have been offered remote advisory services with a pensions specialist in conjunction with potential transfers of existing individual occupational pensions or private pension insurance to Handelsbanken.

The need for these services is often identified in advisory sessions with advisors at a branch. Once there is a clear picture of the customer's total holdings, specialists become involved and provide advisory services via telephone. This solution is an efficiency improvement for the Bank, as well as for its customers, and it gives customers increased access to good advice in an area that many find rather complex.

Customers book meetings themselves via a portal, and are able to pick a time that suits.

Transfer advisory services are, in many cases, subject to complex regulations. By giving the customer the opportunity to calmly go through and discuss their existing solution with a specialist, the customer will get a clearer understanding of their current situation, and of the pension system as a whole. If it turns out that there is a better solution available to the customer, based on their needs, we may propose changes to reflect this. However, good advice can also be to keep everything the way it is. If this is the best option for the customer in terms of charges, current investments and risk level.



* August 2019 to August 2020.



Feedback from customers:

"Friendly service, and good/clear information in the pension jungle."

"A very pleasant, fruitful, and informative meeting. I found it professional and impartial."

"Knowledgeable staff, who provided good explanations and clear answers to my questions. I was also offered good impartial advice."

"I received professional help in areas I don't understand. I was pleasantly surprised to learn that I don't need to contact previous institutions regarding occupational pension. This is wonderful!"

The Pension Guide in mobile devices satisfies customers' requirements



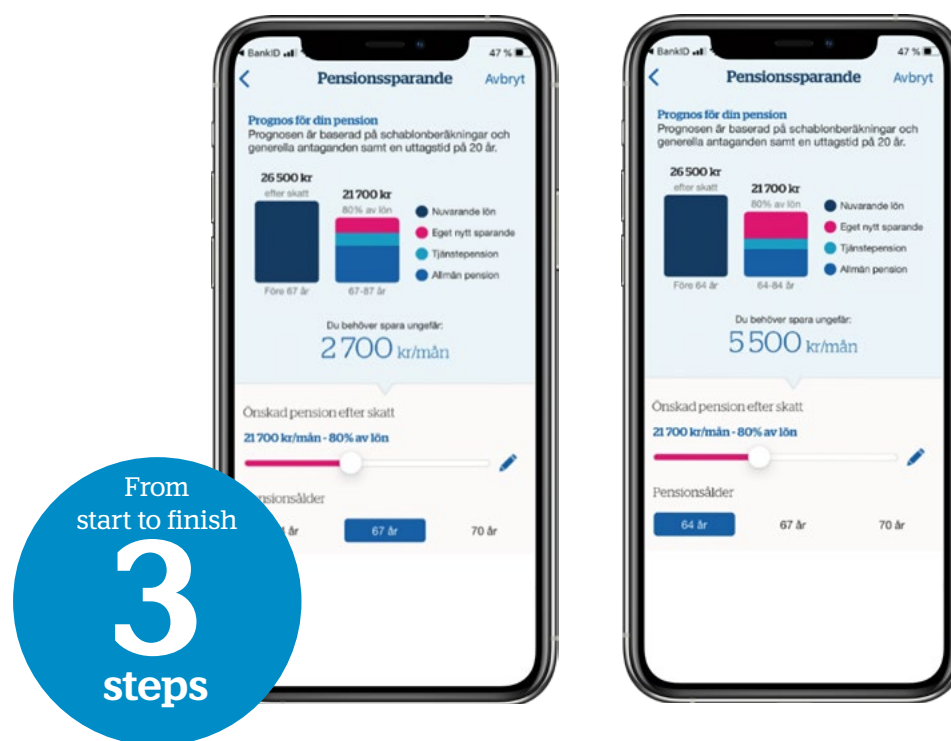
Handelsbanken's mobile app for private customers has received the highest rating in each of the last four years in surveys by SKI, Swedish Quality Index. The Savings Guide was launched in the app two years ago, and quickly became a popular tool among customers looking for a way to quickly get started with their savings. In October, a similar service was launched for pension savings.

According to the Swedish Investment Fund Association's mutual fund saver survey 2020*, 47 per cent of Swedes feel that they need to supplement their pension with private pension savings. In the 18–33 age group, all of 67 per cent of respondents say they need private pension savings.

Pension Guide – easier to build up a picture of your future pension

In order to broaden our offering to also include pensions, a new tool was developed in 2020 – the Pension Guide in the mobile app. Using the same logic and bases of calculation as in an advisory session, the customer can easily and efficiently calculate how much they need to save to achieve the desired level for their future pension, while the need for private pension savings is also highlighted.

The service is aimed at the 18–55 age group and offers not only simulation tools, but also an integrated purchase flow allowing the customer to open custody accounts and fund savings accounts in three simple steps.



"In recent years, the number of private pension advisory sessions at branches have risen substantially. With the Pension Guide in the mobile app, we are broadening the Bank's digital customer offering and making it possible for more customers to get started with their pension savings."

Simon Franz, Business development – Pension and Insurance

Increased availability contributes to increased equities trading



In recent years, Handelsbanken has seen strong growth particularly in its savings business, and we have strengthened the Bank's offering in the securities area during the year.

In February, the minimum brokerage fee for securities transactions on the Nordic markets via the app or Online Banking was reduced from SEK 99 to SEK 9.

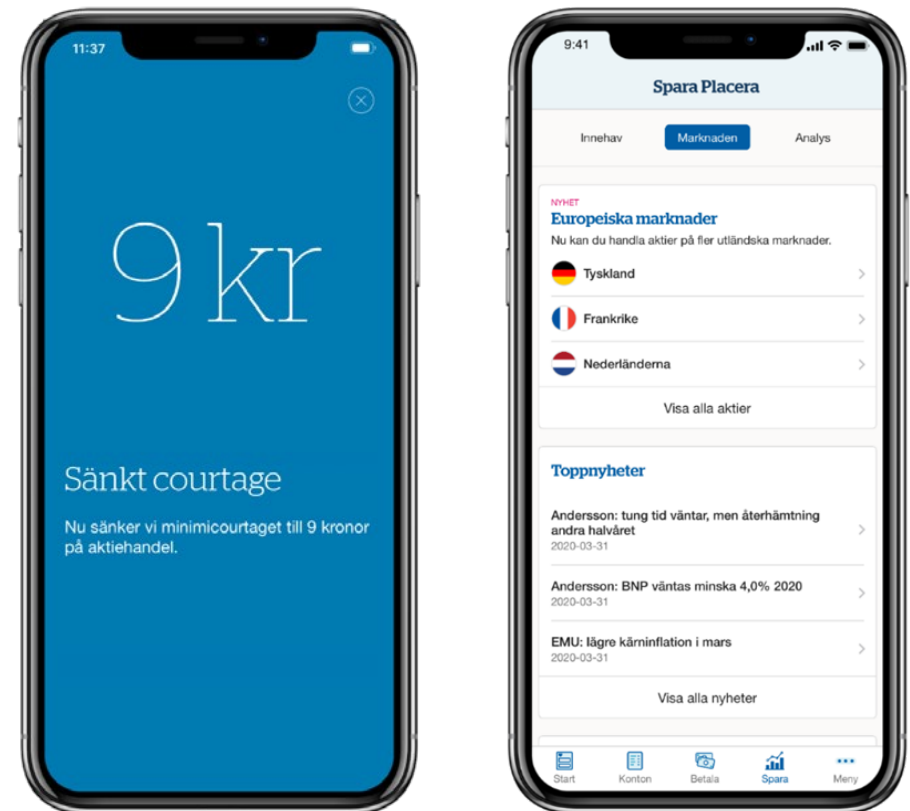
Following this, trading in securities was launched in Germany, France and the Netherlands via the mobile app and Online Banking.

The number of securities transactions has increased during the year

- During the first half of 2020, the number of securities transactions rose by 144 per cent compared with the same period in 2019.
- In connection with the covid-19 crisis in March, we saw a general increase in interest for securities transactions. Our assessment is that the increased availability, through lower brokerage and additional markets in our self-service banking, has contributed to customers choosing to do their own equities business during this period via Handelsbanken.

Upcoming improvements

- We continue to develop and increase the level of availability for our customers. More markets, including the US, are planned for launch in the beginning of next year, improving accessibility for our customers.



New design and functionality for simplicity

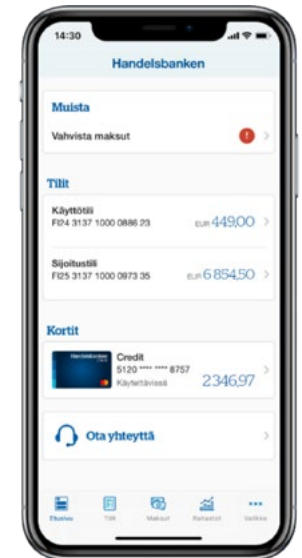
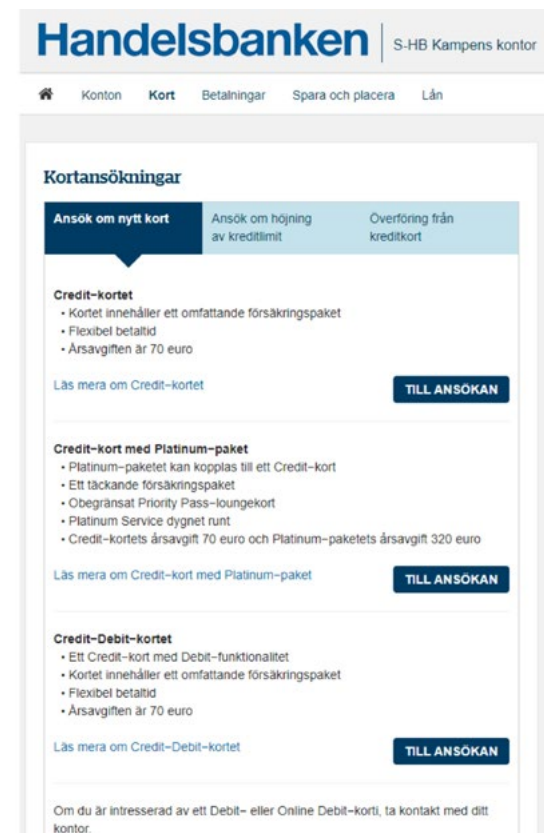


Simpler navigation and visual arrangement in the mobile app

- New start page design.
- Personal adaptation – Option of customising which accounts and cards are shown.
- Menu for improved navigation.
- Global modules in use for more efficient development and maintenance.

Easier to apply for a card via Online Banking

- New look to match the rest of Online Banking.
- All card applications in one place.
- The customer can apply for a new card and to increase their credit limit, and make transfers from the credit card to a bank account.
- Responsive application that works on different sizes of screen.



Easier management of card-related claims and signing of new agreements



Earlier this year, we launched the possibility for customers to:

- access information such as account statements and annual statements via their mobile.
- communicate securely with the Bank via Online Banking.
- be able to track their BSU accounts (Bosparande för Ungdom = a savings scheme aimed at helping young people who are looking for somewhere to live).

Easier management of card-related claims – My Dispute

- Handelsbanken customers now have access to a new digital service for managing card-related claims. In the past, customers needed to contact the Bank and complete and sign a form in order to make a claim regarding a card purchase.
- Instead, customers can now log in using BankID and easily register a card claim via Online Banking.
- The customer also has a better overview of the process of the claim and can follow its management via Online Banking. The solution saves time for both the customer and the Bank and also contributes to improved data quality.

Digital on-boarding of additional products

- Our customers are already able to open accounts and order cards via Online Banking. Customers with special terms and conditions, such as contract customers, can now also open accounts and order cards through Online Banking, with the contractual terms automatically transferred.
- The function can also be used for other segments, such as young customers who need to order youth products, e.g. youth account and youth card.



New mobile app for corporate customers



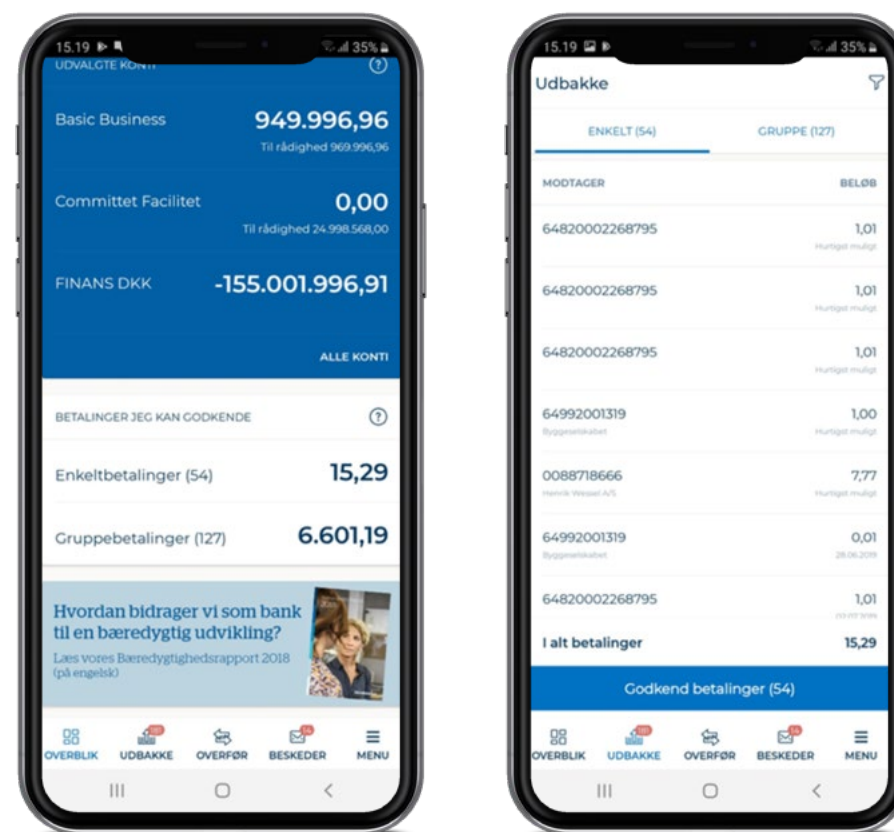
During the year, corporate customers have gained the ability to, for example, authorise payments registered via Online Banking.

- The customer can easily authorise payments wherever and whenever they want. In particular, this simplifies the process on occasions when payments are registered by one person and approved by another.
- Through access to pending outgoing payments, and functionality that is generally more adapted to the company's needs, the flow becomes more user-friendly and the overall experience better.

Previously, both private and corporate customers used the same app, resulting in unnecessary logins and logouts to access information and functions for customers who use the Bank from both a private and corporate perspective.

Users can now switch between private and corporate business through a simple switch between the different apps for private and corporate customers.

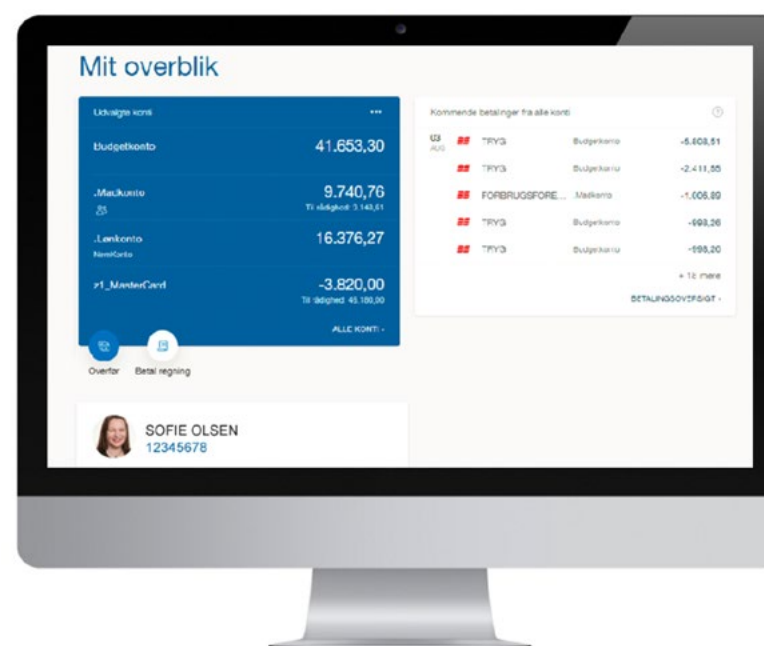
It is our hope that this will contribute to more satisfied customers at the Bank.



Personal advisor always nearby



- We have gradually tested and developed a beta version of our new Online Banking for private customers. The new Online Banking service was launched to customers on 16 September.
- The solution is responsive and optimised for mobile use.
- Our customers now have a better overview of their most-used accounts and pending payments.
- Shortcuts make it easy to execute transfers and pay bills, as well as to contact a personal advisor if necessary.
- We have also updated help and support on the website, making it easier for customers to navigate the new meeting place with searchable web-based guides.
- The feedback we have received from our customers is that they appreciate the quick and user-friendly overview, and the ability to customise which accounts are shown.



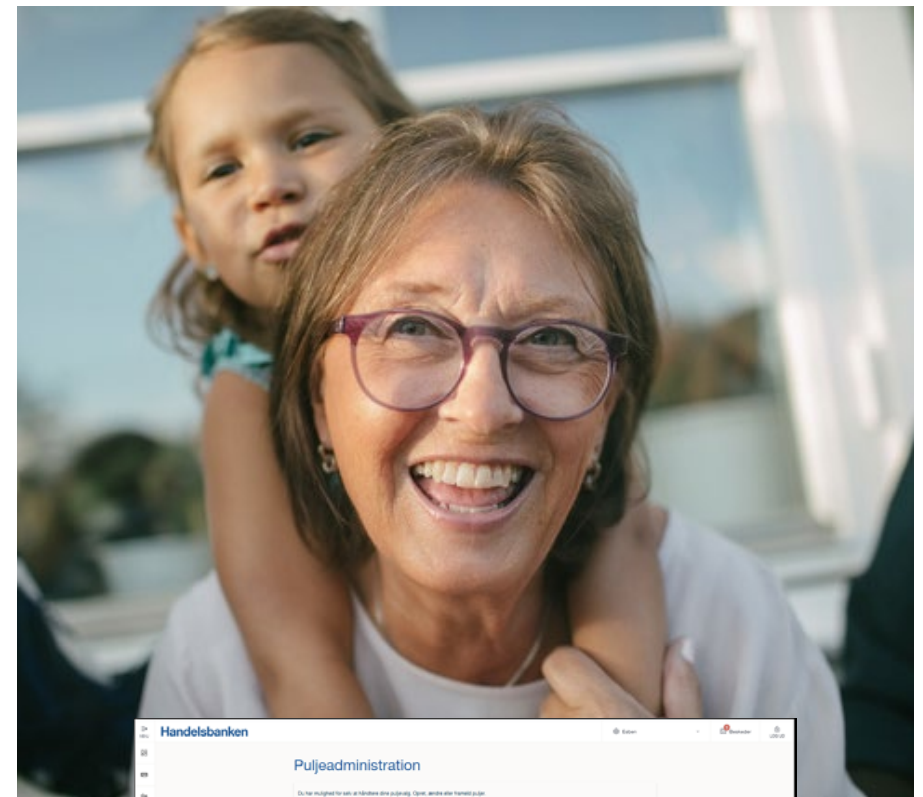
Making savings for children and pension savings easier



Simplifying for customers with “Puljer”**

- Nowadays, private customers who know that they want to start pension savings, or savings for children, and who know how they want to invest their funds, can open something called “Puljer”, and manage their investments themselves.
- Previously, this was dependent on an assessment of the customer’s attitude to risk in their savings having being registered and carried out, irrespective of whether the customer had requested advisory services.
- As many customers opt for “Puljer” for these types of savings, this solution provides a simplification which is both important and time-saving.

More customers are now able to decide what action to take, and when and how to take it. This solution allows for a quicker and more flexible process, which isn’t dependent on manual processing by an advisor.



*Puljer is a Danish investment product under separate regulations (not MIFID II/MIFIR)

Further development of our meeting place for customers interested in funds and equities



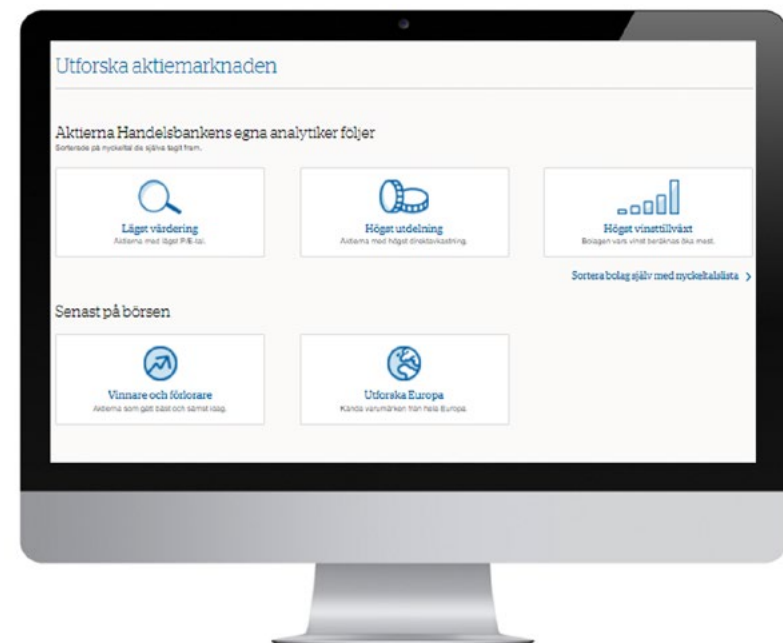
Earlier this year, we made improvements to our meeting place for customers interested in funds and equities.

- Improved Fund overview with new, in-depth content about how customers should approach their fund savings.
- The Focus list has replaced the Equity portfolio and includes around 10 favourite equities in different sectors, where the selection of equities is mainly based on the Bank's fundamental analysis and recommendations.

We are now launching a new service to inspire and motivate customers interested in equities

- Possibility of analysing securities and interesting key figures.
- Easy access to selected company research and a focus on the Bank's research analysts' selection from the Focus list and the Small cap list.
- Equities sorted by the most important key figures.
- European equities sorted by sector.
- Winners/losers in the Nordic and European markets.
- Articles and tips about equities and the market.

All in all, this means that customers interested in equities gain a simple, inspiring overview of possible investments, based on the Bank's company research and overall knowledge of the market climate.



Portfolio analysis for Private Banking customers



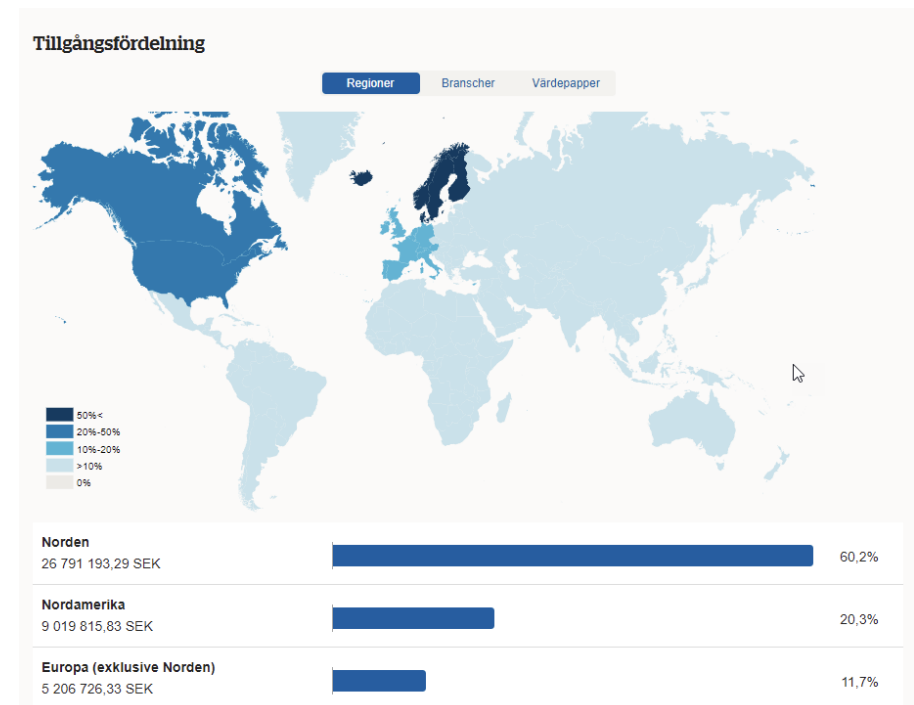
As a first step in our efforts to improve the Bank's digital services for Private Banking customers, we have launched a brand new service – Portfolio analysis – in Online Banking.

Previously, only allocation by asset class could be shown. The new service will give the customer access to a number of improved ways to analyse their portfolio holdings, within the framework of one of our Private Banking services.

The customer may choose to analyse the holdings of one or more portfolios.

- The analysis shows the allocation by asset class.
- In addition, an analysis of asset allocation by Region, Sector, and Securities is displayed.
- The regional distribution is presented on a map to give a clearer overview.

The purpose of this service is to provide the customer with a clearer overview of their portfolio, and the allocation of their holdings in terms of asset class, region, sector, and securities.



User-friendly and digital information to our Private Banking and Asset Management customers



A new customer reporting package has been implemented to give our Private Banking and Asset Management customers* easy access to relevant information on the performance of their investment portfolios.

The report can be accessed by the customer via Online Banking, and gives the customer a summary of their investment, with information on, for example:

- Value performance
- Current allocation
- Completed transactions
- Costs and charges

Digitalised and automated process

- Sent to the customer's Online Banking.
- Saves time due to less manual processing.

Overall, we have received positive feedback from the customers; on the layout, for example, and for providing relevant information.

"Our Private Bankers are very satisfied with the new report and their user interface. With the help of the interface, they can create a new report at any time, such as prior to a customer meeting. The customers are very happy with the report, which they can now receive faster via Online Banking. We estimate that this has saved 100 per cent of one person's working hours."

*Matti Sulamaa, Head of Development, Savings and Investment,
Handelsbanken Finland*

Kapital och värdeutveckling

Rapporteringsperiod 1.1.2016 - 18.6.2020

	Från rapporteringsperiod	Början av året	Från 1.1.2016
Insättningar	650 000,00	0,00	650 000,00
Uttag	156 118,11	29 895,80	156 118,11
Netto investering	493 881,89	- 29 895,80	493 881,89
Marknadsvärde i början	0,00	2 835 608,91	1 738 365,16
Marknadsvärde i slutet av period	2 729 786,11	2 729 786,11	2 729 786,11
Förändring, EUR *	2 235 904,22	- 75 927,00	497 539,06

* Förändring i marknadsvärde inkl. insättningar och uttag

Investeringsstrategi: 40% PM suoria osakkeilla / 60% KV allokaatio

Tilgångslag	Vikt	Neutralvikt	Min vikt	Max vikt
Aktieplaceringar	99,67%	100,00%	90,00%	100,00%
Ränteplaceringar	0,33%	0,00%	0,00%	10,00%
Alternativa placeringar	0,00%	0,00%	0,00%	0,00%
Övriga placeringar	0,00%	0,00%	0,00%	0,00%

Allokering

Helhetsfördelning



Aktieplaceringar



*Discretionary or advisory asset management undertaken according to an agreement with Handelsbanken

Heartwood Investment Management

- Improved investment reporting



In 2019, Heartwood Investment Management launched its new digital reporting platform, Portfolio Online, in co-operation with SimCorp Coric.

Portfolio Online was developed to meet demands from both customers and advisors for accurate, relevant, real-time information on their investment portfolio.

Offering reporting via computer, tablet and mobile allows customers and advisors to follow the development of the investment portfolio, and to access reports and detailed analysis on this development, together with relevant market commentary.

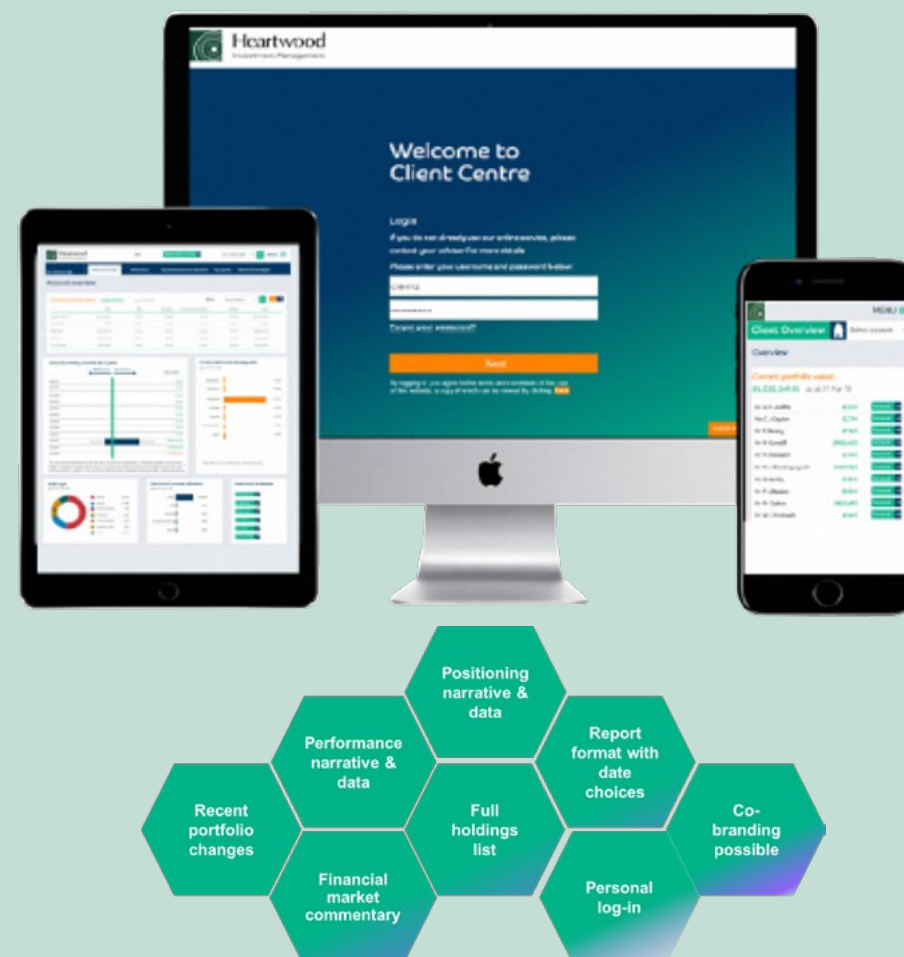
Heartwood has received two awards in 2019 for its market-leading digital experience:

- Wealth Briefing: Best Implementation of a Technology Solution.
- Financial Services Forum Innovation: Customer Loyalty.

Among other things, the platform has been used during the covid-19 crisis to provide customers with daily updates on the financial markets and investments. The possibility of distributing relevant information to our customers has been highly appreciated during this period, and the intention is to continue with this strategy going forward.

"We have had excellent feedback from many customers and notably we have successfully maintained the majority of Investment in our funds and in some instances, have attracted new money."

Alex Spreckley, Head of Wealth, Handelsbanken Wealth Management



Continued high levels of activity among mortgage loan customers



Lån till bostad

När du ska köpa bostad finns vi nära dig och vi sätter oss in i dina förutsättningar för att ge dig stöd med dina bolån. Erbjudande om låneskydd ingår.

[Bolån >](#)

The number of unique visitors to our public mortgage loan sites has increased by

+32%

328,000 this year compared to 249,000 last year

830,000 page views

+110%

compared to last year's 394,000 page views

Continued high customer demand

Our share of the net increase in mortgage loan applications in Sweden in the first eight months of 2020 was

16.5%

of the market's net mortgage lending*

Largest proportion of all banks.



Notable increase in the use of our living costs calculator, where object information from Hemnet is transferred to Handelsbanken's website.

Our living costs calculator are generally popular and usage is much higher comparing the same period of 2020 to 2019.



[Logga in och ansök](#)

Approx. **37,000** temporary exemptions from amortisation requirements processed digitally in Sweden thus far

Approx. **12,000** working hours saved for the branches

*Source: Statistics Sweden – Bank deposit and lending volumes in Sweden

New committed loan offer application

– easier to progress from idea to application



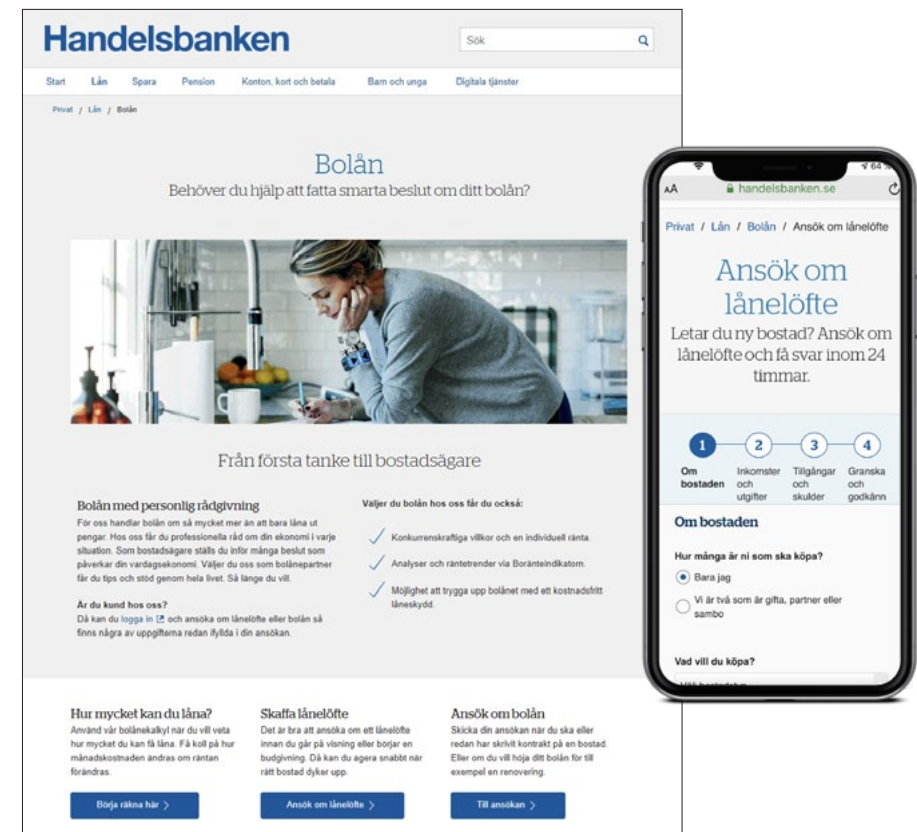
A new application process for customers applying for a committed loan offer online was launched in spring 2020.

- More user-friendly flow.
- Better customer experience. Continuous follow-up and adaptation based on customer usage.
- Responsive (can also be used on a mobile browser).
- More dynamic, in that details from the Mortgage loan calculator and Hemnet calculator are transferred if the customer proceeds to an application from the page.

We see nowadays that a higher proportion of people who start an application for a committed loan offer also complete and submit it.

The new application can be accessed on both open and logged-in pages

Ongoing work
– collecting all types of mortgage loan applications in the new design



Digital committed mortgage loan offers – electronic decision making



An important step in the work to create a fully automated process for the management of committed mortgage loan offers

During the year, we have introduced the possibility of receiving a fully automated decision on a committed loan offer for certain customer groups, with additional customer groups to be included after further development.

- Automated registration of committed mortgage loan offers, including notification to the customer.
- Quicker process for applications processed by the branch.
- In the next step, we will re-use the same logic and functionality. Improved decision-making support will be introduced for all applications for committed loan offers, allowing for quicker processing and support to our employees in the form of partially pre-processed decision documentation.
- 37 per cent of all applications for committed loan offers are now processed electronically, as a result of which either the customer can receive an immediate response or the branch employee has improved decision documentation to work from. All in all, this means that the customer receives an answer to their application more quickly.

**The
committed
loan offer**

is sent to the customer
digitally within
a few seconds
of approval

37%

of applications for
committed loan offers
are processed
electronically



Interest rate offers contribute to long-term relationships



The branch registers an interest rate offer for the customer shortly before the terms and conditions of fixed-term loans are subject to change. The customer can easily view the personal offer directly in the app or via Online Banking.

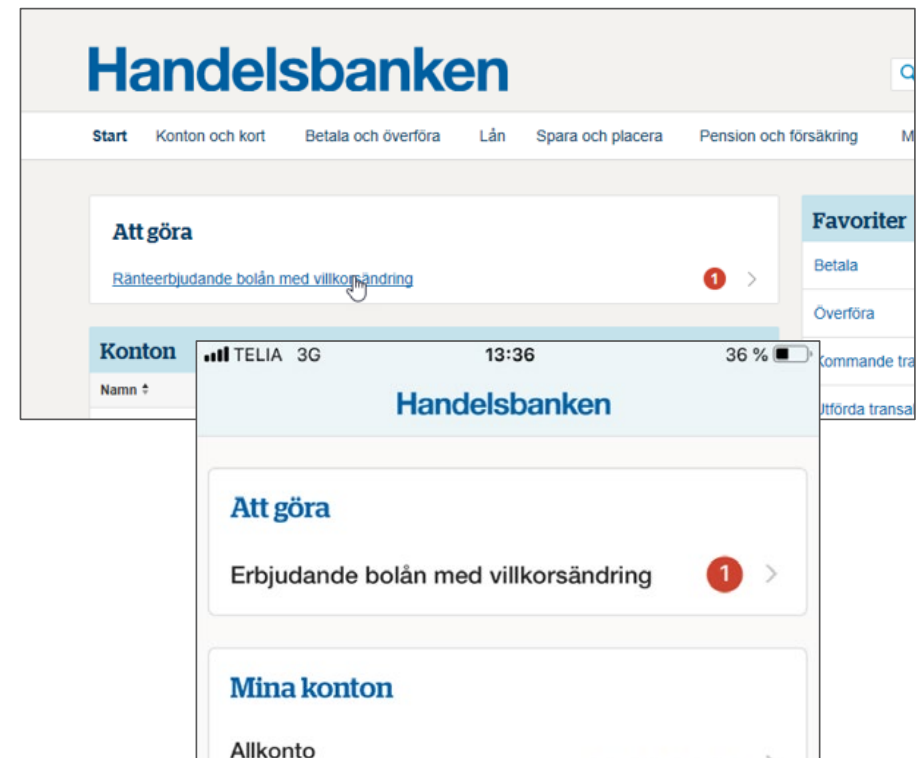
- The customer receives a message on the start page in Online Banking and in the app about the personal interest rate offer, and can then view the personal offer directly in their chosen meeting place.
- The customer does not need to contact the branch to negotiate the interest rate, and even customers who do not actively make a choice can also be assigned an individually set price.

“With the digital interest rate offering, we can harness the strength of continuing to be local and personal, but at the same time make use of the flexibility for the customer of receiving and accepting the interest rate offer directly in the mobile app or Online Banking.

The terms have been chosen by the customer’s own advisor, meaning that our knowledge of the customer and our relationship can be taken into account in the pricing. This means that the customer’s experience is that the offer comes from their own advisor, even if contact is then made with someone else at the branch.”

*Rebecka Sandevärn, Head of Private Market,
Gothenburg Första Långgatan*

Customers who have received a personal interest rate offer ahead of changes in terms and conditions are more likely to keep their mortgage with the Bank.



More customer groups can now borrow towards sustainable housing



Sustainability is a natural part of Handelsbanken's operations, and it is our ambition to be instrumental in the sustainable development of society in the long term. One aspect of our work in this area is to constantly review our offering and develop sustainable products. Since 2016, we have offered Green loans to large corporate customers, and the Green mortgage was launched in autumn 2019.

Green loans for multi-family dwellings launched during the year

Green loans are now available for more companies that own environmentally certified or energy efficient buildings, as well as for companies intending to build new environmentally friendly and climate-smart buildings, and for companies implementing energy efficiency improvements.

Applications for and the processing of such loans can now be managed directly via a branch, simplifying the process for both the customer and the branch. This simplifies the chain from green financing of new construction projects to green financing of, for example, the housing co-operative association and purchasers of the housing co-operative apartments.

Easier for customers and branches – Green mortgages

The processing of Green mortgages has been simplified during the spring, for both customers and branches, in conjunction with changes to terms and conditions. The customer can now also follow their green terms and conditions via Online Banking and the mobile app.

Since day one, we have received around 2,000 applications for Green mortgages for homes or second homes, SEK 3.95 billion in financing is now provided in the form of Green mortgages. The applications are primarily coming from our younger customers.

A teaser in the mobile app about the opportunity of applying for a Green mortgage has been one way of informing customers, and they have been quick to act on this option.

The image shows a screenshot of the Handelsbanken website and a mobile app. The website header includes navigation links: Företag / Finansiera / Hållbar finansiering / Gröna lån. The main heading is 'Gröna lån' (Green loans). Below it, a subheading reads: 'Äger, investerar eller bygger ditt företag fastigheter eller andra projekt som bidrar till miljömässig hållbarhet? Då kan vi erbjuda gröna lån.' (Own, invest or build your company real estate or other projects that contribute to environmental sustainability? Then we can offer you green loans.) The main image shows a woman in a helmet riding a bicycle in front of a modern building under construction. Below the image, the text says 'Gröna lån för en hållbar miljö' (Green loans for a sustainable environment). At the bottom, a paragraph states: 'Vi erbjuder gröna lån till företag som äger byggnader som är miljöcertifierade eller energieffektiva, företag som ska bygga nya miljö- och klimatsmarta byggnader eller företag som planerar att genomföra miljöförbättringar på existerande byggnader. Byggnader vi finansierar kan vara antingen flerbostadshus, som bostadsrättsföreningar och hyreshus, eller kommersiella byggnader som gallerior och kontorshus.' (We offer green loans to companies that own buildings that are environmentally certified or energy efficient, companies that are going to build new environmentally and climate-smart buildings or companies that plan to implement environmental improvements on existing buildings. Buildings we finance can be either multi-family dwellings, such as housing co-operations and rental housing, or commercial buildings such as galleries and offices.) To the right, a mobile app interface is shown with the title 'Grönt bolån' (Green mortgage). It features a photo of a green house and text: 'Grönt bolån för hållbara hus' (Green mortgage for sustainable homes), 'Nu kan du som bor hållbart få 0,10 procentenheter lägre ränta än den du redan har på ditt bolån.' (Now you who live sustainably can get 0.10 percentage points lower interest than you already have on your mortgage.), and 'För att kunna ansöka om Grönt bolån behöver du:' (To be able to apply for a Green mortgage you need:). The app also lists requirements: '• Ett befintligt bolån hos oss' (• An existing mortgage with us) and '• Ett energieffektivt eller miljöcertifierat boende' (• An energy-efficient or environmentally certified home). At the bottom of the app screen, it says 'Läs mer och ansök om Grönt bolån' (Read more and apply for a Green mortgage).

Business Services: More services accessible digitally to our customers



Possibility of managing the company's finances in a simple way – with control and a clear overview, and to be able to plan ahead with the support of data and insights is important. We want entrepreneurs and corporate customers to be able to devote as much time as possible to the development of their companies instead of administration.

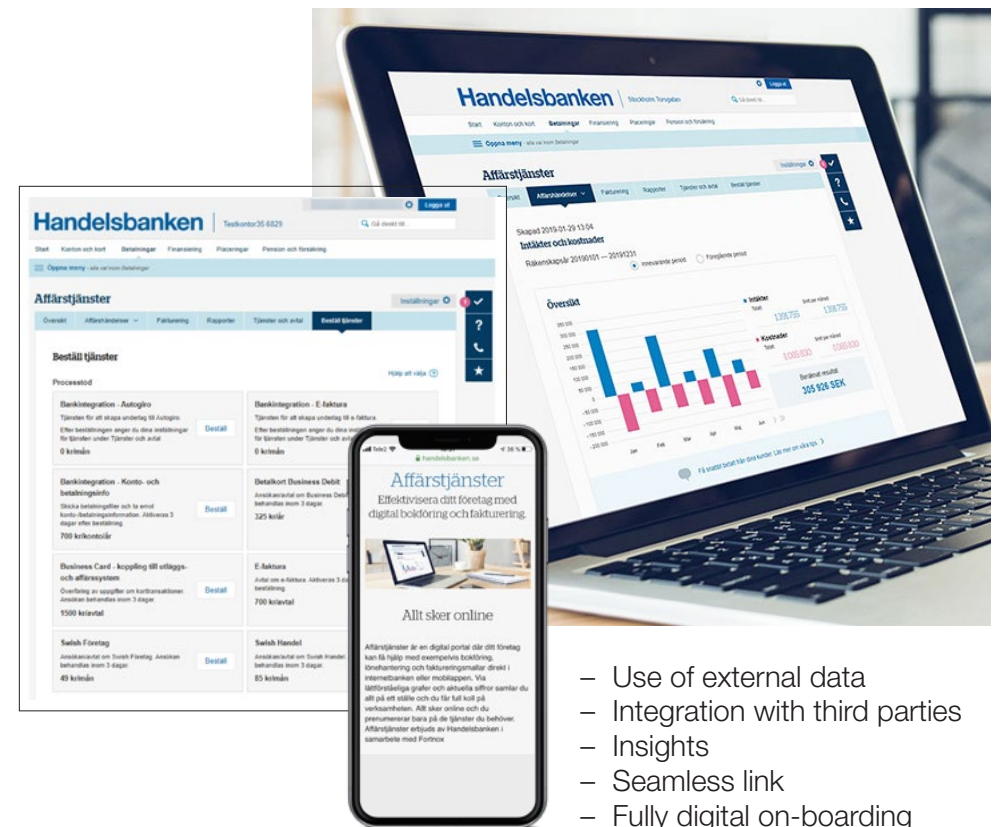
Via Business Services, which is accessible to corporate customers via Online Banking and in the app, the customer can receive support for accounting and invoicing.

- Administrative services, such as accounting records, invoicing and others can be signed by customers 100 per cent digitally.
- Bank integration – connection of payment and account information between Handelsbanken and the business system can be signed by customers 100 per cent digitally.
- Banking services, such as Swish Company, Swish Merchant, e-invoicing, Business Debit, etc., are now signed by the customer 10-50 per cent digitally, depending on the selected service.

Customers that use Business Services can now avail of **26 different services digitally**, without having to contact their branch.

Feedback from a customer:

"We have, after the most recent review, signed up to Business Services. This is how we want to work."



- Use of external data
- Integration with third parties
- Insights
- Seamless link
- Fully digital on-boarding

Business Services: Easier for companies to gain access to additional services



Our corporate customers should find it easy to focus on their business. During the year, additional services have been made available via third-party solutions in Business Services, allowing for simpler efficient management of the company's finances and planning.

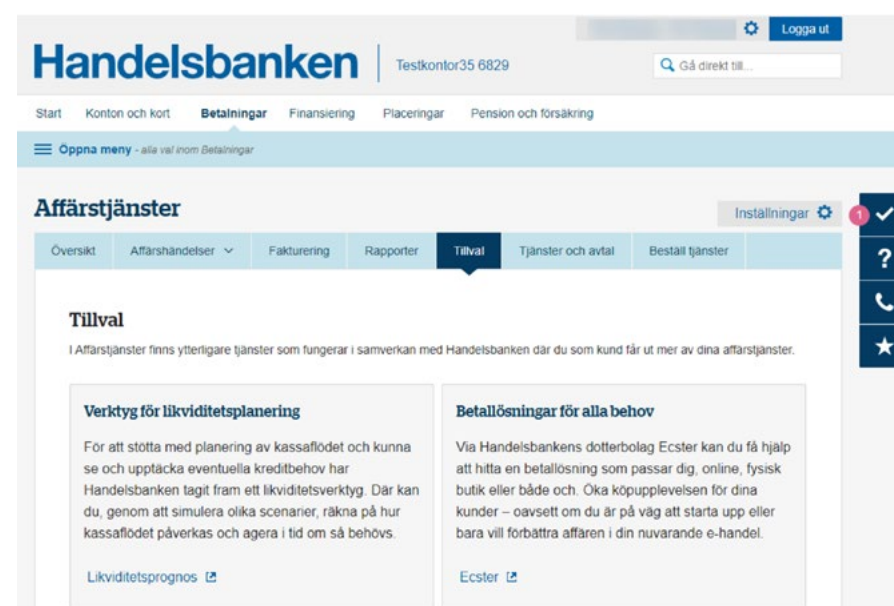
- The page “Additional options” presents further services which work in collaboration with Handelsbanken and allow the customer to get more out of their Business Services.

Some examples:

- Tool for planning the company's liquidity.
- Payment solutions via Ecster.
- Digital solution for creating the company's annual report and declaration for joint stock company, with digital submission to the Swedish Companies Registration Office.
- HR service that simplifies and creates a better experience for corporate customers' employees.

Feedback from a customer:

“I am really pleased with Business Services – it's modern. I save a lot of time on the processing of supplier invoices, at least 20 minutes a day. The integration means that everything goes much more quickly. It's simple to correct errors. I have also received great help from support, at both Handelsbanken and Fortnox, whenever I have needed it.”



Further development of the overview for corporate customers



Handelsbanken Insight – now accessible to all corporate customers in Norway

We are continuing the development of this service, which will eventually become our new portal for corporate customers in Norway. The service gathers all information from Online Banking and cash pool services in one place, and more and more corporate services will gradually become accessible via the portal. The solution is responsive and can thus also be used on mobiles and tablets.

All corporate customers with cash pool received access to the service during the summer, and the reception on the market has been very positive. The service is now accessible to all corporate customers in Norway

With Handelsbanken Insight, our corporate customers gain a straightforward overview of their liquidity, reports, payments, notifications and trade finance services.

The user can customise their dashboard to fit their individual needs. The service will be regularly updated and improved to meet our customers' need for relevant information and access to our services.

Feedback from a customer:

"Insight allows me to tailor how I view my data - I appreciate how I can load several different viewing pages depending on what I need."

"The graphical options for presentations are a real plus. Insight gives me a clear picture of the company's balances and payments."



Ecster: Positive response from customers



In the summer of 2019, new log-in pages for Ecster's private customers were launched. Customers have provided feedback, which we've taken on board in stages to improve the service under development, and ahead of a launch to a wider audience.

Early measurements showed that 90 per cent of the customers found that the interface on the new log-in pages was simpler and more user-friendly.

In December 2019, we also launched log-in services to a brand new target group: customers with instalment loans, and so far, we have seen the following effects:

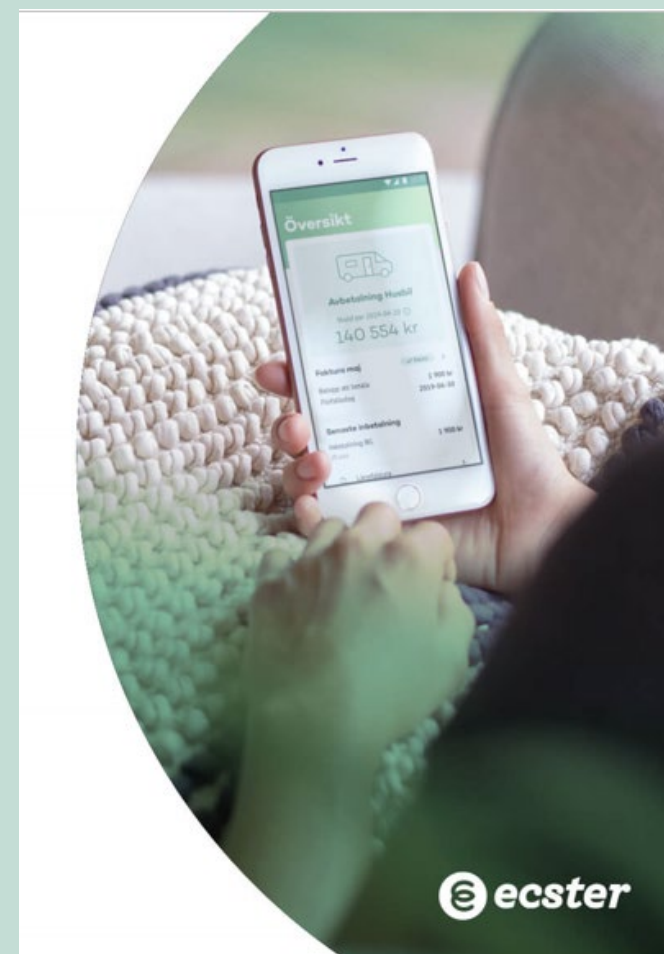
- More customers activate their cards
- More applications to increase limits on credit cards
- Fewer calls to Customer services

During the period July 2019 – July 2020, the number of log-ins increased by 21 per cent.

In June 2020, 47 per cent of customers with conditional sales agreements logged in.

The Net Promoter Score (NPS) increased from 20 in 2019 to 22.7 in 2020.

We continue to ask our customers how they experience this service, and we are constantly improving our log-in services based on the feedback from our customers.



Ecster Pay Link has tripled since the turn of the year



- Ecster Pay Link is part of the Ecster Pay cashier solution, which offers all standard payment methods – card, invoice, instalments, and Swish.
- The payment link makes it possible to accept payments remotely, regardless of the physical space.
- The payment link is sent to the customer's mobile or email, whereby the customer identifies themselves with BankID and then chooses the desired payment method.
- No sensitive data, such as personal data or payment method, needs to be communicated via telephone.
- It is the same payment method, regardless of whether the customer shops in a physical store, over the telephone or from home when a product is delivered.

Through the payment link, the merchant has direct contact with the customer through the entire purchase process, even if there is no physical meeting.

This is one of the reasons that interest has grown in recent months.



Building relationships

Our personal and long-term customer relationships give us a competitive edge. By supplementing our personal knowledge of our customers with concrete data, and by reducing the administrative tasks required of our employees, our branches are given the opportunity to provide the right offer, at the right time, in the right place. It must be easy to give service and support to our customers.

The advisory meeting – more time for the customer and simpler to provide advice based on the customer's needs



A constant initiative is to develop the support to advisors and customers for more comprehensive advisory services based on the customer's needs, while also attempting to minimise administrative and manual requirements linked to the customer meeting.

Improvements and adjustments are constantly being made that allow for more efficient meetings, where the time goes towards a valuable needs analysis of the customer's situation.

- Administrative efforts such as the gathering of information or documentation can be simplified, and this work is in continuous development.
- In Q2 2020, the automatic import of the customer's pension details was completed. The process of collecting and mapping customers' pension holdings with market operators is not fully automated and digitalised. The customer's information is compiled by the "Insurance factory", and from there can easily be imported to Pension Guide and used in the needs analysis.

As demand for online advisory sessions increases, continuous improvements are also being made to Advisory Support, so that it can better be used in online meetings.



Advisory Support – Simplified pension advice to more customers



An important part of the Bank's full advisory services relates to needs analysis regarding customers' pensions and forecasts of future cash flows.

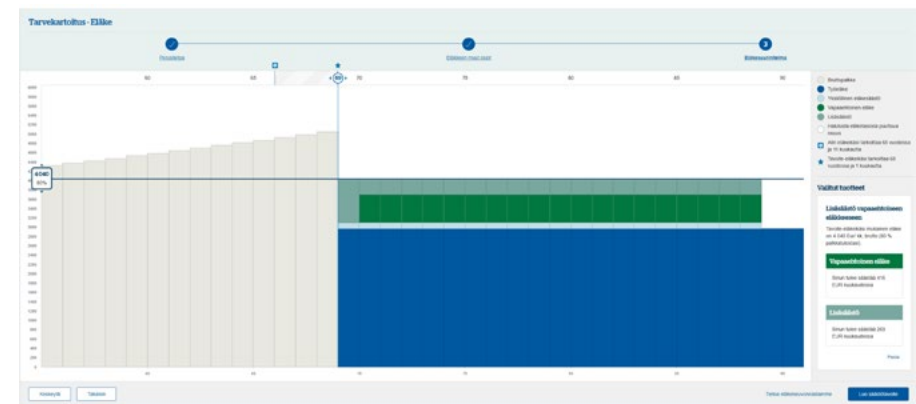
In 2018, the Pension Guide was developed as part of Advisory Support for the Swedish market.

Using the Pension Guide, the advisor maps out the customer's situation and creates forecasts based on their desired retirement age and desired proportion of final salary. They also identify whether there is any need for supplementary savings or capital.

The Pension Guide has been a well-received tool in Sweden and is used in many customer situations. The Swedish Pension Guide has also been available to use in English since spring.

Pension Guide launched in Finland

In spring 2020, the Pension Guide has also been completed for launch in the Finnish market. In September 2020, an adapted version was rolled out tailored to the Finnish pension system.



Feedback from customers:

"Interesting and eye-opening calculation."

"Very good - it's easy to understand why you need to be saving a bit more."

The advisory meeting – Simpler to go from information to processing



Digital signing in conjunction with advisory meetings

Full advisory services at Handelsbanken cover all aspects of the customer's finances. An advisory session often results in many new activities, including the creation of new agreements and transactions.

An ongoing initiative is making it easier to authorise and sign the agreements and transactions resulting from the session.

The implementation of a process for digital signing in the Bank's self-service channels began in Q2 2020.

Over time, digital signing facilitates:

- A more efficient meeting, where customers can consider the Bank's proposals in peace and quiet and approve these digitally.
- A more effective online meeting.
- Reduced administration for the branch, with less post and processing of physical agreements.
- Automated processes for handling customers' business and orders.

Launched in Norway

From June, our customers in Norway can sign agreements digitally with BankID. The agreements are sent to the customer's Online Banking and mobile app.



New support for advice in conjunction with property purchases



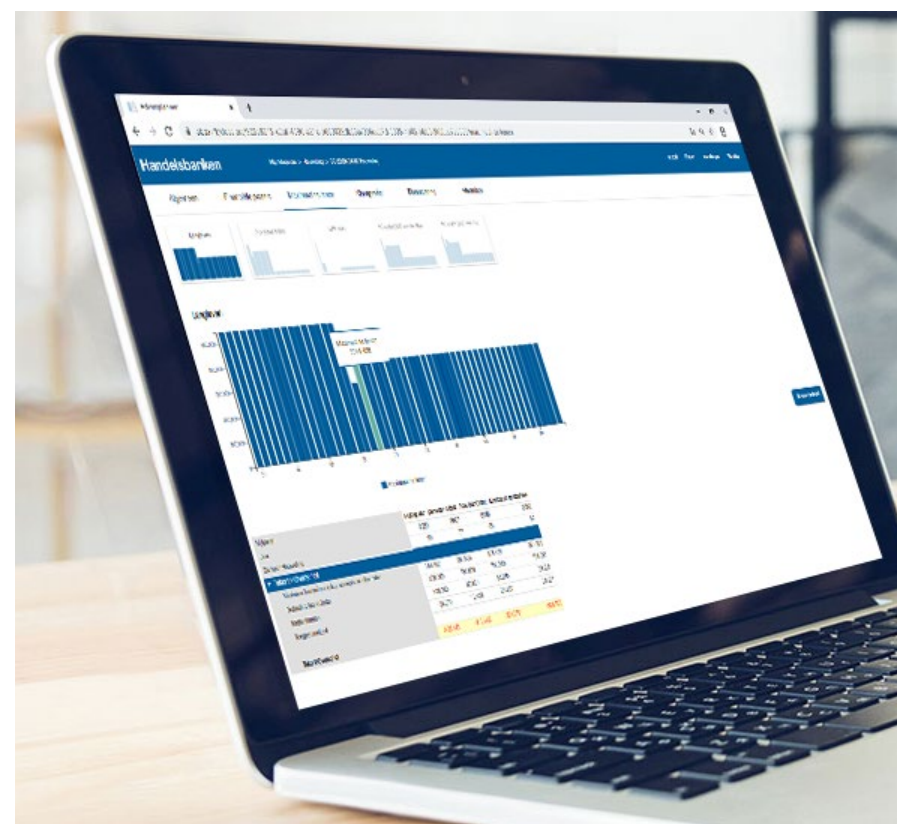
In the Netherlands, we have launched the “Adviesplanner” tool

As part of the journey towards a more straightforward mortgage process for both customers and employees, the tool was launched on 20 April this year. It is used by advisors in conjunction with advisory sessions with private individuals who are planning to buy a new house.

- Regulatory requirements for consumer protection and Handelsbanken’s own policies and guidelines are managed by the tool.
- The customer receives a complete report based on the advice they have been given.

Overall, this contributes to a simplification of the advisory process based on the customer’s needs, and results in a better customer experience and time savings for both customers and employees.

So far, the reactions from both employees and customers have been positive. Further advisory improvements for additional mortgage products are planned to be added to the tool in the near future, and it will also be integrated with other systems used in the process of applying for and taking out mortgages at the Bank.



Digital service, Occupational Pension plan



It should be simple to sign for and maintain an Occupational Pension plan by yourself or with the help of advisors, and it should be simple to connect to different platforms, such as the web, mobile app and external partners.

Simpler to report changes for companies with more than 20 employees

- As of November 2019, we offer a digital service where companies can send a file directly from the payroll system* to report any staff changes which will affect insurances (e.g. salary changes and new employees).
- The file includes changes at all insurance companies where Handelsbanken is a tied insurance broker. This effectively means that this file is replacing the forms which are sent to these service providers.
- This way, companies can be safe in the knowledge that their employees are always insured in accordance with the company's pension policy, and the management of any changes is made easier.
- The service is expected to result in time savings for both customers and advisors.

"Customers have demanding requirements for simple, reliable solutions that allow them to concentrate on their companies, while knowing that their employees are correctly insured. The salary file service is a major step. It means that we can be relevant for our slightly larger occupational pension customers. My wish is that we will soon be able to offer smooth reporting for our smaller corporate customers, too."

Peter Massaro, Head of Insurance, Regional Bank Stockholm



*A pre-requisite for this service is that the customer's payroll system is able to deliver the necessary data

More time for customer meetings and better support for analysis



- The Bank has developed a new tool through which branches and credit specialists can quickly and easily ensure the quality of certain contents of business evaluations, which form an important part of documenting the analysis and decision process ahead of major credit commitments.
- The tool offers better support by providing feedback to the employee, thereby ensuring both quality and compliance with regulatory requirements in credit analysis. This will allow more time for meetings with customers.
- It was rolled out to all branches in Sweden during September 2020.

Feedback from users at branches:

“This improves quality and saves time in many respects.”

“A straightforward and high-quality tool, which will help us a lot going forward.”

Field study gave good insights

At an early stage, a prototype was developed and tested by users in a field study at 22 Bank branches. The field study gave valuable input into what support is available to the employee in the process, as well as how the tool can generate valuable data for further development and innovation, regardless of business area, without parallel processes or systems. These insights will be used in the Bank's more research-based work related to AI and machine learning.



Simpler and more efficient processes result in decreased paper consumption

During the spring, we have developed systems support and reviewed processes with the aim of saving time, above all at our branches. Time that can, instead, be used for meetings with customers and building relationships. Another effect is a reduction in paper consumption.

Simpler and paper-free process for compiling Statements of commitments and mandates for corporate customers

- The process of compiling corporate customers' statements of commitments per account closing date and packaging these with, for example, historical mandates, etcetera, has previously entailed manual processing and postal mail-outs. These can now be brought up and shared digitally with the customer via secure email. This simplifies and saves time, and the customer can quickly receive a complete summary, and fewer paper mail-outs are needed.

"Brilliant! The best thing that's happened in a long time. Everybody loves it!"

From a branch about the Statement of commitments

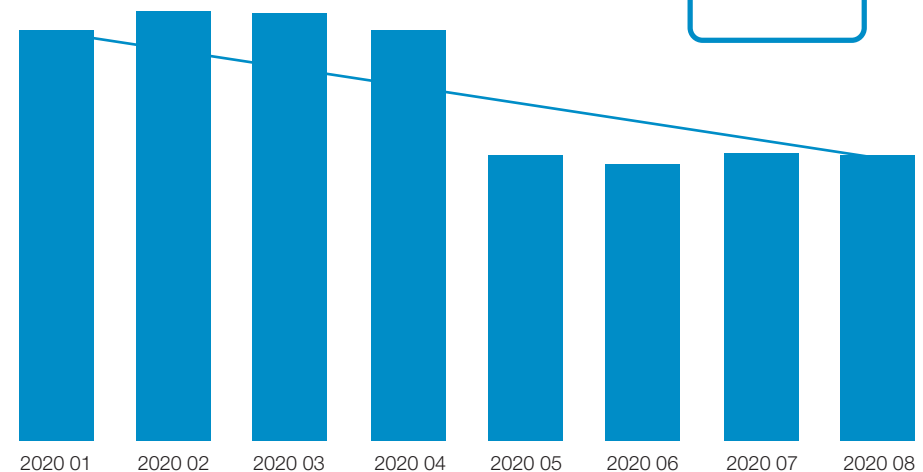
Examples other than those named above:

- Information mandates are now managed digitally before a pension review.
- Customers sign more agreements for companies digitally via Business Services.
- Our agile development train for mortgage loans has carried out several steps to gradually reduce the amount of mail-outs to, for example, the system which manages mail-outs to customers in conjunction with changes to mortgage terms and conditions.

Decreased need for print-outs in many business areas over the past year

- Overall, the amount of printed material and paper mail-outs have been drastically reduced over the past year. The background to this is a combination of development and the digitalisation of certain aspects of processes within various different business areas.

Fewer documents sent to customers - Mortgage loans



Automation of more internal processes



Automated data collection and checks of Swedish PEP/RCA customers

This creates a more effective, ongoing monitoring situation for our customer stock, which previously took a great deal of time and involved lots of manual work.

The automation also gives us the opportunity to reuse data in future systems development relating to AML.

Process optimisation

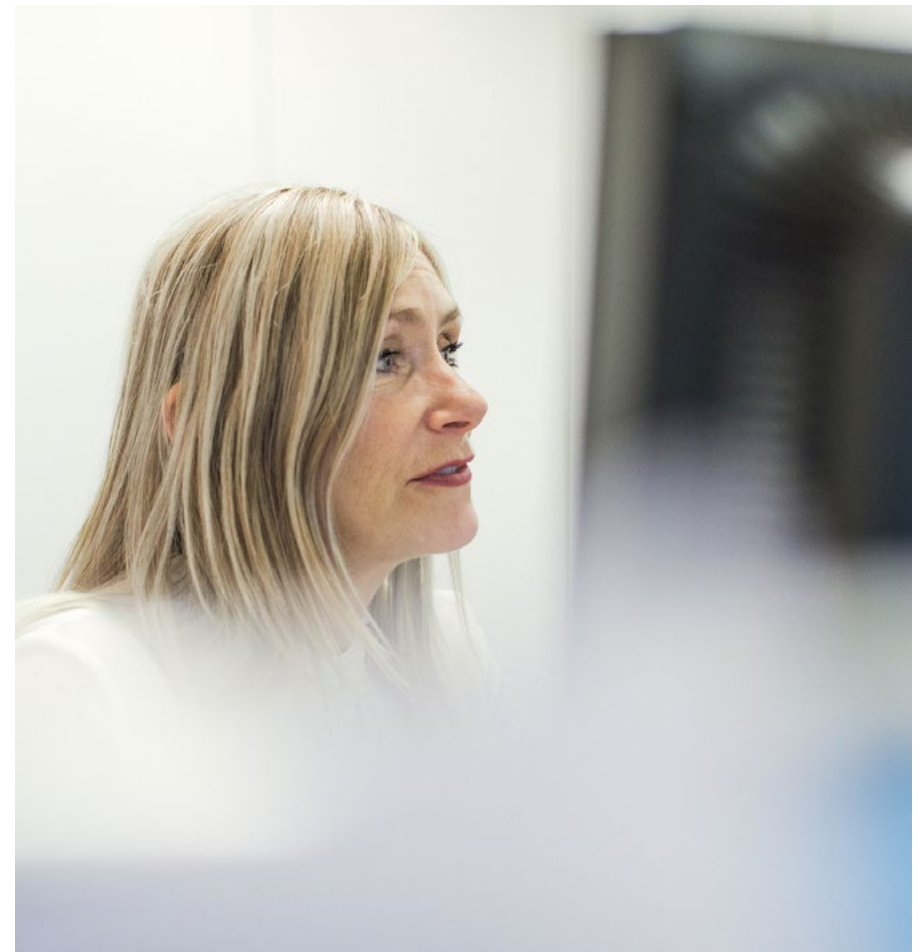
Based on our experience of automation, we have initiated and developed a method for process optimisation.

This means that we review and analyse systems, organisations and working methods from a holistic perspective.

First out in the new delivery is the AML area, where we have looked at how we can make the communication between our branches and central departments more efficient. Improved efficiency is expected to lead to a more efficient organisation with less administration, freeing up time for analysis work and customer meetings.

“Our goal is that this will lead to a more efficient way of working, improve quality, improve job satisfaction, and create a better working environment.”

Jonas Hamberger, Head of Automation and Processes



Automation – Easier processing of mortgage loans



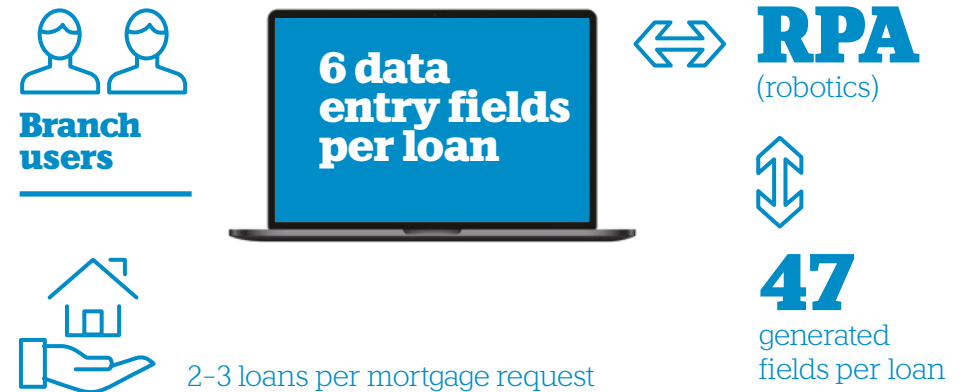
Automation of the processing of mortgage loan applications

When private customers have accepted a mortgage loan offer, this is now registered in one (1) local system in which only a few information fields need to be filled in manually. Most of the other information needed is calculated automatically by the system and is imported using RPA technology.

Examples of effects:

- Time savings and higher data quality – less manual processing entering the correct information and a decreased risk of error. Especially given that every mortgage case involves an average of 2–3 loans that need to be registered separately.
- The time freed up can be used by the branch for customer meetings and to build relationships, entirely in line with our overall target vision – shifting time from administration to valuable customer time.
- Data and information can more easily be used in multiple involved parts of the Bank, such as branches and support departments, but also in, for example, the Bank's Treasury and in risk management.
- Increased co-operation between the local team that develops the system and the team that develops support for automation with RPA technology.

This new possibility of automating this part of an important process was launched in the spring.



Processing time
per mortgage loan application
has been reduced by
80 minutes

The next step will include additional mortgage products

Feedback from branches:

“The system is easy to use and usage is intuitive / self explanatory.”

“Is providing a relaxed way of working.”

“Lets Go Live even with the remote working situation.”

Efficiency improvements and modernisation of the fund management company's portfolio system and processes

We have been working on modernising and consolidating the fund management company's IT environments for a while now. The new system has now been fully implemented.

This means that the business operations can now manage the whole value chain (Fund management, NAV calculation and accounting) in one and the same system.

The expected effects include, for example:

- Improved data quality.
- Saves time.
- Simpler to recruit and introduce new staff.
- More automated and streamlined processes.
- Quicker and simpler delivery with regards to the development of new functions, new products and/or financial instruments.

“This consolidation and efficiency improvement, via a new portfolio system within fund management, allows us to take further steps towards new and improved products and offers, as well as make advancements in our sustainability work.”

Henrik Åhman, Deputy CEO, Handelsbanken Fonder



Easier to develop certain products and services

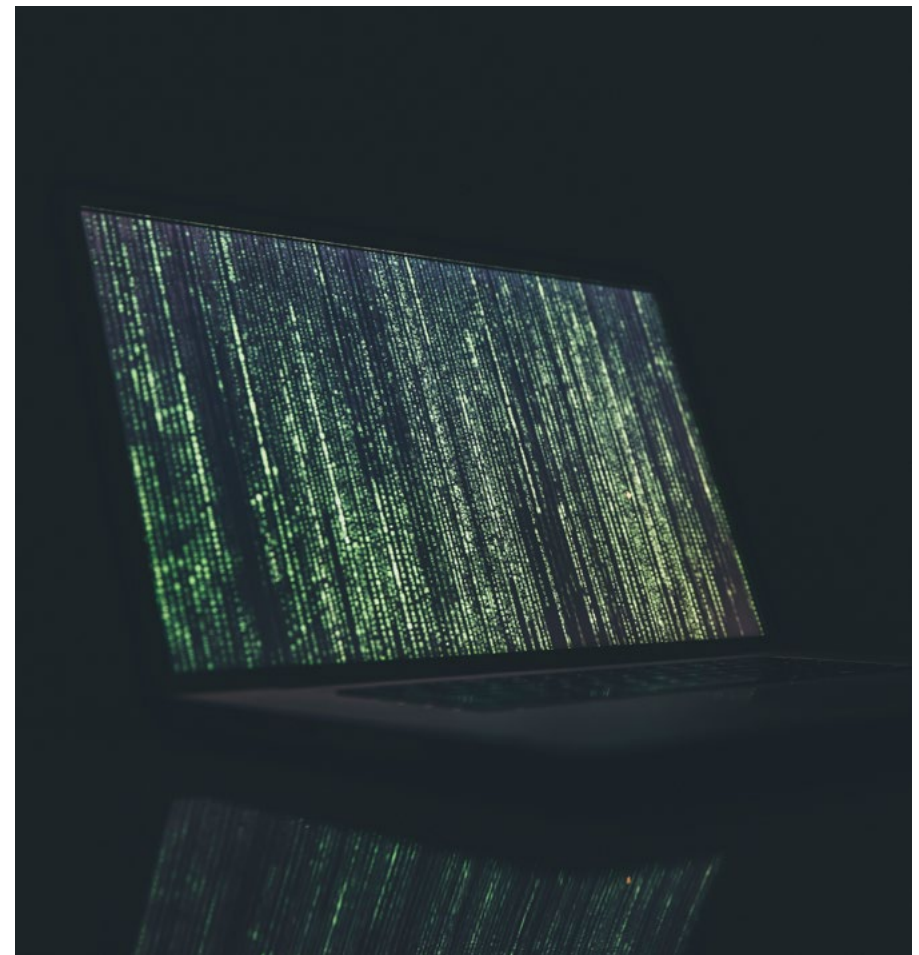
Efficient IT is a team within the Bank that focuses on erasing development-related obstacles, in order to enhance internal efficiency and capacity. The team thus contributes to our goal of increasing our capacity to deliver value often and at the point in time we want to. The development that takes place within the team will benefit our agile development trains, as they can develop more, at a higher quality and with more flexibility.

The work focuses on:

- Quicker and more effective deliveries of technical infrastructure – both through changed ways of working regarding the delivery of existing technology, and through facilitating a higher degree of automation.
- Modern development methods and automated development tools – which allow for the acceleration of development.
- Reduce administration and manual processing, to ensure, for example, that relevant regulations are followed, and that testing code with different systems and applications before beginning production is replaced with automated solutions.
- Efficient IT supports the organisation by building these solutions.

New conditions for faster development created

One step on the way is a simplified method of calling up information. In practice, this means that less time is spent on developing the necessary code, which is used in many different types of products and services across most of the Bank's business areas. This frees up time for other value-creating work. The new method and technology can be used by all home markets, and will benefit, for example, everyone who develops new online customer dialogs.



Data & security

We use data to offer relevant, customised services and products at all our meeting places. As the importance and value of data are constantly increasing, we have to ensure that our customers feel secure in the knowledge that our use of data meets the highest standards of security, ethics and privacy. Our strength lies in combining this with close relationships and extensive customer knowledge in our customer meetings.

Open banking – Payment accounts with additional banks via mobile



Since March, private customers have been able to view their payment accounts with Nordea, SEB and Swedbank – including transactions – via the mobile app. In June, the possibility of bringing in payment accounts with SBAB was launched.

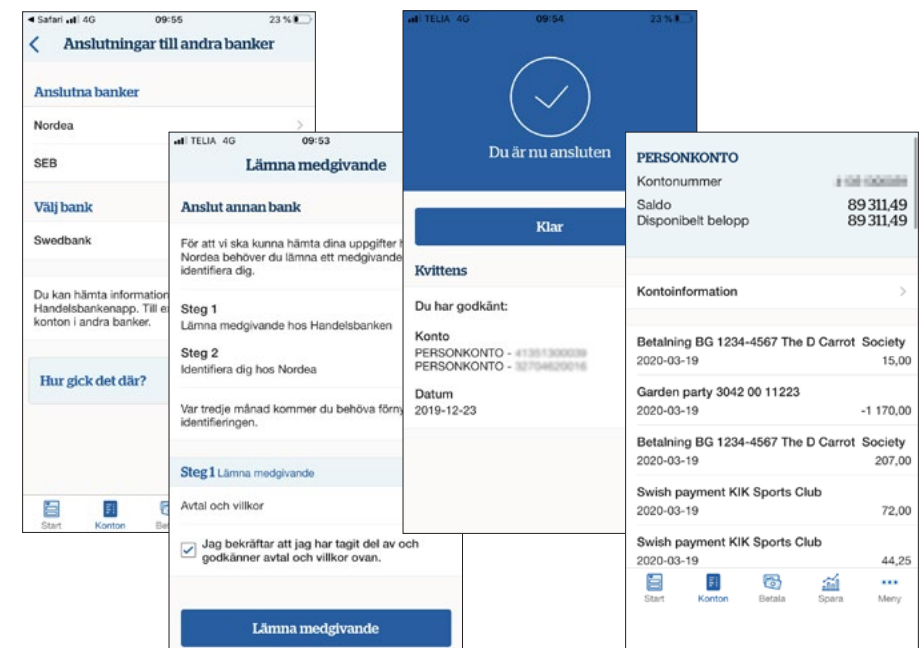
The customer grants their permission to retrieve the data, and we do this via the other banks' PSD2 APIs.

The number of users is at a stable level, and the service is attracting several different customer groups.

Looking ahead, we believe this could lead to:

- An improved picture of the customer's finances for the customer and the branches.
- Time savings when changing banks to Handelsbanken.

All in all, we believe this will create new business opportunities, as well as conditions for more satisfied customers and further efficiency improvements at our branches.



Open banking – Further development of PSD2 APIs based on feedback



We are constantly developing our PSD2 APIs based on the feedback we receive from system developers in the Developer portal. Here are some examples of developments during Q3 2020:

Payments API

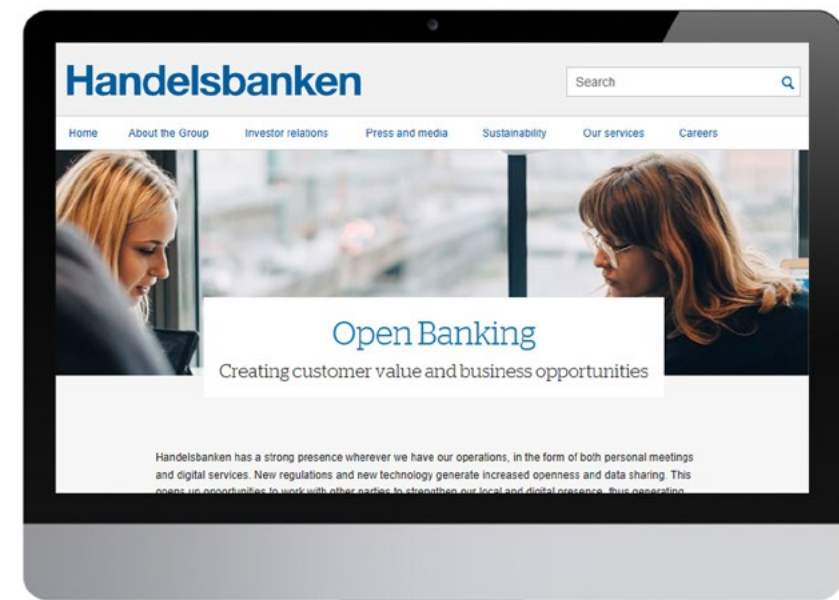
- Last quarter, we added the initiation of payments for private individuals in Finland. Now also launched for companies in Finland.
- An additional market now has functionality for future payment initiation after launch in Finland for both private individuals and companies.

We have also further refined our technical guides on the Developer portal, focusing on user-friendliness.

- We have improved our Live Data Enrollment guide, making it easier for approved TPPs to get started with Live Data.
- We have updated our information regarding SCA authentication methods.

The purpose of this is to make it easier for developers to manage and understand how to connect to our APIs.

With our focus on user-friendliness, it is especially gratifying that Handelsbanken's decoupled flow has been highlighted as exemplary by a TPP at the most recent Swedish API Forum – an independent meeting place where banks and fintech companies meet to share experience and collaborate.



Number of
calls April - June
approx.
8,500,000

Number of
calls September 30
days approx.
4,500,000

More
TPPs connected
47
as at
30 September

Open banking – Payment accounts with additional banks in the app and Online Banking

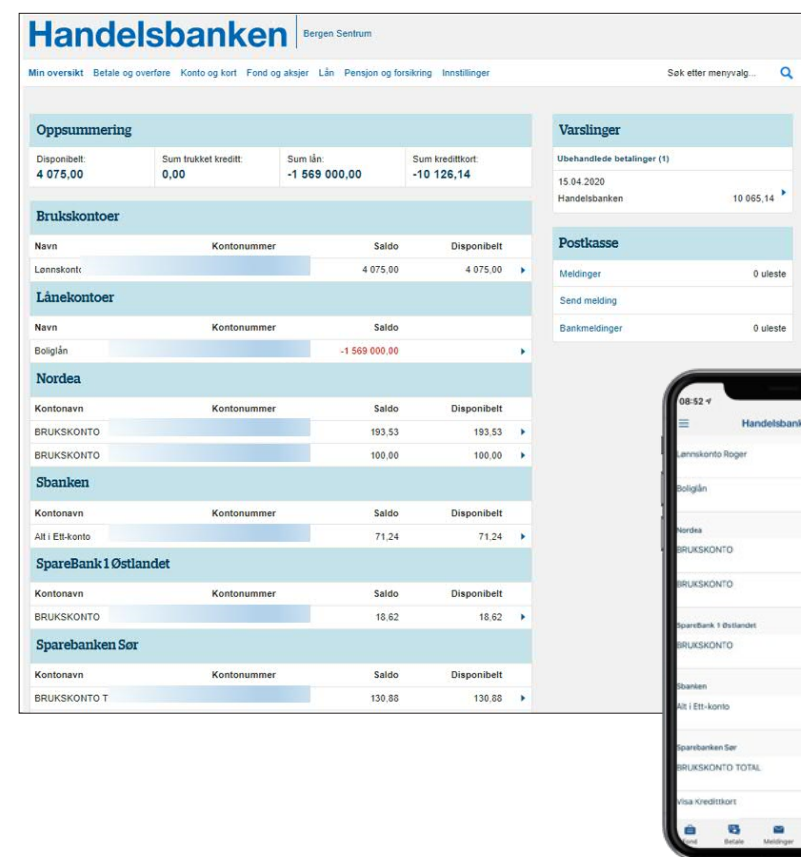


As of September 2019, our Norwegian customers are able to view and make payments from their payment accounts with other banks via Online Banking and via mobile. In conjunction with this launch, we were able to link accounts from other banks that are using TietoEVERY's platform.

In the first half of this year, the solution was developed further, and customers are now also able to view payment accounts with Nordea, and view and initiate payments from payment accounts with DNB, via our online service.

The possibility of connecting payment accounts with Danske Bank, Eika-bankene and Storebrand Bank is in development, and a pilot is currently under way.

So far, Handelsbanken customers have retrieved approximately 3,000 accounts from other banks to the mobile app or to Online Banking. The number of accounts retrieved from other banks has gone up by close to 50 per cent since the previous quarter.



Ecster has developed the first service in the AWS cloud services



In mid-June, Ecster and the insurance company BNP Paribas Cardif co-operated to launch a loan protection scheme and payment protection for all consumers that take a loan from or have card credit with Ecster.

Developed in the AWS cloud service

- The service is the Group's first based in AWS' cloud service.
- During the development, we have built up knowledge, expertise, working methods and infrastructure to make more services cloud-based, improving efficiency going forward.

Our expectation is that this will create better conditions for more efficient development and a shorter time to market, as well as increasing opportunities to evaluate this, with access to essential data and measurement points. The cloud solution also provides increased scalability and flexibility, as well as better opportunities to attract new developers to Ecster.



Ecster's new information warehouse



- In order to improve the availability and quality of Ecster's business data, we have begun a project to build up a central information warehouse.
- The goal is that all information affecting Ecster's business in one way or another should be available from the warehouse.
- The information warehouse will be created and operated in the Bank's new cloud-based service – AWS.
- The intention is that the warehouse will be built up over time, as we develop new services.
- The launch of the loan protection scheme and payment protection was the first service that Ecster placed in the AWS environment, and the first of our services to go via our new information warehouse.
- In this case, the information relates to Ecster's conditional sale and instalment customers.



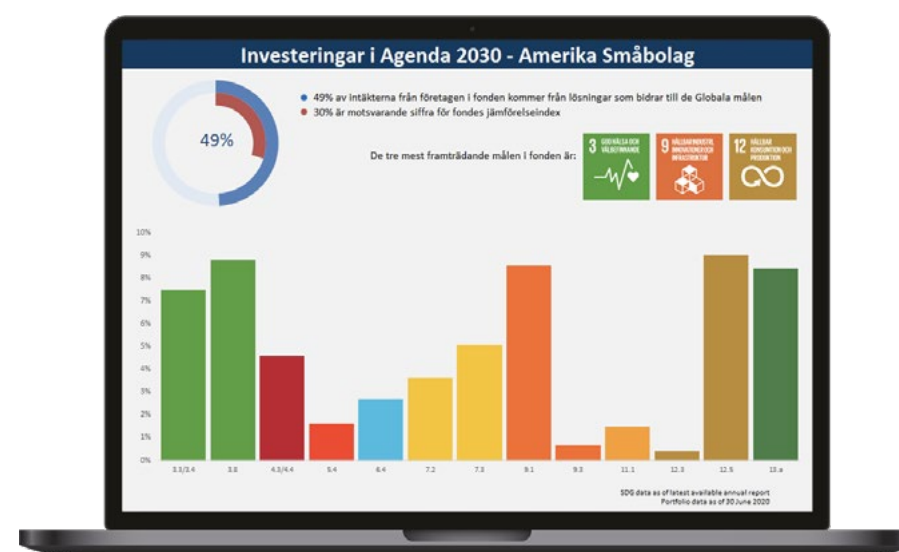
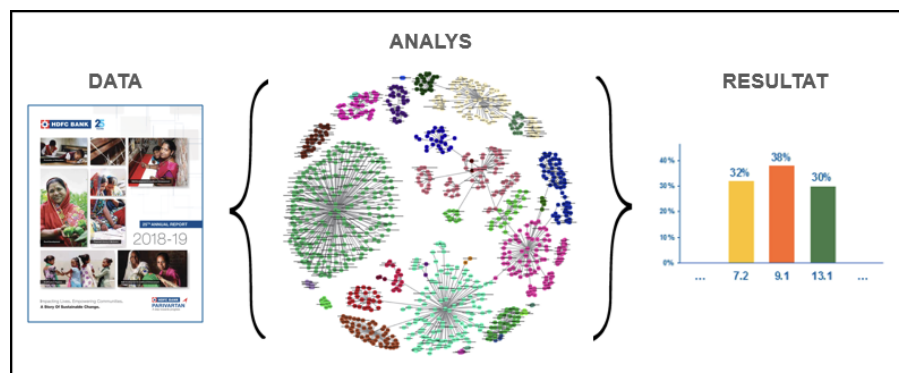
New co-operations

New regulations and new technology are generating increased openness and data sharing. Together with other players, we can capitalise on our in-depth knowledge of our customers' expectations to develop our local and digital presence, and in doing so create customer benefit and business opportunities.

Contribution to the Sustainable Development Goals measured with the help of AI

Handelsbanken Fonder has developed an analysis model, Handelsbanken SDG Solutions, which uses AI technology to measure the funds' investments in solutions that contribute to the Sustainable Development Goals. The model was produced in collaboration with Henrik Talborn from the Stockholm School of Economics, and represents a step on the way towards enhancing the focus on companies' positive contributions, by means of identifying products and services that deliver solutions for sustainable development.

The model illustrates the proportion of income, among those companies in which the Bank's funds invest, that comes from products and services which contribute to the Sustainable Development Goals. Here, we give consideration to how the product or service itself contributes to the Sustainable Development Goals, not only whether, for example, the production is carried out in a sustainable way.



"This builds on a text analysis of annual reports, and the material is structured digitally to enable electronic reading and analysis. In order to help our customers to see just what contributions their savings make, we will soon be launching our first customer-adapted version of the tool."

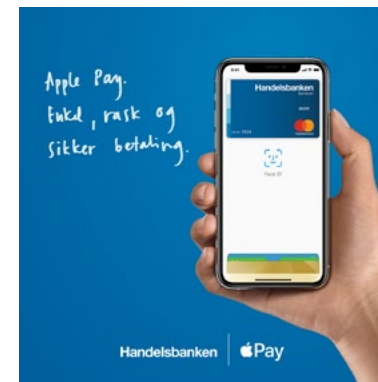
Simon Park, sustainability analyst at Handelsbanken Fonder

Apple Pay launched in Scandinavia

In the beginning of the summer, following high demand from our customers, Handelsbanken launched Apple Pay in Denmark and Norway. Sweden followed later during the fall.

- Apple Pay offers our customers a secure, easy and contactless way to pay with their iPhone or Apple Watch.
- It is easy to set up using Wallet. Once the customers add a card to iPhone, Apple Watch, iPad, and Mac, they can start using Apple Pay on that device right away.

The customer reactions have been very positive – both in terms of number of added cards and transaction volumes as well as response in social media and other channels.



Business services: Access to invoice services via co-operation



As a step towards being a more straightforward bank, more services are now offered via a digital ecosystem accessible via Business Services.

Corporate customers looking to devote more time to their business, and who would prefer someone else to administer their invoicing at an attractive price, are now offered a modern Invoice Service through co-operation.

- The customer signs up for the service digitally.
- The customer creates and chooses which invoices will be processed via Invoice Service.
- The accounting of the invoices is automatic.

Affärstjänster
Ett samarbete mellan Handelsbanken och Fortnox

Kundfakturer Inbetalningar Påminnelser Fakturatjänster Rapporter Register

Fortnox Fakturaservice

Få mer tid över till din verksamhet och låt oss administrera dina fakturor. Det enda du behöver göra är att skapa fakturan. Vi ser till att din kund får den på önskat sätt, samt hanterar eventuella påminnelser och inkasso om det skulle behövas. När fakturan sedan betalas så registreras och bokförs den i Fortnox – helt automatiskt.

- ✓ Få betalt snabbare
- ✓ Slipp administration
- ✓ Inga dolda eller fasta avgifter

Från **4.90** kr/st

AKTIVERA FAKTURASERVICE

Skapa din faktura i Fortnox Fakturering

I Fortnox Fakturering skapar du enkelt dina kundfakturer och får en tydlig överblick över deras status.

Skicka fakturan via Fortnox Fakturatjänster

Klicka på knappen "Skicka med fakturatjänster" inne i programmet. Vi skickar ut fakturan på det leveranssätt du väljer och hanterar hela processen från eventuella påminnelser till efterbevakning om det skulle behövas.

Digital signing for improved availability and increased sustainability



- Corporate customers can now sign certain forms and agreements with Mobile BankID.
- This makes it easier for customers to sign agreements digitally and facilitates more time-effective processing.
- The solution also results in less paper usage and reduces the environmental impact.
- Development is continuing, and the goal is to also be able to offer digital signing to private customers in the near future.
- The solution is delivered in collaboration with Verified.

Approx.
2,000
agreements signed
digitally since launch
in September

“Our way of working is set to gradually transform with the use of digital signing. We will be able to offer a personal, digital meeting and close the deal in one fell swoop. Meeting the customer in an online meeting, via Skype or phone, and signing the agreement immediately will improve the efficiency of our working process. It will also be easier to complete deals directly in numerous areas, such as when digital signing becomes available for several agreements within our savings business. If company signatories are in different geographical areas in Sweden, it is a huge bonus that they can sign remotely.”

Hampus Bogsjö, corporate advisor, Gothenburg City

New and more time-effective process for both customers and the Bank.



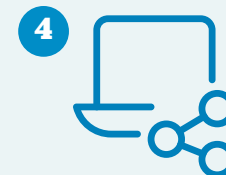
1
The advisor prepares the document to be signed



2
The document is emailed to the customer for signing via secure email



3
The customer signs the document with Mobile BankID



4
The signed document is sent digitally to the parties concerned

Making buying and selling property easier



In Norway, the financial sector collaborates with a number of authorities, such as the Tax Agency and the police, in order to develop digital solutions. The aim is to find more efficient solutions for administrative tasks, which were previously carried out manually.

In recent years, new services have been launched at a steady pace. These solutions save a significant amount of time in the day-to-day work at branches and internal departments.

Digital property transactions

Digital mortgage deeds have already been launched. In the second quarter of 2020, this solution was further developed in order to allow property transactions to be completed digitally. This was launched in April.

In October, we will launch a way for estate agents to sign off on a case at Kartverket* digitally, once the mortgage deed has been completed. This means that the entire value chain will have become digitalised, which will result in time savings for estate agents, as well as customers and branches. At the same time, this will contribute to better data quality.

This is another example of a collaboration where a number of different sectors participate, along with private, as well as public, business operations. This is expected to contribute to further efficiency improvements in relation to property transactions through time savings and faster processes, which in turn is expected to result in major savings for society in Norway.

We expect to attract a large number of players on the Norwegian market.



*The Norway equivalent of the National Land Survey – the authority where deeds are officially registered

Making buying and selling property easier



The DIAS platform is allowing property transactions* to be made via an entirely digital process. As of March 2020, Handelsbanken is linked to this platform.

The benefit of this is that buyers, sellers, estate agents, developers and banks are linked together in one system. Around 97 per cent of estate agents and banks are linked up.

Via this platform, buyers' and sellers' signatures are managed, as are the transfer of information to the tax authorities and the registration of the change of ownership. The solution uses blockchain technology, and builds on a collaboration between banks and estate agents on the DIAS housing platform.

In the first month of this year, 14 Handelsbanken customers completed their property transactions via this platform. The number per month has been stable since launch, and the solution has been well received by both customers and employees.



*Property transactions with property shares

Ecster: Secure and simple to buy and sell cars digitally



Blipp a new business partner of Ecster since year-end

- Through this partnership, we offer a comprehensive digital solution for car sales between private individuals, where Ecster helps with the financing.
- Blipp has shifted all the services normally provided by a car dealer firm to the private market, meaning that even transactions between private individuals can be concluded securely and simply for both buyers and sellers.

How a sale takes place:

- The buyer applies for a committed loan offer from Ecster via blipp.se.
- Ecster grants the application.
- The buyer sends an offer to the seller via the app, which the seller accepts.
- The buyer and seller meet via a video call on blipp to go over the car.
- If the buyer and seller reach an agreement, blipp helps with the change of registration and payment to the seller.

Auto loans granted and paid out 2020: SEK 15,000,000



Ecster: Digital signing allows for direct payment



In 2019, Ecster teamed with Skrive to launch digital signing of contracts and instruments of debt

This is how it works:

- The vendor sends the entire contract, including terms and conditions, via an SMS link to the customer, who then signs the contract with BankID.
- As soon as the customer has signed, Ecster's credit desk registers the contract and pays out the funds to the vendor.
- We now pay out 100 per cent of complete contracts on the same day as we receive the contract.

The advantages of this are as follows:

- The vendor does not have to print out any paper and receives same-day payment from Ecster.
- The customer can sign remotely and receive a digital copy via SMS.

12:20

0 kr

Erlagt kontantinsats

- 20.200 kr

Inbytespris netto

-

Kreditbelopp

= 80.800 kr

Betalningsperiod	Månad	Effektiv ränta	5,41%	Räntekostnad	7.728 kr
Räntesats f.m.	4,55%	Ränta fr o m	2018-12-21	Uppläggningsavgift	595 kr
Kampanjränta f.m.	13 kr	Kampanjränta fr o m		Summa adm. avgift	624 kr
Kreditkostnad	8.947 kr	Beräknad kreditförlust (Totalt att betala)			89.747 kr

Underskrift köpare

Gedkännande av kontrakt och kreditavtal, överlåtelsekännande samt leveringsgudkännande

Jag/vi bekräftar också att jag/vi tagit del av och godkänt samtliga bestämmelser i detta kontrakt inkl. ovanstående kreditvillkor före undertecknandet samt att jag/vi särskilt noterar punkterna 3.8 i de allmänna villkoren om återtagande och verkan av överlåtelse av kreditförlust och leveringsgudkännande.

Jag/vi bekräftar att jag/vi tagit del av och godkänt denna överlåtelse och att betalning därefter ska ske till Ecster och under inga omständigheter till någon annan. Jag/vi är medvetna om att överlåtelsen innebär att Ecster är ensam berättigad att åberopa objektet samt ha utspärring om betalning m.m. Jag/vi bekräftar även att objektet enligt ovanstående specifikation tagits emot och godkänts nedanstående dag.

Underskrift av köpare 1

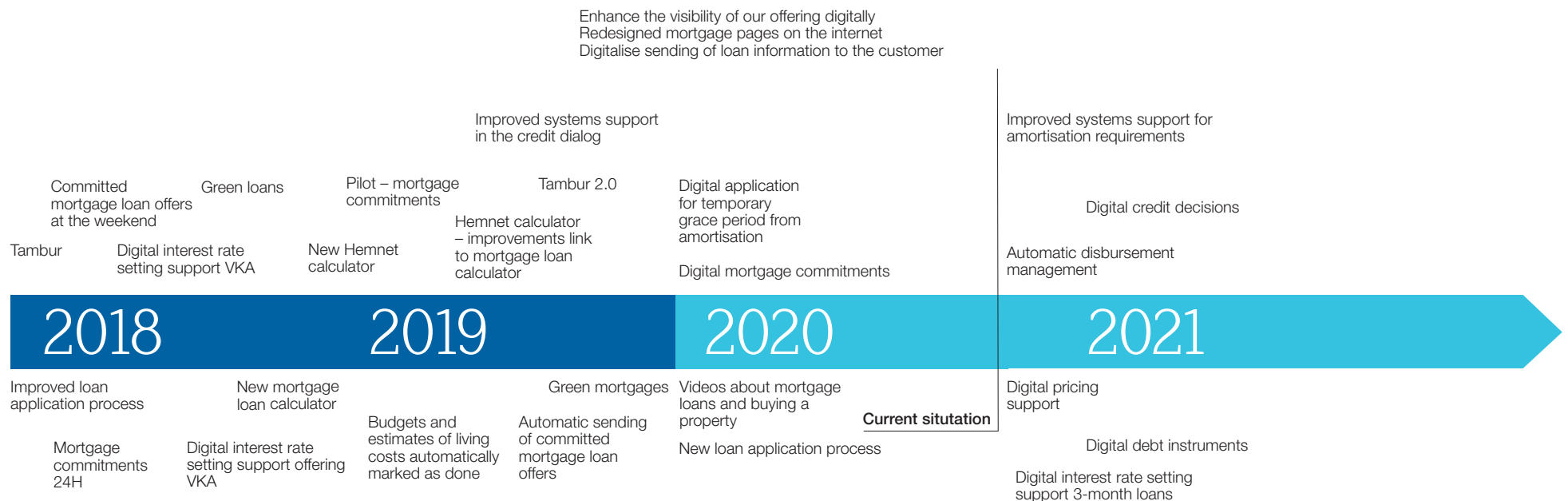
Underskrift av köpare 2

**One example on the path
to a simpler customer
and employee journey:
Mortgage loans**

Mortgage loans: The path to a simpler customer and employee journey

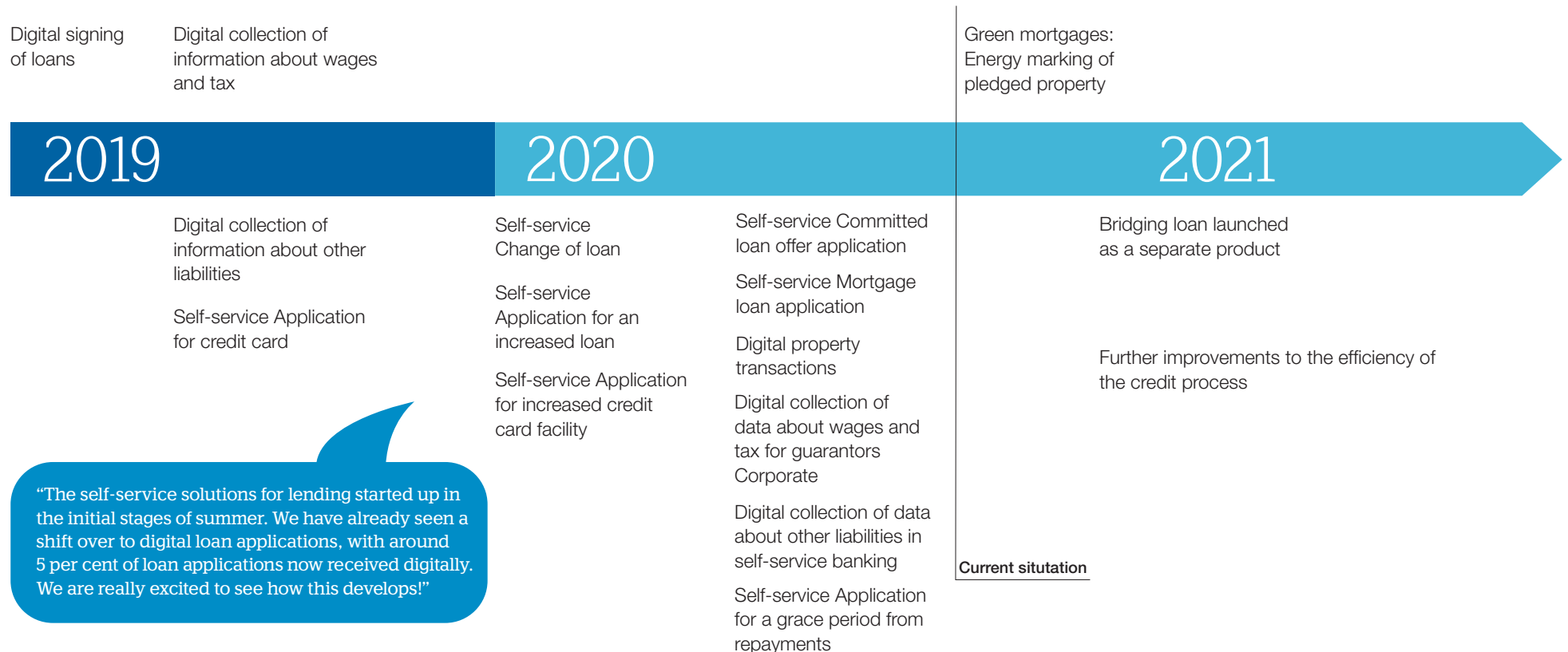


A clear example of how Handelsbanken approaches business development and digitalisation is our mortgage loan business. The process indicates a gradual, long-term and parallel development, launch and implementation of various products, services and tools – both internal and external.



Regulations, paper consumption, ongoing functional improvements, process harmonisation, etc.

Mortgage loans: The path to a simpler customer and employee journey



Regulations, paper consumption, ongoing functional improvements, process harmonisation, etc.

Handelsbanken