Annual and Sustainability Report 2024

Handelsbanken

Since 1871

Handelsbanken was founded in 1871. Today, a little over 150 years later, we are one of the world's strongest banks.

Our idea of how to run our Bank is based on trust and respect for individuals, both customers and employees. Through personal relationships, a long-term approach and a strong local presence, we create value in every customer meeting.

Our ambition is to provide the best bank offering within financing, savings and advisory services. With satisfied customers, we see potential for continued strong business development and profitable growth at a low risk. Our home markets are Sweden, Norway, the UK and the Netherlands, with business also conducted in Luxembourg and the USA.

Brief information

Annual General Meeting 2025

Handelsbanken's Annual General Meeting (AGM) for 2025 will be held on Wednesday, 26 March 2025. Shareholders wishing to attend the AGM must be entered in the register of shareholders kept by Euroclear Sweden AB on 18 March 2025. In addition, shareholders must either have registered to attend the meeting or cast their vote in advance (postal vote) no later than 20 March 2025. Nominee-registered shares must also be registered in the shareholder's own name by no later than 20 March 2025 in order for the shareholder to be entitled to vote at the meeting. For more information, please visit https://www.handelsbanken.com/agm.

Dividend

The Board proposes an ordinary dividend of SEK 7.50 per share and a special dividend of SEK 7.50 per share. The proposed record day for the dividend is 28 March 2025, which means that the share will be traded ex-dividend from 27 March 2025. Assuming that the meeting resolves to accept the proposal, the dividend is expected to be disbursed by Euroclear on 2 April 2025.

Financial calendar 2025

5 February	Handelsbanken's Highlights of the Annual Report 2024
26 March	Annual General Meeting
30 April	Interim report January – March 2025
16 July	Interim report January – June 2025
22 October	Interim report January – September 2025

Financial information

The following reports can be downloaded from handelsbanken.com:

- Annual and Sustainability Reports
- Interim Reports
- Risk and Capital Management Reports
- Climate Reports
- Corporate Governance Reports
- Remuneration reports
- Factbooks
- Sustainability and Stewardship Reports.

Distribution

The Annual and Sustainability Report can be ordered from Investor Relations, phone +46 (0)8 701 10 00 or at handelsbanken.com/ir.

Handelsbanken's Sustainability Report 2024

Handelsbanken's 2024 Sustainability Report is presented on pages 259–370 and has been prepared in accordance with the requirements of the European Sustainability Reporting Standards (ESRS), with the exception that the Sustainability Report is presented outside the administration report and it is the Executive Team of the Bank that is responsible for preparing the Report. Parts of this Report also constitute the Bank's statutory sustainability report, which also includes the Taxonomy reporting. The Sustainability Report has been examined by the external auditors. The auditor's Limited Assurance Report on the Sustainability Report is presented on page 372 of the 2024 Annual and Sustainability Report.

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Domicile: Stockholm
handelsbanken.com

WE SUPPORT
UN GLOBAL COMPACT

The year in brief

The Board of Directors proposes an **ordinary dividend of SEK 7.50 (6.50) per share** and a special dividend of SEK 7.50 (6.50) per share.

No comparable bank in the world has a higher combined credit rating from S&P, Moody's and Fitch.

Handelsbanken was named **"Business Bank of the Year"** and **"Small Enterprise Bank"** by the independent Finansbarometern survey in 2024.

Handelsbanken has been ranked as the **safest commercial bank in Europe** in Global Finance's ranking of 500 banks.

SEK 35,016m

Operating profit decreased by 4% to SEK 35,016m (36,322). Adjusted for items affecting comparability, the decrease was 2%.

SEK 13.86

Earnings per share amounted to SEK 13.86 (14.70).

14.6%

Return on equity was 14.6% (15.9).

40.4%

The C/I ratio was 40.4% (37.2).

-0.02%

The credit loss ratio was -0.02% (0.01).

18.8%

The common equity tier 1 ratio was 18.8% (18.8).

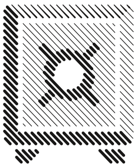
Banking our way

With our people-first approach and decentralised working method, and a unique, long-term perspective, we create customer relationships that last through all stages of business and life. We offer our customers:

Value in each customer meeting

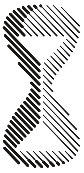
For us, long-term relationships start with meetings between people. Customer meetings are therefore at the core of everything Handelsbanken does, whether it is providing day-to-day assistance via digital services or giving expert advice in connection with major life events. In every meeting, we listen and learn, to ensure that our offering serves our customers' needs. This leads to better decisions and more satisfied customers.

One of the world's safest banks



Financial strength and consistent stability make Handelsbanken a bank to rely on, regardless of the business cycle. As a result, we have been ranked as the safest commercial bank in Europe and the fifth safest globally by Global Finance. Handelsbanken is the only major Swedish bank that has not sought financial support from either taxpayers or shareholders in times of financial crisis, and no other privately owned bank in the world has a higher overall rating than Handelsbanken.

Unique long-term perspective



We always give our customers the best long-term advice, regardless of what is most profitable for the Bank in the short term. The Bank has no volume requirements, budgets or centrally determined sales targets. Handelsbanken measures its success on the basis of customer satisfaction, cost efficiency and profitability. Our employees who meet customers in the branch operations do not receive variable remuneration – no bonuses or commissions. This gives our business a unique, long-term perspective.

Community engagement for knowledge and sustainability

We pursue a long-held tradition of commitment to the communities and markets in which we operate. The focus of our community engagement is creating and sharing knowledge about what we do best – finances. This is how we help give our customers the best ability to make well-informed decisions, and contribute to strong and stable communities. For us, sustainability is an integral part of our long-term approach to banking, and we support our customers in handling both the opportunities and the challenges related to, for example, the climate transition.

Contents

Even more Handelsbanken

Stockholm, February 2025
Michael Green,
Chief Executive Officer and President

"It's a matter of inspiring such confidence through the responsible and reassuring way we manage capital, that we can then convert this into lending."

Dear reader,
Handelsbanken is developing as it should. Over the past year, we have strengthened our competitiveness, and we are now in a better position to continue to achieve our corporate goal of a higher return on equity than peer competitors in our home markets. And – most importantly of all – our customers remain satisfied with their bank.

The accounts present the results of the past year in precise facts and figures. But behind these figures hide the people who have specifically chosen our bank as their bank, and the employees who in thousands of meetings have created value for our customers and thereby laid the foundation for our results.

So why did 2024 turn out the way it did? The answer is that every day, we endeavoured to support our customers just a little better than we did the day before. That is how we build our bank – not by frantically chasing the latest trend, but based on our successful business model, step by step making a good bank even better.

My focus during my first year as Chief Executive Officer and President was to further strengthen what already sets Handelsbanken apart. Why, you might well ask? The answer is simple: Our hallmark – local connection with decentralised decision-making, customer focus and trust in our employees' determination and ability to take responsibility and make decisions as close to our customers as possible – gives us a decisive advantage in the increasingly fierce competition to win the confidence and business of customers.

Focus on reorganisation

A customer and business focus combined with high efficiency are the prerequisites that enable us to meet our customers' expectations for advisory services, products and meeting places with a competitive offering. For me, it's about common sense. High efficiency provides the basis for favourable profitability and thus the possibility for long-term growth with stable value appreciation. By keeping costs down, it is easier for us to have very attractive offerings for our customers. And attractive offerings and a high level of service are in turn essential for ensuring that our customers are satisfied with their bank.

With this in mind, we started the year by identifying areas in the Bank that required improvement, and action was then taken. Or, if you prefer, we devoted greater focus to becoming 'even more Handelsbanken.' We further honed our business focus and streamlined the Bank to meet customer needs even more clearly, based on our decentralised business model.

We restructured the organisation and brought business support functions closer to our customers, while eliminating duplication. The number of employees in central units was reduced, while the number of colleagues carrying out our day-to-day business and interacting with customers in our branches increased. We are now gradually seeing the results of this. Profits in our home markets have improved quarter by quarter. Income increased and cost efficiency also improved in the second half of the year as a result of these structural measures.

In other words, during the year, we further strengthened and expanded on what works well and ceased activities that do not create value, just as it should be here at Handelsbanken. Efficiency improvements have resulted in more time for the customer, time that could be used for better customer meetings and establishing deeper business relationships with our customers.

At Handelsbanken, the branches decide where and how we meet customers and how we can best respond to customer demand for such meetings. In 2024, branch managers across Sweden decided to improve accessibility to the Bank, by introducing the availability of personal meetings for both new and existing customers at some 20 new locations around the country.

Customer confidence

Banking operations are essentially relatively simple, but are becoming increasingly complex in certain areas, with rapid technological advances, increasingly stringent regulatory requirements and an increasingly interconnected world in which local economies are affected by real-time global events.

So at their core, the operations of our Bank are the same – as timeless as they always have been. It's a matter of inspiring such confidence through the responsible and reassuring way we manage capital, that we can then convert this into lending.

This confidence should not be taken lightly. Every day, we help people achieve their financial goals and turn their ideas and dreams into reality. For a company, this could be the ability to make investments for growth. For a young family, it could be about buying the ideal home. And to help our customers make informed decisions, we provide assistance in financial literacy and our best advice.

This is meaningful and honourable work. And it is quite an undertaking. We are a bank, nothing more, nothing less.

And we are not trying to be anything other than what we essentially are: a bank that manages our customers' capital in way that inspires confidence, makes everyday life a little easier for customers and, thanks to our financial stability, is there to support our customers regardless of the economic climate – and thereby do our bit for the long-term positive and sustainable development of society.

Banking our way

At the same time, we are not like any other bank. Our distinctive nature, which I have devoted the last year to strengthening, is based on trust in the individual. It may sound simple but it is anything but. It is easy, particularly in a large organisation, to wait for someone else to solve a problem or set the direction. But that's not the way we do banking.

On the contrary, by assuming responsibility, our employees ensure that we have more satisfied customers and lower costs. Our decentralised way of working is not an organisational chart – it is a corporate culture that enables us to generate profitability over time and have unique financial robustness.

It is no coincidence that we are the bank with the highest combined global rating from Fitch, Moody's and S&P, the world's leading rating agencies, and that in Global Finance's ranking of more than 500 banks in the world we were once again named Europe's safest bank. Nor is it a coincidence that we were named Business Bank of the Year and Sweden's Small Enterprise Bank, that our Private Banking offering was ranked second best in Sweden by Prospera and that, according to SQI's annual survey, we have the most satisfied customers among peer banks in all of our home markets. This is all the result of the same thing – our unique way of banking. The foundation is laid at our 420 branches, which are located where our customers live and share their daily lives and realities, making our decisions better.

Another aspect of our distinctive nature is our low risk tolerance and our tireless efforts to build up a robust bank that is financially strong and sustainable in the long term. Our business model serves the Bank well. The model ensures both stability of earnings and independence. In times of sharp macroeconomic downturns, the Bank has not needed assistance or guarantees from governments or from shareholders in the form of diluting new share issues. On the contrary, the Bank has in the past lent significant amounts to public institutions during financial crises. To this very day, the Bank still lends to public sector actors such as municipalities, sovereigns and central banks, and thereby contributes to strong and stable societies.

Our community engagement

Handelsbanken has always chosen its own path and over time this has contributed to financial stability, solid growth in profits and satisfied customers. Our operations are based on broad and in-depth knowledge of finances. We know that our customers are increasingly looking for this kind of insight into finances and what is happening in the financial markets. A well-informed, knowledgeable customer with accurate information does more and better business. We therefore established a structure during the year and focused our community engagement on what we do best – finances.

A new unit, Foundations and Publishing, was created to coordinate the work of generating and sharing knowledge regarding financial and social issues. The unit is home to the independent research foundations affiliated with the Bank, as well as the autonomous media house EFN, and also supports bank branches in raising financial literacy in the local community.

The aim is to share insights that reach and benefit many people. This is how we best create value for our customers while providing significant benefits to society.

To conclude, I would like to extend my sincere gratitude to all the customers who have entrusted us to be their bank, to all my colleagues for their hard work during the year and to all our shareholders for their trust in Handelsbanken.

We will nurture that trust by improving our service, enhancing our local decision-making, developing our digital offering, avoiding costs that do not strengthen our competitiveness and, above all, being responsive to our customers' needs – and constantly evolving the Bank to meet and ideally exceed their expectations.

Always in our own way – personal, close and long-term – and always with the aim of being a little better, every day.

Quite simply, even more Handelsbanken.

2.0

Administration report, Group

Handelsbanken's statutory sustainability reporting by area according to Chapter 6 of the Annual Accounts Act

Concept

Handelsbanken creates value through unique customer meetings. Through trust in the individual, a strong local commitment and a decentralised way of working, we create long-term customer relationships.

By running the Bank in a responsible and sustainable manner, with stable finances, Handelsbanken earns the confidence of customers, shareholders and the wider world around us.

More satisfied customers, income growing at a faster rate than expenses, and a low risk tolerance create sustainable profitability and the capacity to grow our business and customer offerings, regardless of the situation in the world and economy around us.

Goal

Handelsbanken's goal is to have higher profitability than the average of peer competitors in its home markets.

Handelsbanken's profitability goal is intended to offer shareholders long-term, high growth in value, with increasing earnings per share over a business cycle. With stable finances, the Bank can also provide support to its customers whatever the prevailing business environment. Profitability and sound, sustainable business operations are critical to shareholders who have invested in the Bank. In addition, these go hand in hand with low funding costs, positive growth and the Bank being seen as an attractive employer.

This goal is mainly to be achieved by having more satisfied customers and lower costs than its competitors.

Our working methods

Handelsbanken is one of the world's strongest banks. Our business rests on the pillars of a strong local presence, a decentralised way of working, stable finances and low risk. Through our customer meetings, we create and cultivate long-term customer relationships. Customer meetings are also where we lay the foundations for the development of the Bank's business in line with customer demand. We always strive to provide the best bank offering within financing, savings and advisory services. We run our Bank responsibly and sustainably, with concern and care for customers and society.

Running our bank responsibly and with the best interests of our customers front of mind is also the starting point for our approach to sustainability. We help our customers generate good returns on their savings and take social, governance and environmental issues as well as other factors into account in our asset management. Our advice and products helps to enhance customers' ability to meet regulations and requirements related to climate change and other sustainability risks. Sustainability is nothing new or strange to us. This is how we have run our bank for over 150 years.

Stable finances

Our stable finances serve as the basis for creating lasting value for customers and owners, while also contributing to the positive development of society. With such stable finances, we can support our customers no matter the economic conditions or external factors. Yet to maintain our stable finances, we also need to embrace the opportunities and manage the risks that sustainability brings. We are part of society and we want to contribute to sustainable development.

For us, the customer meeting is central. We offer personal customer meetings regardless of whether the customer chooses to contact us digitally, by phone or by visiting one of our branches. That is why the overall customer responsibility always lies with the branch closest to the customer's geographical location. In recent years, we have also strengthened the specialist skills of the local branches, while ensuring that they always have access to the full range of the Bank's business-support expertise, in such areas as financial advice, private banking and sustainability.

The fact that our customers are able to meet the person making the final decision contributes to the quality of the customer meeting, and helps ensure faster, better decisions and more satisfied customers. A customer's trust in the Bank is built up over time, but is nurtured and helped on the way at every customer meeting.

Customer meetings are key

We also view the customer meeting as key to our contribution to the sustainable development of society. Demand is growing for products and services that support the transition to a sustainable society. Consequently, we are continuously working to develop our offering in line with these needs, be it financing, savings, investments or advisory services.

Handelsbanken's decentralised way of working is implemented throughout the Bank. The independence of the branches enables a very strong local connection and long-term customer relationships, which have helped the Bank carve out a unique position as a robust and stable bank that benefits both the Bank's customers and the rest of society. Short decision-making channels enable us to more quickly adapt to various changes in local markets, and to quickly take advantage of new business opportunities.

Support and knowledge

Handelsbanken is involved locally through initiatives and activities in clubs, associations and charities, often focusing on raising knowledge about finances in schools and universities. Since the early 1960s, Handelsbanken has awarded grants for economic research, mainly through allocations to two independent research foundations: Tore Browaldhs stiftelse and Jan Wallanders och Tom Hedelius stiftelse. These foundations are some of the most important funding bodies for economic research in Sweden. In 2024, 243 grants were awarded for research and knowledge sharing at universities across Sweden, for a total amount of SEK 265 million.

We endeavour to create the best possible conditions for our customers to make informed financial decisions, because we know that good understanding of finances results in more satisfied customers. We offer support and know-how on both big and small financial issues through the personal advice we provide at our branches, quick help on social media and news via the EFN channel.

Gender equality, diversity and an inclusive corporate culture are naturally incorporated into our core values and daily work. These efforts foster a good and inclusive work environment in which different backgrounds, experiences and education lend valuable perspectives to the company. The Bank has a long-term view of its relationships with both customers and employees, and every recruitment is meaningful.

No matter the meeting place, the customer is always given the best advice, regardless of what product is most profitable for the Bank in the short term. By always giving the best advice, we build trusting relationships with our customers. Products and services are continuously developed to ensure a competitive offering, and thus to improve profitability while maintaining a low level of risk. Sustainability

is clearly integrated into both customer relationships and the offering.

Following a structured approach based on the Bank's concept and way of working, we are robust in crises and more attractive to investors, to customers and as an employer. This is why we can support customers in their green transition and help Sweden achieve net-zero emissions by 2045 and the Paris Agreement's goal of limiting global warming to close to 1.5°C. Regardless of where work is performed in the Bank, it shall be instinctive for employees of Handelsbanken to support new sustainability regulations and other initiatives for sustainable business, such as the Global Compact. We are working continuously to reduce emissions from our own operations and offer products, services and advice that promote a sustainable transition for our customers.

The employees at our branches who meet customers are not eligible to receive variable remuneration – no bonuses or commissions – and thus have no personal financial incentive to offer customers a certain service or product. The Bank has no volume requirements, budgets or centrally determined sales targets. Instead, the Bank measures its success on the basis of customer satisfaction, cost efficiency and profitability.

Stable finances are a prerequisite for doing all the business the Bank and our customers want to do – on good terms. With stable finances, we can support our customers no matter what is happening in the business environment. Financial stability not only allows for flexibility and the freedom to do more business, but also ensures lower funding costs and, consequently, contributes to higher profitability. Handelsbanken manages its finances entirely on commercial terms, and has not needed financial support from governments, central banks or shareholders in times of trouble in the financial markets. Handelsbanken is the bank with the highest credit rating of all comparable privately owned banks and has the highest combined global rating from the Fitch, Moody's and S&P rating agencies.

One of the world's safest banks

Handelsbanken's high ranking in Global Finance's list of the World's Safest Banks provides confirmation that our business model, with low risk tolerance and high credit quality, is both sustainable and successful.

The Bank's low risk tolerance means that we deliberately avoid high-risk transactions, even if the financial reward may be large at that moment. This low risk tolerance is maintained through a strong risk culture that is sustainable in the long term and applies to all areas of the Group. It is important to the Bank that the granting of credit is based on an assessment of each individual customer's repayment capacity.

Our credit policy, based on our low risk tolerance, and our policy for sustainability lay the foundation to enable us to be a bank that not only strives for better profitability but can also integrate sustainability as an integral part of our business. This includes how we address climate risks, for example, by assessing the impact of flood risks, global warming, transition risks for corporate customers and other sustainability-related challenges that may affect both our assets and our customers' collateral.

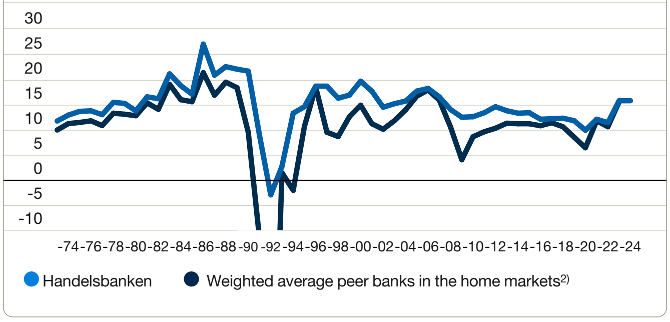
Over the years, our model has often been put to the test. Boom or bust, in good times and bad, our model has worked. But it is not – and never has been – static. We must always be evolving and meet the needs of our customers. So we will continue to create growth, with a high level of efficiency and responsiveness to external factors – and generate good profitability and sizeable returns for our shareholders.

A specification of Handelsbanken's statutory sustainability report by area in accordance with Chapter 6 of the Annual Accounts Act can be found in the table on page 11.

Goals and goal achievement

Corporate goal

Return on equity 1973–2024[1)]



Handelsbanken's goal is to have higher profitability than the average of peer competitors in its home markets.

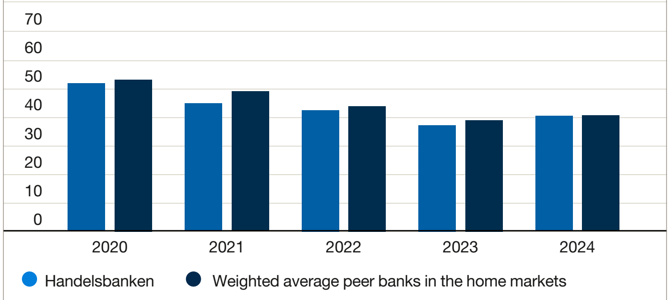
Goal achievement
In the Bank's opinion, Handelsbanken achieved its corporate goal of having higher profitability than the average of peer competitors in its home markets again in 2024. A preliminary provision was made for the Oktogonen profit-sharing scheme for the earnings year 2024, which amounted to SEK -96 million (-83).

1) Only Swedish banks are included for the period up to and including 2002, and only Nordic banks for the period 2003–2012.

2) Not all banks in the comparison group had published their annual accounts for 2024 as of the date of approval of this Annual and Sustainability Report by the Board.

Cost efficiency

Costs/income, 2020–2024

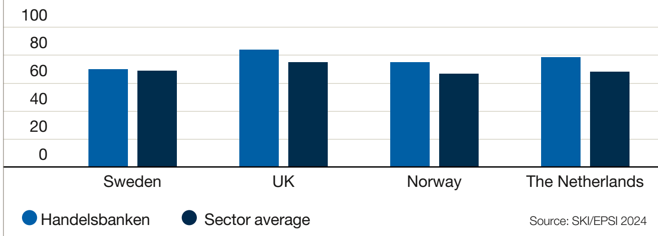


The corporate goal will also be achieved through higher cost efficiency than peer competitors.

Outcome
Handelsbanken's expenses relative to income were 40.4% (37.2). The equivalent key metric for an weighted average of peer banks is estimated to approximately 40.6% (38.9).

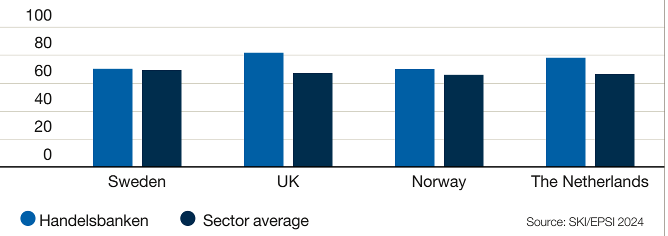
Most satisfied customers

Customer satisfaction, private customers 2024
Index



Source: SKI/EPSI 2024

Customer satisfaction, corporate customers 2024
Index



Source: SKI/EPSI 2024

To achieve the corporate goal, the Bank must, for example, have more satisfied customers than its peer competitors. The quality of products and services must therefore meet customer expectations, at a minimum, and preferably exceed them.

Outcome
Handelsbanken retained its stable and strong position in terms of customer satisfaction by having more satisfied private and corporate customers than the average for the banking sector in all of its home markets. Satisfied customers and stable relationships are proof that the Bank's way of working is effective.

Rating

Nordic bank ratings

31 December 2024	Standard & Poor's Long term	Standard & Poor's Short term	Fitch Long term	Fitch Short term	Moody's Long term	Moody's Short term
Handelsbanken	AA-	A-1+	AA	F1+	Aa2	P-1
DNB	AA-	A-1+			Aa2	P-1
Nordea	AA-	A-1+	AA-	F1+	Aa3	P-1
SEB	A+	A-1	AA	F1+	Aa3	P-1
Swedbank	A+	A-1	AA	F1+	Aa3	P-1
Danske Bank	A+	A-1	AA-	F1	A1	P-1

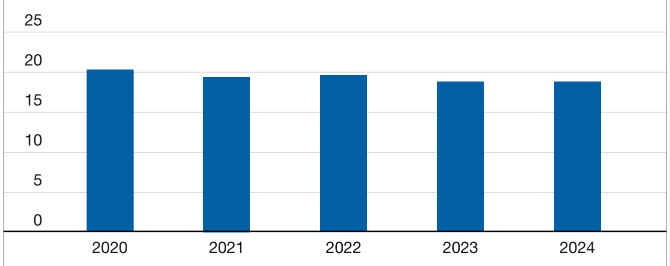
Source: SNL

Handelsbanken is to have a high rating with the external rating agencies.

Outcome
No comparable bank in the world has a higher combined credit rating from S&P, Moody's and Fitch. All of the Bank's credit ratings were confirmed as unchanged in 2024.

Capital

Common equity tier 1 ratio, 2020–2024

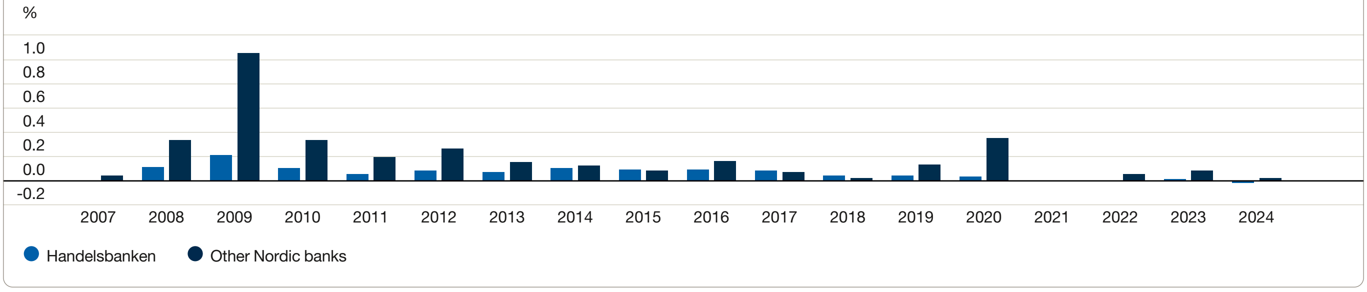


The Bank's capital goal is that its common equity tier 1 ratio should, under normal circumstances, exceed the common equity tier 1 capital requirement communicated to the Bank by the Swedish Financial Supervisory Authority by 1–3 percentage points. Additionally, the Bank must fulfil any other capital requirements set by the regulators.

Outcome
At the end of the year, the common equity tier 1 ratio was 18.8% (18.8). In the Bank's assessment, the overall common equity tier 1 capital requirement according to the Swedish Financial Supervisory Authority was 14.85% at the end of the year.

Credit quality

Credit losses as % of loans 2007–2024



Handelsbanken has a low risk tolerance. This means that the quality of credits must never be neglected in favour of achieving higher volume or a higher margin.

Outcome
Credit losses consisted of net reversals and amounted to SEK 601 million (-141). Credit losses as a proportion of lending were -0.02% (0.01).

For the past ten years – that is, since 2015 – the Bank's average credit loss ratio has been 0.04%. This can be compared with the average for the other major Nordic banks during the same period: 0.09%.

Financial overview 2024

Stable profitability based on robust income and improved cost effectiveness

Operating profit improved continuously from the year's first quarter onward. Income grew, measures were taken to improve cost efficiency and net credit loss reversals increased. Net interest income was stable in spite of the negative margin effects due to reduced central bank policy rates. A continued strong development of the savings business contributed to net fee and commission income reaching its highest ever level during the year. In order to strengthen Bank's efficiency and competitiveness, efforts have been made since the start of the year to identify potential efficiency improvements, mainly within central and business support units, and to then implement these. The Bank's total staffing (i.e. the number of employees plus external resources) decreased by a net amount of 778 people, or 6%, from the first quarter, despite increased staffing in the branch operations as a response to increasing customer activity. The majority of the identified efficiency initiatives had been implemented by the end of the year, not only reducing the overall level of costs but also further strengthening the Bank's cost culture.

Enhanced local presence at around 20 new locations and business growth with satisfied customers

During the year, the Bank was the largest player in terms of net inflows in the Swedish mutual fund market. Customer and advisory activity for both private and corporate customers increased during the year, and during Q4 lending volumes again increased in all of the home markets – for the first time in almost 5 years. Increased customer activity and demand to physically meet the Bank locally, led to the Bank expanding the availability of advisory meetings and other services at some 20 new locations across Sweden during the year. The Bank also continued to strengthen the availability of specialists at local branches, in areas such as Private Banking and occupational pensions. Independent surveys show that the Bank also in 2024 had more satisfied customers than the average among comparable peers in the home markets, among both private and corporate customers. Handelsbanken was also named Sweden's "Business Bank of the Year" and – for the thirteenth consecutive year – "Small Enterprise Bank".

Increased dividend and strong financial position

The Bank distinguishes itself as one of the world's most stable banks, which is reflected in the fact that no other privately owned bank in the world has a higher overall credit rating from the leading rating agencies. The explanation lies in a locally connected, long-term oriented, and customer-centric business model with a low risk tolerance and a strong financial position. The Bank's long term target range for the common equity tier 1 ratio is 1–3 percentage points above the regulatory requirement set by the Swedish Financial Supervisory Authority. Given the prevailing surrounding environment and in order to underscore Handelsbanken's position as a first-class counterparty and one of the world's safest banks, the dividend proposed to the Annual General Meeting is at a level entailing a common equity tier 1 ratio just under 4 percentage points above the regulatory requirement. Re-assessments of the appropriate capital level will be made on an ongoing basis.

SEK 13.86

Earnings per share amounted to SEK 13.86 (14.70).

14.6%

Return on equity was 14.6% (15.9).

40.4%

The C/I ratio was 40.4% (37.2).

-0.02%

The credit loss ratio was -0.02% (0.01).

18.8%

The common equity tier 1 was 18.8% (18.8).

SEK 15

The Board of Directors proposes an ordinary dividend of SEK 7.50 (6.50) per share and a special dividend of SEK 7.50 (6.50) per share.

Review of operations

Operating profit decreased by 4% to SEK 35,016m (36,322). Adjusted for items affecting comparability, the decrease was 2%.

Income increased to SEK 62,345m (62,249).

Expenses amounted to SEK -25,209m (-23,182).

The C/I ratio was 40.4% (37.2).

The credit loss ratio was -0.02% (0.01).

Profit for the period amounted to SEK 27,456m (29,114).

Earnings per share amounted to SEK 13.86 (14.70).

Return on equity was 14.6% (15.9).

After deductions for the paid and proposed dividends, the common equity tier 1 ratio was 18.8% (18.8).

Income

SEK m	Full year 2024	Full year 2023	Change
Net interest income	46,841	47,578	-2%
Net fee and commission income	11,726	11,139	5%
Net gains/losses on financial trans.	3,103	2,661	17%
Other	675	871	-23%
Total income	**62,345**	**62,249**	**0%**

Net interest income went down by 2%, or SEK 737m, to SEK 46,841m (47,578). Foreign exchange effects contributed SEK 163m. All in all, the net effect of margins and funding costs had a SEK -591m impact. Lower business volumes had an impact of SEK -380m on net interest income. The day effect was SEK 99m. Lower costs for deposit guarantee schemes had an impact of SEK 10m. Other effects amounted to SEK -38m.

Net fee and commission income increased by 5% to SEK 11,726m (11,139). Fund management, custody and other asset management fees increased by 9% to SEK 7,151m (6,531), which included an 8% increase in mutual fund commissions to SEK 5,980m (5,534). Brokerage income increased by 7% to SEK 449m (420). Net payment commissions increased by 3% to SEK 1,802m (1,758), of which card commissions constituted SEK 995m (1,053). Lending and deposit commissions fell by 12% to SEK 1,017m (1,156). Insurance commissions increased to SEK 776m (673). Advisory commissions were SEK 208m (236). Other net fee and commission income amounted to SEK 324m (365).

Net gains/losses on financial transactions went up by 17%, or SEK 442m, to SEK 3,103m (2,661). The customer-driven business in Handelsbanken Markets increased its profit by SEK 129m to SEK 1,220m (1,091). The contribution from the Bank's liquidity portfolio rose by SEK 58m to SEK 253m (195). The realisation of the translation reserve in the Finnish subsidiary Rahoitus, in conjunction with the liquidation of the company, contributed SEK 178m. Other net gains/losses on financial transactions, primarily related to ineffectiveness in the Bank's hedging relationships, as well as changes in the market values of derivatives used to manage interest rate and foreign exchange risk in the Bank's funding, amounted to SEK 1,452m (1,375).

Net insurance result decreased by SEK -71m to SEK 422m (493). The return on assets held on behalf of policyholders fell by SEK -39m and amounted to SEK 297m (336). Insurance result was SEK 126m (157).

Remaining income items totalled SEK 252m (379).

Expenses

Staff costs rose by 15%, or SEK 2,089m, to SEK -15,731m (-13,642). A restructuring charge relating to employment termination agreements was recognised during the year, amounting to SEK -472m. The provision for Oktogonen was SEK -255m (-285), of which SEK -159m related to the 2023 accounting year. Foreign exchange effects totalled SEK -50m. Adjusted for the restructuring charge, Oktogonen and foreign exchange effects, staff costs increased by 12%. The increase was due to an increase in employee numbers, annual salary adjustments, the conversion of external resources to permanent employees and higher expenses for the earning of pensions, which arose due to a lower discount rate at the start of the year compared to the previous year.

At the end of the year, the number of employees totalled 11,976 (12,017), while the total staffing (i.e. including external resources) decreased by 705 people, or 5%, to 12,571 (13,276). The decrease since the first quarter was 778 people, or 6%. The average number of employees grew by 5% during the year to 12,224 (11,683). Of this increase, 4 percentage points were attributable to additional employees working in the branch operations, and 1 percentage points to the Bank's IT development (through the replacement of consultants with salaried employees).

Other expenses fell by 4% to SEK -7,474m (-7,796), mainly due to the use of fewer external resources.

Depreciation, amortisation and impairments of property, equipment and intangible assets rose by 15% to SEK -2,004m (-1,743).

Credit losses

SEK m	Full year 2024	Full year 2023	Change
Net credit losses	601	-141	742
Credit loss ratio as % of loans to the public	-0.02	0.01	

Credit losses consisted of net reversals of SEK 601m (-141), with SEK 455m referring to a reversal of an expert-based provision, which amounted to SEK 149m (604) at the end of the year. The credit loss ratio was -0.02% (0.01).

Regulatory fees

Regulatory fees totalled SEK -2,733m (-2,624). The risk tax totalled SEK -1,655m (-1,644). The resolution fee totalled SEK -1,031m (-980). The Bank of England Levy was SEK -47m (-).

Taxes

The effective tax rate in continuing operations was 22.3% (23.2). The difference between this rate and the corporate tax rate in Sweden of 20.6% derives primarily from the higher tax rate in the UK operations, as well as from non-deductible costs on subordinated liabilities.

The effective tax rate in total operations (including discontinued operations) was 22.3% (22.8).

Discontinued operations

On 31 May 2023, Handelsbanken signed an agreement regarding the divestment of its business operations in Finland relating to private customers, life insurance and SMEs. The part of the agreement concerning SMEs was finalised in early September 2024. The sale of the business relating to private customers and life insurance in Finland was finalised in early December 2024.

Profit from discontinued operations, after tax, amounted to SEK 234m (1,209).

The capital gains/losses relating to the sale of the operations, excluding selling costs, amounted to SEK 4m (-).

The depreciation of property and equipment in the disposal group amounted to SEK -446m (-).

Income fell by 19% to SEK 2,284m (2,829), of which net interest income decreased by 20% to SEK 1,895m (2,368).

Expenses rose by 5% to SEK -1,369m (-1,306).

Credit losses consisted of net reversals and amounted to SEK 53m (41).

Non-recurring items and special items in operating profit

SEK m	Full year 2024	Full year 2023
Special items		
Oktogonen: adjustment of allocation previous year (staff costs)	-159	-202
Oktogonen: provision current year (staff costs)	-96	-83
Non-recurring items		
Restructuring charge (staff costs)	-472	
Reversal of value added tax paid when divesting card acquiring business (Income)		158
Total	**-727**	**-127**

Foreign exchange effects

Foreign exchange effects vs. previous year

SEK m	Full year 2024
Net interest income	163
Net fee and commission income	7
Net gains/losses on financial transactions	0
Other income	0
Total income	**171**
Staff costs	-50
Other expenses	-25
Depreciation and amortisation	-3
Total expenses	**-78**
Net loan losses	-2
Gains/losses on disposal of property, equipment and intangible assets	0
Regluatory fees	5
Operating profit	**95**

Business development

The average volume of loans to the public in the home markets totalled SEK 2,254bn (2,277).

The average volume of deposits and borrowing from the public in the home markets was SEK 1,253bn (1,255).

Total assets under management in the Group increased by 16% over the past 12 months and at the end of the period amounted to SEK 1,192bn (1,028), of which SEK 1,107bn (949) was invested in the Bank's mutual funds. The net flow to the Bank's mutual funds in Sweden amounted to SEK 35.1bn (17.3). Of the net flow in the Swedish mutual fund market during the year, a total of 18% was invested in Handelsbanken's funds, making Handelsbanken the largest player for new savings in the Swedish mutual fund market. The Bank's share of the Swedish mutual fund market was 11.6%.

Rating

SEK m	Long-term	Short-term	Counter-party risk rating
Standard & Poor's	AA-	A-1+	AA-
Fitch	AA	F1+	AA+
Moody's	Aa2	P-1-	Aa1

The Bank's strong credit ratings entail that no other privately owned bank in the world has a higher overall rating from the three leading rating agencies. All of the Bank's ratings have been confirmed as unchanged during 2024. In June 2024, Moody's changed the outlook for the Bank to stable (negative). The outlooks from Fitch and Standard & Poor's are also stable.

Funding and liquidity

For decades, Handelsbanken has adopted a prudent approach to funding, with a low risk profile. The funding strategy is based on a diversified, balanced utilisation of several stable funding sources, comprising deposits from households and SMEs, deposits from non-financial entities and market funding diversified across different types of debt instruments in multiple currencies.

Non-current assets are funded with stable non-current liabilities in the form of stable market funding and long-term stable deposits and borrowing from the public. Current liabilities, in the form of other deposits and borrowing from the public and short-term market funding, are matched by current assets and a liquidity reserve of SEK 777bn (763 at year-end 2023). Of this reserve, 92% is deposited with central banks and holdings of government bonds. The majority of the remainder is invested in holdings of liquid covered bonds. The interest rate risk in the bond holdings is hedged using derivative instruments, and the entirety of the holdings is measured at market value on an ongoing basis.

The Bank's low pledging ratio of its assets creates an unutilised issue amount of covered bonds, which serves in practice as an additional buffer from a liquidity perspective. The low pledging ratio also serves as a layer of protection for holders of the Bank's senior bonds. The ratio of non-encumbered assets to unsecured market funding decreased to 252% (261% at year-end 2023).

At the end of the year, the Group's liquidity coverage ratio, (LCR), calculated according to the European Commission's delegated regulation, was 207% (210% at the end of 2023). At year-end, the net stable funding ratio (NSFR) according to CRR2 was 124% (120% at the end of 2023).

Bond issues during the year amounted to a total of SEK 161bn (239), of which SEK 121bn (163) was in covered bonds and SEK 34bn (67) was in senior bonds, of which SEK 17bn (11) constituted eligible liabilities. A non-perpetual subordinated loan of SEK 6bn (9) was issued during the year. Of the total volume of long-term bonds issued during the year, SEK 29bn (22) was issued under the Bank's Green Bond Framework – in the majority of debt classes.

Capital

After the proposed dividend, the common equity tier 1 ratio was 18.82% at the end of the year. The Bank's assessment is that the common equity tier 1 capital requirement, including Pillar 2 guidance, amounted to 14.85% (SEK 123bn) on the same date. The common equity tier 1 capital requirement in Pillar 2 is 1.7 percentage points (0.5 percentage points Pillar 2 guidance and 1.2 percentage points Pillar 2 requirement), corresponding to SEK 14bn. The countercyclical buffer requirement was 2.0%.

At the end of the quarter, the total capital ratio was 23.4%. The Bank's estimation is that the total capital requirement, including Pillar 2 guidance, amounted to 19.0% (SEK 157bn) on the same date. The total capital requirement in Pillar 2, including Pillar 2 guidance, comprises 2.3 percentage points, corresponding to SEK 19bn.

The Bank's capital goal is that its common equity tier 1 ratio should, under normal circumstances, exceed the common equity tier 1 capital requirement, including Pillar 2 guidance, by 1–3 percentage points. The Bank's capitalisation was thus above the target range.

Financial strength creates security and breeds confidence, and is a prerequisite for growth. From the profit for the full year 2024, a dividend of SEK 15.00 per share is proposed to the Annual General Meeting. The proposed dividend implies an extra capital buffer of 0.97 percentage points over the long-term target range of 1–3 percentage points above the requirement set by the Swedish Financial Supervisory Authority. This level differentiates Handelsbanken as a first-class counterparty in uncertain times, and contributes to cementing the Bank's financial position as one of the world's safest banks according to the leading international credit rating agencies. The extra buffer also means that, regardless of surrounding developments, the Bank has greater capacity to take significant responsibility for the supply of credit and to grow its business in pace with customer demand. The Bank will make regular reassessments of the appropriate buffer, depending on the prevailing business environment.

On 1 January 2025, the first parts of the new EU Banking Package will be introduced, representing the final components of the Basel 3 agreement. In its previous interim report, the Bank estimated that the day 1 effect was assessed as entailing a marginal decrease to the risk exposure amount.

Capital for consolidated situation

Total own funds were SEK 193bn (200), and the total capital ratio amounted to 23.4% (23.9). The common equity tier 1 capital was SEK 155bn (158), while the common equity tier 1 ratio was 18.8% (18.8).

SEK m	31 Dec 2024	31 Dec 2023	Change
Common equity tier 1 ratio (%)	18.8%	18.8%	0.0
Total capital ratio (%)	23.4%	23.9%	-0.5
Total risk-weighted exposure amount	825,457	836,790	-1%
Common equity tier 1 (CET1) capital	155,345	157,576	-1%
Total capital	193,191	200,081	-3%
Total equity	210,027	205,085	2%

Profit for the period increased the common equity tier 1 ratio by 3.0 percentage points. Paid and proposed dividends had an impact of -3.5 percentage points. Volume changes had a 0.1 percentage points impact. Credit risk migrations had a neutral impact, while the net effect of differing credit qualities for inflows and outflows was 0.2 percentage points. Risk weight floors had an impact of -0.3 percentage points. Foreign exchange effects were neutral. The sale of the operations in Finland had an effect of 0.3 percentage points. Other effects had a 0.2 percentage points impact.

Economic capital and available financial resources

The Bank's internal assessment of its need for capital is based on the Bank's capital requirement, stress tests, and the Bank's model for economic capital (EC). This is measured in relation to the Bank's available financial resources (AFR). The Board stipulates that the AFR/EC ratio for the Group must exceed 120%. At the end of the year, Group EC totalled SEK 58.9bn (65.5), while AFR was SEK 225.7bn (239.6). Thus, the ratio between AFR and EC was 383% (366). For the consolidated situation, EC totalled SEK 32.7bn (38.4), and AFR was SEK 215.8bn (232.6).

Sustainability

During the first quarter, the major Sustainable Brand Index survey found that Handelsbanken was considered the banking sector's most sustainable brand by consumers in Sweden.

Handelsbanken published its Green Bond Impact Report for 2023 in the second quarter, in which it was explained how the Bank's green bonds contributed to reducing, and eliminating, carbon dioxide emissions of just over 90,000 tonnes during the year.

During the third quarter, Handelsbanken published its first "Nature and Biodiversity progress report", based on the Taskforce on Nature-related Financial Disclosures (TNFD) framework.

The EU's Sustainable Finance Disclosures Regulation (SFDR) means that asset managers must be transparent in how their mutual funds are classified under the SFDR. At the end of the quarter, 14 of the Group's funds, representing 22% of assets under management, were reported in the highest category (article 9), i.e. a fund that has sustainable investment as its objective. A total of 107 funds, representing 74% of the managed fund volume, were reported in the second highest category (article 8), i.e. funds that promote environmental or social characteristics.

Business volumes linked to the Bank's sustainability activities continued to grow. Compared with the corresponding period of the previous year, the volume of green loans increased by 42% to SEK 123bn (87); as part of this total, green mortgages grew by 17% to SEK 41bn (35). In addition, sustainability-linked loan facilities increased to SEK 144bn (105).

Handelsbanken's Annual General Meeting 2025

The Annual General Meeting will take place on 26 March 2025. The Board of Directors proposes to the Annual General Meeting an ordinary dividend of SEK 7.50 (6.50) per share and a special dividend of SEK 7.50 (6.50) per share. The Board proposes that the record day for the dividend be 28 March 2025, which means that the Handelsbanken share will be traded ex-dividend on 27 March 2025, and that the dividend is then expected to be disbursed by Euroclear on 2 April 2025.

In addition, the Board proposes to the annual general meeting that the current repurchase programme of a maximum 120 million shares be extended by a further year, and that the meeting authorise the Board to be able to issue convertible debt instruments in the form of AT1 bonds, in order to adapt the Bank's capital structure to capital requirements prevailing at any time.

Five-year overview Group

Consolidated income statement

SEK m	2024	2023	2022	2021	2020
Net interest income	46,841	47,578	36,614	30,321	29,963
Net fee and commission income	11,726	11,139	10,981	11,458	9,670
Net gains/losses on financial transactions	3,103	2,661	1,540	1,699	1,217
Risk result – insurance				179	194
Net insurance result	422	493	-11		
Other dividend income	16	3	17	2	53
Share of profit of associates and joint ventures	27	51	-13	63	18
Other income	209	325	1,246	555	137
Total income	**62,345**	**62,249**	**50,375**	**44,277**	**41,252**
Staff costs	-15,731	-13,642	-13,040	-12,452	-13,907
Other expenses	-7,474	-7,796	-6,526	-5,577	-5,245
Depreciation, amortisation and impairment of property, equipment and intangible assets	-2,004	-1,743	-1,646	-1,814	-1,775
Total expenses	**-25,209**	**-23,182**	**-21,212**	**-19,843**	**-20,927**
Profit before credit losses and regulatory fees	**37,136**	**39,067**	**29,163**	**24,434**	**20,325**
Net credit losses	601	-141	-47	-43	-649
Gains/losses on disposal of property, equipment and intangible assets	13	20	24	14	5
Regulatory fees	-2,733	-2,624	-2,311	-930	-884
Operating profit	**35,016**	**36,322**	**26,829**	**23,475**	**18,797**
Taxes	-7,795	-8,417	-5,431	-4,627	-4,240
Profit for the year from continuing operations	**27,221**	**27,905**	**21,398**	**18,848**	**14,557**
Profit for the year from discontinued operations, after tax	234	1,209	280	695	1,031
Profit for the year	**27,456**	**29,114**	**21,678**	**19,543**	**15,588**
attributable to					
Shareholders in Svenska Handelsbanken AB	27,451	29,107	21,676	19,527	15,585
of which from continuing operations	*27,217*	*27,898*	*21,395*	*18,834*	*14,556*
of which from discontinued operations	*234*	*1,209*	*281*	*693*	*1,029*
Non-controlling interest	5	8	1	16	3
Earnings per share, total operations, SEK	13.86	14.70	10.95	9.86	7.87
after dilution	13.86	14.70	10.95	9.86	7.87
Earnings per share, continuing operations, SEK	13.75	14.09	10.81	9.51	7.35
after dilution	13.75	14.09	10.81	9.51	7.35
Earnings per share, discontinued operations, SEK	0.12	0.61	0.14	0.35	0.52
after dilution	0.12	0.61	0.14	0.35	0.52

A five-year overview for the parent company is presented on pages 196–197.

2.2

Consolidated statement of comprehensive income

SEK m	2024	2023	2022	2021	2020
Profit for the year	27,456	29,114	21,678	19,543	15,588
Other comprehensive income					
Items that will not be reclassified to the income statement					
Defined benefit pension plans	344	-2,226	3,049	6,820	1,523
Equity instruments measured at fair value through other comprehensive income	207	63	41	62	-583
Tax on items that will not be reclassified to the income statement	-77	439	-642	-1,401	-256
of which defined benefit pension plans	*-36*	*450*	*-622*	*-1,398*	*-267*
of which equity instruments measured at fair value through other comprehensive income	*-41*	*-11*	*-19*	*-3*	*11*
Total items that will not be reclassified to the income statement	**475**	**-1,724**	**2,448**	**5,481**	**684**
Items that may subsequently be reclassified to the income statement					
Cash flow hedges	160	614	-2,640	-1,970	-1,124
Debt instruments measured at fair value through other comprehensive income	6	25	-60	6	7
Insurance contracts	66	-396	793		
Translation difference for the year	1,758	-1,078	2,312	3,201	-4,269
of which hedges of net investments in foreign operations	*-230*	*31*	*-297*	*-910*	*848*
Tax on items that may subsequently be reclassified to the income statement	-52	113	-15	595	93
of which cash flow hedges	*-33*	*-127*	*544*	*406*	*274*
of which debt instruments measured at fair value through other comprehensive income	*-1*	*-5*	*6*	*-1*	*-1*
of which hedges of net investments in foreign operations	*47*	*-6*	*61*	*190*	*-180*
of which tax on translation difference	*-65*	*251*	*-626*		
Total items that may subsequently be reclassified to the income statement	**1,937**	**-722**	**390**	**1,832**	**-5,293**
Total other comprehensive income	**2,412**	**-2,447**	**2,838**	**7,313**	**-4,609**
Total comprehensive income for the year	**29,868**	**26,667**	**24,516**	**26,856**	**10,979**
attributable to					
Shareholders in Svenska Handelsbanken AB	29,870	26,662	24,516	26,840	10,976
Non-controlling interest	-2	5	1	16	3

Consolidated balance sheet

SEK m	2024	2023	2022	2021	2020
Assets					
Cash and central banks	542,542	482,453	480,472	292,839	418,968
Loans to other credit institutions	18,922	19,294	9,411	21,745	21,920
Loans to the public	2,291,479	2,282,151	2,299,202	2,161,235	2,269,637
Interest-bearing securities	220,114	249,215	165,475	133,855	143,699
Assets held for sale	74,506	178,590	191,916	421,417	1,657
Other assets	391,611	326,088	307,242	315,673	279,407
Total assets	**3,539,173**	**3,537,792**	**3,453,718**	**3,346,764**	**3,135,288**
Liabilities and equity					
Due to credit institutions	84,280	90,143	81,693	83,034	124,723
Deposits and borrowing from the public	1,310,739	1,298,480	1,318,925	1,286,637	1,229,763
Issued securities	1,550,027	1,523,481	1,474,801	1,353,768	1,310,737
Liabilities held for sale	10,623	63,721	68,938	133,922	
Subordinated liabilities	37,054	43,117	42,404	32,257	41,082
Other liabilities	336,424	313,763	272,932	275,415	257,510
Equity	210,027	205,085	194,024	181,731	171,473
Total liabilities and equity	**3,539,173**	**3,537,792**	**3,453,718**	**3,346,764**	**3,135,288**

Key metrics per year

Key metrics for the Handelsbanken Group

	2024	2023	2022	2021	2020
Profit before credit losses and regulatory fees, continuing operations, SEK m	37,136	39,067	29,163	24,434	20,326
Net credit losses, continuing operations, SEK m	601	-141	-47	-43	-649
Operating profit, continuing operations, SEK m	35,016	36,322	26,829	23,475	18,797
Profit for the year, total operations, SEK m	27,456	29,114	21,678	19,543	15,588
Profit for the year, continuing operations, SEK m	27,221	27,905	21,398	18,848	14,557
Profit for the year, discontinued operations, SEK m	234	1,209	280	695	1,031
Total assets, SEK m	3,539,173	3,537,792	3,453,718	3,346,764	3,135,288
Equity, SEK m	210,027	205,085	194,024	181,731	171,473
Return on equity, total operations, %	14.6	15.9	12.8	11.8	10.0
Return on equity, continuing operations, %	14.5	15.3	12.6	11.4	9.3
Return on total assets, %	0.75	0.81	0.61	0.58	0.47
C/I ratio, continuing operations, %	40.4	37.2	42.1	44.8	50.7
Credit loss ratio, continuing operations, %	-0.02	0.01	0.00	0.00	0.02
Earnings per share, total operations, SEK	13.86	14.70	10.95	9.86	7.87
after dilution	13.86	14.70	10.95	9.86	7.87
Earnings per share, continuing operations, SEK	13.75	14.09	10.81	9.51	7.35
after dilution	13.75	14.09	10.81	9.51	7.35
Earnings per share, discontinued operations, SEK	0.12	0.61	0.14	0.35	0.52
after dilution	0.12	0.61	0.14	0.35	0.52
Ordinary dividend per share, SEK	7.50[1)]	6.50	5.50	5.00	4.10
Total dividend per share, SEK	15.00[1)]	13.00	8.00	5.00	8.42
Adjusted equity per share, SEK	105.91	103.48	98.14	90.87	84.90
No. of shares as at 31 December, millions	1,980.0	1,980.0	1,980.0	1,980.0	1,980.0
of which outstanding	*1,980.0*	*1,980.0*	*1,980.0*	*1,980.0*	*1,980.0*
Average number of outstanding shares, millions	1,980.0	1,980.0	1,980.0	1,980.0	1,980.0
after dilution	1,980.0	1,980.0	1,980.0	1,980.0	1,980.0
Common equity tier 1 ratio, % according to CRR	18.8	18.8	19.6	19.4	20.3
Tier 1 ratio, % according to CRR	20.2	20.6	21.5	21.1	21.9
Total capital ratio, % according to CRR	23.4	23.9	23.8	23.3	24.3
Average number of employees, total operations	12,703	12,216	12,030	12,240	12,563
of which continuing operations	*12,224*	*11,683*	*10,954*	*11,039*	*11,354*

1) Dividend as recommended by the Board.

For definitions of alternative performance measures, see page 376 and, for the calculation of these measures, see the Fact Book which is available at handelsbanken.com/ir.

2.2

Quarterly performance

Quarterly performance for the Handelsbanken Group

SEK m	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Interest income	40,206	42,746	44,180	43,993	45,665
Interest expenses	-28,461	-30,983	-32,434	-32,406	-33,443
Net interest income	**11,745**	**11,763**	**11,746**	**11,587**	**12,222**
Fee and commission income	3,475	3,352	3,307	3,118	3,145
Fee and commission expenses	-409	-384	-369	-364	-346
Net fee and commission income	**3,067**	**2,966**	**2,939**	**2,754**	**2,800**
Net gains/losses on financial transactions	1,147	626	580	750	579
Insurance result	37	21	41	27	24
Return on assets held on behalf of policyholders	-6	108	97	98	183
Net insurance result	**30**	**129**	**138**	**125**	**207**
Other dividend income	13	1	0	2	1
Share of profit of associates and joint ventures	-50	3	6	68	-17
Other income	73	55	49	32	64
Total income	**16,025**	**15,545**	**15,457**	**15,318**	**15,854**
Staff costs	-3,981	-3,825	-3,990	-3,935	-3,531
Other expenses	-1,860	-1,632	-1,926	-2,056	-2,152
Depreciation, amortisation and impairment of property, equipment and intangible assets	-523	-498	-504	-479	-402
Total expenses	**-6,363**	**-5,956**	**-6,420**	**-6,470**	**-6,086**
Profit before credit losses and regulatory fees	**9,662**	**9,589**	**9,037**	**8,848**	**9,768**
Net credit losses	232	141	133	95	-52
Gains/losses on disposal of property, equipment and intangible assets	3	2	4	4	6
Regulatory fees	-719	-671	-663	-680	-664
Operating profit	**9,177**	**9,061**	**8,511**	**8,267**	**9,057**
Taxes	-1,976	-2,024	-1,921	-1,874	-2,093
Profit for the year from continuing operations	**7,201**	**7,037**	**6,590**	**6,393**	**6,965**
Profit for the year from discontinued operations, after tax	-354	173	204	211	280
Profit for the year	**6,848**	**7,210**	**6,794**	**6,604**	**7,244**
attributable to					
Shareholders in Svenska Handelsbanken AB	6,845	7,210	6,793	6,603	7,240
Non-controlling interest	3	0	1	1	6
Earnings per share, total operations, SEK	3.46	3.64	3.43	3.33	3.66
after dilution	3.46	3.64	3.43	3.33	3.66
Earnings per share, continuing operations, SEK	3.64	3.55	3.33	3.23	3.51
after dilution	3.64	3.55	3.33	3.23	3.51
Earnings per share, discontinued operations, SEK	-0.18	0.09	0.10	0.11	0.14
after dilution	-0.18	0.09	0.10	0.11	0.14

Segment reporting

Segment reporting 2024

SEK m	Sweden	UK	Norway	The Netherlands	Markets	Other	Adjustments and eliminations	Total
Net interest income	29,003	10,729	5,162	1,967	-17	-3		46,841
Net fee and commission income	9,066	869	695	188	621	288		11,726
Net gains/losses on financial transactions	959	225	80	18	1,220	602		3,103
Net insurance result	423		-1					422
Share of profit of associates and joint ventures						27		27
Other income	84	15	21	3	3	99		225
Total income	**39,535**	**11,837**	**5,957**	**2,176**	**1,826**	**1,015**		**62,345**
Staff costs	-5,073	-3,579	-1,307	-611	-985	-4,428	252	-15,731
Other expenses	-1,173	-841	-517	-145	-509	-4,290		-7,474
Internal purchased and sold services	-4,899	-1,445	-809	-322	72	7,404		
Depreciation, amortisation and impairment of property, equipment and intangible assets	-773	-378	-106	-58	-145	-520	-24	-2,004
Total expenses	**-11,918**	**-6,242**	**-2,739**	**-1,136**	**-1,567**	**-1,834**	**228**	**-25,209**
Profit before credit losses and regulatory fees	**27,617**	**5,595**	**3,217**	**1,040**	**259**	**-819**	**228**	**37,136**
Net credit losses	377	139	72	2	0	12		601
Gains/losses on disposal of property, equipment and intangible assets	8	0	5		0	0		13
Regulatory fees	-2,033	-47	-411	-132	-25	-86		-2,733
Operating profit	**25,969**	**5,686**	**2,883**	**910**	**234**	**-893**	**228**	**35,016**
Profit allocation	371	49	61	0	-423	-58		
Operating profit after profit allocation	**26,339**	**5,736**	**2,943**	**910**	**-189**	**-951**	**228**	**35,016**
Internal income	5,009	4,045	-10,458	-152	-156	1,712		
C/I ratio, %	29.9	52.5	45.5	52.2	111.7			40.4
Credit loss ratio, %	-0.02	-0.06	-0.02	0.00	0.00			-0.02
Loans to the public	1,589,948	246,790	320,705	104,604	15,335	20,496		2,297,878
Deposits and borrowing from the public	848,854	289,072	97,713	44,743	711	29,671	-25	1,310,739
Allocated capital	123,381	27,866	22,684	5,690	1,831	5,915	22,660	210,027
Return on allocated capital, %	17.3	17.1	10.4	13.0	-9.1			14.5
Average number of employees	4,764	2,842	993	425	470	2,729		12,224

Applied principles for segment reporting and a description of the items shown in the Other and Adjustments and eliminations columns are explained further in note G46.

The “Other” column includes allocated capital attributable to the disposal group in Finland.

Segment reporting 2023

SEK m	Sweden	UK	Norway	The Netherlands	Markets	Other	Adjustments and eliminations	Total
Net interest income	30,222	11,010	4,624	1,941	-50	-170		47,578
Net fee and commission income	8,460	845	659	198	592	385		11,139
Net gains/losses on financial transactions	1,185	253	79	17	1,091	37		2,661
Net insurance result	494		0					493
Share of profit of associates and joint ventures						51		51
Other income	214	13	5	1	1	94		328
Total income	**40,575**	**12,121**	**5,366**	**2,157**	**1,634**	**397**		**62,249**
Staff costs	-4,783	-3,149	-1,103	-537	-954	-3,519	403	-13,642
Other expenses	-1,353	-907	-493	-136	-461	-4,446		-7,796
Internal purchased and sold services	-4,738	-1,414	-708	-277	17	7,120		
Depreciation, amortisation and impairment of property, equipment and intangible assets	-665	-310	-97	-59	-131	-457	-24	-1,743
Total expenses	**-11,538**	**-5,780**	**-2,401**	**-1,009**	**-1,530**	**-1,303**	**379**	**-23,182**
Profit before credit losses and regulatory fees	**29,037**	**6,340**	**2,965**	**1,148**	**104**	**-906**	**379**	**39,067**
Net credit losses	-142	-51	37	13		3		-141
Gains/losses on disposal of property, equipment and intangible assets	14	-1	6			0		20
Regulatory fees	-1,919		-393	-113	-20	-179		-2,624
Operating profit	**26,990**	**6,289**	**2,615**	**1,048**	**83**	**-1,082**	**379**	**36,322**
Profit allocation	406	52	47	0	-421	-83		
Operating profit after profit allocation	**27,395**	**6,340**	**2,662**	**1,048**	**-338**	**-1,165**	**379**	**36,322**
Internal income	5,767	2,999	-8,567	-98	667	-768		
C/I ratio, %	28.2	47.5	44.4	46.8	126.1			37.2
Credit loss ratio, %	0.01	0.03	-0.01	-0.01				0.01
Loans to the public	1,600,862	230,692	313,267	97,110	12,467	38,553	-1,142	2,291,808
Deposits and borrowing from the public	854,313	260,595	90,206	35,945	26,243	31,204	-25	1,298,480
Allocated capital	123,899	25,856	23,339	5,177	1,686	6,904	18,224	205,085
Return on allocated capital, %	18.2	21.2	9.4	16.9	-17.6			15.3
Average number of employees	4,695	2,707	828	388	479	2,587		11,683

Applied principles for segment reporting and a description of the items shown in the Other and Adjustments and eliminations columns are explained further in note G46.

The “Other” column includes allocated capital attributable to the disposal groups in Finland.

A reorganisation was carried out in the second quarter of 2024 with the objective to create a more efficient and business-oriented organisation. Parts of the former central HR, Finance and Communication units, as well as the Financial Crime Prevention unit, which were previously included in Other, and parts of the business support unit, which were previously included in the segment Handelsbanken Markets, have been transferred to Handelsbanken Sweden. The operations in Luxembourg and New York, i.e. operations outside the home markets, have been transferred from Handelsbanken Markets to Other. In addition, parts of Handelsbanken’s IT department, which were previously reported under Other, have been transferred to Handelsbanken Markets. Comparative figures in the segment reporting have been restated due to this reorganisation.

Sweden

Quarterly performance

SEK m	2024:4	2024:3	2024:2	2024:1	Total 2024	Total 2023	Change, %
Net interest income	7,056	7,292	7,328	7,327	29,003	30,222	-4
Net fee and commission income	2,358	2,294	2,290	2,124	9,066	8,460	7
Net gains/losses on financial transactions	209	171	249	330	959	1,185	-19
Net insurance result	30	129	139	125	423	494	-14
Other income	32	13	26	13	84	214	-61
Total income	**9,685**	**9,900**	**10,031**	**9,919**	**39,535**	**40,575**	**-3**
Staff costs	-1,292	-1,259	-1,269	-1,253	-5,073	-4,783	6
Other expenses	-314	-235	-303	-321	-1,173	-1,353	-13
Internal purchased and sold services	-1,152	-1,125	-1,295	-1,327	-4,899	-4,738	3
Depreciation, amortisation and impairments of property, equipment and intangible assets	-228	-182	-180	-183	-773	-665	16
Total expenses	**-2,985**	**-2,801**	**-3,047**	**-3,085**	**-11,918**	**-11,538**	**3**
Profit before credit losses and regulatory fees	**6,699**	**7,099**	**6,984**	**6,835**	**27,617**	**29,037**	**-5**
Net credit losses	183	99	29	66	377	-142	
Gains/losses on disposal of property, equipment and intangible assets	2	2	2	2	8	14	-43
Regulatory fees	-509	-508	-505	-511	-2,033	-1,919	6
Operating profit	**6,375**	**6,692**	**6,510**	**6,392**	**25,969**	**26,990**	**-4**
Profit allocation	94	103	80	94	371	406	-9
Operating profit after profit allocation	**6,468**	**6,796**	**6,589**	**6,486**	**26,339**	**27,395**	**-4**
Internal income	900	1,289	1,414	1,406	5,009	5,767	-13
Cost/income ratio, %	30.5	28.0	30.1	30.8	29.9	28.2	
Credit loss ratio, %	-0.03	-0.02	-0.01	-0.01	-0.02	0.01	
Loans to the public	1,589,948	1,592,838	1,598,205	1,598,891	1,589,948	1,660,862	-4
Deposits and borrowing from the public	848,854	845,130	857,522	850,864	848,854	854,313	-1
Allocated capital	123,381	118,793	114,065	127,599	123,381	123,899	0
Return on allocated capital, %	16.7	18.2	18.3	16.1	17.3	18.2	
Average number of employees	4,655	4,852	4,790	4,760	4,764	4,695	1

Business volumes, Sweden

Average volumes SEK bn	2024	2023	Change, %
Loans to the public[1)]	**1,593**	**1,625**	**-2**
of which households	*967*	*981*	*-1*
of which mortgage loans	*940*	*948*	*-1*
of which corporates	*626*	*644*	*-3*
of which mortgage loans	*452*	*439*	*3*
Deposits and borrowing from the public	**836**	**848**	**-1**
of which households	*480*	*483*	*-1*
of which corporates	*356*	*365*	*-2*

1) Excluding loans to the National Debt Office.

Financial performance

Operating profit decreased by 4% to SEK 25,969m (26,990). Return on allocated capital was 17.3% (18.2). The C/I ratio was 29.9% (28.2).

Income decreased by 3% to SEK 39,535m (40,575).

Expenses rose by 3% to SEK -11,918m (-11,538).

Net interest income went down by 4% to SEK 29,003m (30,222). Lower business volumes had an impact of SEK -416m. The net amount of changed margins and funding costs had an impact of SEK -809m. The day effect contributed SEK 59m. Lower fees for the deposit guarantee scheme contributed SEK 9m and other effects in net interest income had an impact of SEK -62m.

Net fee and commission income increased by 7% to SEK 9,066m (8,460). Mutual fund commissions increased by 10% to SEK 5,211m (4,747). Custody and other asset management fees increased by 20% to SEK 870m (725). Brokerage and other securities commissions increased by 6% to SEK 164m (154). Insurance commissions increased by 13% to SEK 756m (670). Commission income from loans and deposits and from guarantees amounted to SEK 734m (826). Net payment commissions grew by 3% to SEK 1,344m (1,300), with net card commissions totalling SEK 871m (916).

Net gains/losses on financial transactions totalled SEK 959m (1,185).

Net insurance result was SEK 423m (494).

Other income amounted to SEK 84m (214).

Staff costs rose by 6% to SEK -5,073m (-4,783). The increase was due to annual salary adjustments and a 1% increase in the average number of employees to 4,764 (4,695), arising due to additional employees in the branch operations hired to address increased customer activity.

Other expense items rose by 1% to SEK -6,845m (-6,756).

Credit losses consisted of net reversals of SEK 377m (-142) and the credit loss ratio was -0.02% (0.01).

Regulatory fees totalled SEK -2,033m (-1,919), of which risk tax amounted to SEK -1,220m (-1,199), and the resolution fee amounted to SEK -812m (-719).

Business development

Handelsbanken held on to its position as the best bank for business in this year's independent Finansbarometern survey, which again named Handelsbanken "Business Bank of the Year" and – for the thirteenth consecutive year – "Sweden's Small Enterprise Bank".

The major survey of customer satisfaction in the banking sector carried out by the Swedish Quality Index (SKI) showed that, of the major players, Handelsbanken received the highest rating from its customers. Among private customers, Handelsbanken received the score of 69.9, which can be compared with the scores of the other banks, which were in the 66.8–68.5 range, and the sector average of 69.0. Corporate customer gave Handelsbanken a score of 70.4, whereas other banks were in the 65.9–70.4 range, and the sector average was 69.1.

The total average volume of lending fell by 2% to SEK 1,593bn (1,625). Household lending decreased by 1% to SEK 967bn (981) and corporate lending decreased by 3% to SEK 626bn (644).

The total average volume of deposits fell by 1% to SEK 836bn (848). Household deposits went down by 1% to SEK 480bn (483), while corporate deposits decreased by 2% to SEK 356bn (365).

Total assets under management in Sweden increased to SEK 1,040bn (888) at the end of the period, of which the managed fund volume increased to SEK 974bn (837). The net flow in the Bank's mutual funds in Sweden during the period totalled SEK 37.9bn (17.4). Of the net flow in the Swedish mutual fund market during the year, a total of 18% was invested in Handelsbanken's funds, making Handelsbanken the largest player for new savings in the Swedish mutual fund market. The Bank's share of the Swedish mutual fund market was 11.6%.

UK

Quarterly performance

SEK m	2024:4	2024:3	2024:2	2024:1	Total 2024	Total 2023	Change, %
Net interest income	2,736	2,680	2,688	2,625	10,729	11,010	-3
Net fee and commission income	216	229	220	204	869	845	3
Net gains/losses on financial transactions	63	52	53	57	225	253	-11
Other income	15	0	0	0	15	13	15
Total income	**3,029**	**2,960**	**2,962**	**2,886**	**11,837**	**12,121**	**-2**
Staff costs	-915	-913	-884	-867	-3,579	-3,149	14
Other expenses	-174	-221	-232	-214	-841	-907	-7
Internal purchased and sold services	-355	-349	-363	-378	-1,445	-1,414	2
Depreciation, amortisation and impairments of property, equipment and intangible assets	-96	-94	-104	-84	-378	-310	22
Total expenses	**-1,540**	**-1,576**	**-1,583**	**-1,543**	**-6,242**	**-5,780**	**8**
Profit before credit losses and regulatory fees	**1,489**	**1,384**	**1,379**	**1,343**	**5,595**	**6,340**	**-12**
Net credit losses	-18	41	61	55	139	-51	
Gains/losses on disposal of property, equipment and intangible assets	0	0	0	0	0	-1	
Regulatory fees	-47				-47		
Operating profit	**1,423**	**1,425**	**1,440**	**1,398**	**5,686**	**6,289**	**-10**
Profit allocation	12	15	10	12	49	52	-6
Operating profit after profit allocation	**1,436**	**1,440**	**1,449**	**1,411**	**5,736**	**6,340**	**-10**
Internal income	1,094	1,052	998	901	4,045	2,999	35
Cost/income ratio, %	50.6	53.0	53.3	53.2	52.5	47.5	
Credit loss ratio, %	0.02	-0.07	-0.10	-0.10	-0.06	0.03	
Loans to the public	246,790	239,989	238,072	241,089	246,790	230,692	7
Deposits and borrowing from the public	289,072	279,614	273,510	266,148	289,072	260,595	11
Allocated capital	27,866	26,456	25,518	26,399	27,866	25,856	8
Return on allocated capital, %	16.4	17.3	18.0	17.0	17.1	21.2	
Average number of employees	2,829	2,866	2,852	2,821	2,842	2,707	5

Business volumes, UK

Average volumes GBP m	2024	2023	Change, %
Loans to the public	**17,865**	**18,621**	**-4**
of which households	*5,120*	*5,520*	*-7*
of which corporates	*12,745*	*13,101*	*-3*
Deposits and borrowing from the public	**20,592**	**20,365**	**1**
of which households	*5,300*	*5,441*	*-3*
of which corporates	*15,292*	*14,924*	*2*

Financial performance

Operating profit decreased by 10% to SEK 5,686m (6,289). In local currency terms, profit decreased by 12%. Return on allocated capital was 17.1% (21.2). The C/I ratio worsened to 52.5% (47.5).

Income decreased by 2% to SEK 11,837m (12,121). Foreign exchange effects amounted to SEK 266m, and in local currency terms, income fell by 5%.

Expenses increased by 8% to SEK -6,242m (-5,780). In local currency terms, expenses increased by 6%.

Net interest income went down by 3% to SEK 10,729m (11,010). Foreign exchange effects amounted to SEK 240m, and in local currency terms, net interest income went down by 5%. Lower business volumes had an impact of SEK -78m. The net amount of changed margins and funding costs reduced net interest income by SEK 451m. The day effect contributed SEK 28m. Other effects had a SEK -20m impact on net interest income.

Net fee and commission income increased by 3% to SEK 869m (845). In local currency terms, net fee and commission income was unchanged. Commission income from fund management, custody and other asset management fees, including brokerage and advisory services, increased by 3% to SEK 444m (433). Net fee and commission income from payments increased by 4% to SEK 293m (281).

Staff costs rose by 14% to SEK -3,579m (-3,149). Expressed in local currency, staff costs rose by 11%. The increase was due to annual salary adjustments and a 5% increase in the average number of employees to 2,842 (2,707). The increase in the average number of employees was due mainly to further recruitments in the branch operations, in IT and business development, as well as within financial crime prevention.

Other expense items rose by 1% to SEK -2,664m (-2,631). Expressed in local currency, other expense items decreased by 1%, which was partly due to the aforementioned changes regarding the Bank of England Levy.

Regulatory fees, comprised of the Bank of England Levy, were SEK -47m (-).

Credit losses consisted of net reversals of SEK 139m (-51). The credit loss ratio was -0.06% (0.03).

Business development

According to the annual EPSI survey of customer satisfaction in the banking industry, Handelsbanken – similar to previous years – had the most satisfied customers among all UK banks in the survey. Private customers gave Handelsbanken an index score of 84.2, as compared with the sector average of 75.0. Corporate customers gave the Bank an index score of 81.9, as compared with the sector average of 67.1.

The total average volume of lending decreased by 4% to GBP 17.9bn (18.6). Household lending decreased by 7% to GBP 5.1bn (5.5), and corporate lending decreased by 3% to GBP 12.7bn (13.1).

The total average volume of deposits increased by 1% to GBP 20.6bn (20.4). Household deposits decreased by 3% to GBP 5.3bn (5.4), and corporate deposits increased by 2% to GBP 15.3bn (14.9).

The volume of assets under management in Handelsbanken Wealth & Asset Management increased to GBP 4.5bn (4.3) at the end of the year. New savings totalled net GBP -31m (60).

Norway

Quarterly performance

SEK m	2024:4	2024:3	2024:2	2024:1	Total 2024	Total 2023	Change, %
Net interest income	1,365	1,324	1,274	1,199	5,162	4,624	12
Net fee and commission income	189	175	175	156	695	659	5
Net gains/losses on financial transactions	20	18	22	20	80	79	1
Net insurance result			0	-1	-1	0	
Other income	13	4	3	1	21	5	320
Total income	**1,586**	**1,523**	**1,473**	**1,375**	**5,957**	**5,366**	**11**
Staff costs	-331	-340	-313	-323	-1,307	-1,103	18
Other expenses	-106	-99	-146	-166	-517	-493	5
Internal purchased and sold services	-198	-204	-206	-201	-809	-708	14
Depreciation, amortisation and impairments of property, equipment and intangible assets	-26	-26	-27	-27	-106	-97	9
Total expenses	**-662**	**-669**	**-691**	**-717**	**-2,739**	**-2,401**	**14**
Profit before credit losses and regulatory fees	**923**	**854**	**782**	**658**	**3,217**	**2,965**	**8**
Net credit losses	62	-6	44	-28	72	37	95
Gains/losses on disposal of property, equipment and intangible assets	2	0	1	2	5	6	-17
Regulatory fees	-104	-102	-102	-103	-411	-393	5
Operating profit	**883**	**746**	**726**	**528**	**2,883**	**2,615**	**10**
Profit allocation	19	15	17	10	61	47	30
Operating profit after profit allocation	**901**	**761**	**744**	**537**	**2,943**	**2,662**	**11**
Internal income	-2,542	-2,556	-2,691	-2,669	-10,458	-8,567	-22
Cost/income ratio, %	41.2	43.5	46.4	51.8	45.5	44.4	
Credit loss ratio, %	-0.07	0.01	-0.04	0.04	-0.02	-0.01	
Loans to the public	320,705	314,893	323,467	316,793	320,705	313,267	2
Deposits and borrowing from the public	97,713	97,118	98,455	92,367	97,713	90,206	8
Allocated capital	22,684	22,303	21,622	23,689	22,684	23,339	-3
Return on allocated capital, %	12.6	10.8	10.9	7.2	10.4	9.4	
Average number of employees	1,006	1,021	980	966	993	828	20

Business volumes, Norway

Average volumes NOK bn	2024	2023	Change, %
Average volumes	**323.8**	**306.3**	**6**
of which households	*133.6*	*114.3*	*17*
of which corporates	*190.2*	*192.0*	*-1*
Deposits and borrowing from the public	**97.1**	**97.0**	**0**
of which households	*41.5*	*32.4*	*28*
of which corporates	*55.7*	*64.6*	*-14*

Financial performance

Operating profit increased by 10% to SEK 2,883m (2,615). Foreign exchange effects on operating profit amounted to SEK -49m, and in local currency terms, operating profit increased by 13%. Return on allocated capital increased to 10.4% (9.4). The C/I ratio was 45.5% (44.4).

Income grew by 11% to SEK 5,957m (5,366). Expressed in local currency, income growth was 13%.

Expenses increased by 14% to SEK -2,739m (-2,401). Expressed in local currency, expenses increased by 17%.

Net interest income increased by 12% to SEK 5,162m (4,624). Foreign exchange effects amounted to SEK -89m, and in local currency terms, net interest income rose by 14%. Changed business volumes made a contribution of SEK 48m. The net effect of changes to margins and funding costs had an impact of SEK 582m. The day effect contributed SEK 10m. Other effects had a SEK -13m impact.

Net fee and commission income increased by 5% to SEK 695m (659). Expressed in local currency, net fee and commission income increased by 8%. Commission income from the fund management, custody and other asset management fees, brokerage, advisory services and insurance increased by 10% to SEK 390m (356). Net payment commissions decreased by 5% to SEK 178m (187).

Net gains/losses on financial transactions totalled SEK 80m (79).

Net insurance result was SEK -1m (0) and Other income increased to SEK 21m (5).

Staff costs rose by 18% to SEK -1,307m (-1,103). In local currency terms, the increase was 21%. The increase was mainly due to annual salary adjustments and a 20% increase in the average number of employees to 993 (828). The increase in the average number of employees was primarily because of the hiring of additional staff in the digital business development area and within financial crime prevention.

Other expense items increased by 10% to SEK -1,432m (-1,298). In local currency terms, the increase was 13%. The increase was mainly due to the aforementioned ongoing investment in strengthening the digital offering and availability for new and existing private customers.

Credit losses consisted of net reversals of SEK 72m (37). The credit loss ratio was -0.02% (-0.01).

Regulatory fees amounted to SEK -411m (-393), of which the risk tax amounted to SEK -234m (-230) and the resolution fee to SEK -177m (-163).

Business development

The annual EPSI customer satisfaction survey of the Norwegian banking market once again showed that Handelsbanken's customers were significantly more satisfied than the sector average. Private customers gave the Bank an index score of 74.9, as compared with the sector average of 66.8. Corporate customers gave the Bank an index score of 70.0, as compared with the sector average of 66.1.

The total average volume of lending increased by 6% to NOK 323.8bn (306.3). Household lending increased by 17% to NOK 133.6bn (114.3), and corporate lending decreased by 1% to NOK 190.2bn (192.0).

The total average volume of deposits increased marginally to NOK 97.1bn (97.0). Household deposits increased by 28% to NOK 41.5bn (32.4), and corporate deposits decreased by 14% to NOK 55.7bn (64.6).

Total assets under management increased to SEK 53bn (42) at the end of the year, of which the managed fund volume increased to SEK 51bn (40). The net flow to the Bank's mutual funds in Norway amounted to SEK 7.1bn (1.5).

The Netherlands

Quarterly performance

SEK m	2024:4	2024:3	2024:2	2024:1	Total 2024	Total 2023	Change, %
Net interest income	493	496	498	480	1,967	1,941	1
Net fee and commission income	60	43	42	43	188	198	-5
Net gains/losses on financial transactions	5	4	3	6	18	17	6
Other income	1	1	0	1	3	1	200
Total income	**558**	**545**	**544**	**529**	**2,176**	**2,157**	**1**
Staff costs	-153	-152	-159	-147	-611	-537	14
Other expenses	-30	-31	-43	-41	-145	-136	7
Internal purchased and sold services	-85	-79	-81	-77	-322	-277	16
Depreciation, amortisation and impairments of property, equipment and intangible assets	-15	-14	-15	-14	-58	-59	-2
Total expenses	**-283**	**-276**	**-298**	**-279**	**-1,136**	**-1,009**	**13**
Profit before credit losses and regulatory fees	**276**	**267**	**247**	**250**	**1,040**	**1,148**	**-9**
Net credit losses	0	1	0	1	2	13	-85
Gains/losses on disposal of property, equipment and intangible assets							
Regulatory fees	-33	-33	-33	-33	-132	-113	17
Operating profit	**243**	**235**	**214**	**218**	**910**	**1,048**	**-13**
Profit allocation	0	0	0	0	0	0	0
Operating profit after profit allocation	**243**	**235**	**214**	**218**	**910**	**1,048**	**-13**
Internal income	-50	-43	-18	-41	-152	-98	-55
Cost/income ratio, %	50.7	50.6	54.8	52.7	52.2	46.8	
Credit loss ratio, %	0.00	0.00	0.00	0.00	0.00	-0.01	
Loans to the public	104,604	100,599	100,330	101,278	104,604	97,110	8
Deposits and borrowing from the public	44,743	42,393	39,658	41,148	44,743	35,945	24
Allocated capital	5,690	5,517	5,334	5,688	5,690	5,177	10
Return on allocated capital, %	13.6	13.5	12.8	12.1	13.0	16.9	
Average number of employees	431	430	426	415	425	388	10

Business volumes, The Netherlands

Average volumes EUR m	2024	2023	Change, %
Loans to the public	**8,848**	**8,664**	**2**
of which households	*4,900*	*4,891*	*0*
of which corporates	*3,947*	*3,773*	*5*
Deposits and borrowing from the public	**3,704**	**3,537**	**5**
of which households	*828*	*679*	*22*
of which corporates	*2,876*	*2,858*	*1*

Financial performance

Operating profit decreased by 13% to SEK 910m (1,048). Expressed in local currency, operating profit declined by 13%. Return on allocated capital was 13.0% (16.9), and the C/I ratio was 52.2% (46.8).

Income grew by 1% to SEK 2,176m (2,157).

Expenses rose by 13% to SEK -1,136m (-1,009). Foreign exchange effects on both income and expenses were marginal.

Net interest income increased by 1% to SEK 1,967m (1,941). Foreign exchange effects on net interest income amounted to SEK -7m, and in local currency terms, net interest income rose by 2%. Changed business volumes made a contribution of SEK 66m. The net amount of changed margins and funding costs had an impact of SEK -37m. The day effect made a positive contribution of SEK 2m. Other effects made a contribution of SEK 2m.

Net fee and commission income declined by 5% to SEK 188m (198), due entirely to lower performance fees in Optimix, which amounted to SEK 14m (31). Net commission income from the fund management, custody and other asset management fees, including brokerage, decreased by 3% to SEK 192m (198).

Staff costs rose by 14% to SEK -611m (-537). The higher figure was due to annual salary adjustments, a 10% increase in the average number of employees to 425 (388) – due mainly to further recruitments within financial crime prevention – and to the expansion of the business.

Other expense items rose by 11% to SEK -525m (-472). The increase was primarily attributable to increased IT development, business growth and general cost inflation in purchased services.

Credit losses consisted of net reversals of SEK 2m (13). The credit loss ratio was 0.00% (-0.01).

Regulatory fees amounted to SEK -132m (-113), of which the risk tax amounted to SEK -73m (-70) and the resolution fee to SEK -58m (-43).

Business development

According to the annual EPSI survey of customer satisfaction in the banking industry, Handelsbanken – similar to previous years – had the most satisfied customers among all the Dutch banks in the survey. Private customers gave Handelsbanken an index score of 78.6, as compared with the sector average of 68.2. Corporate customers gave the Bank an index score of 78.4, as compared with the sector average of 66.2.

The total average volume of lending increased by 2% to EUR 8.8bn (8.7). Household lending increased marginally to EUR 4.9bn (4.9), while corporate lending increased by 5% to EUR 3.9bn (3.8).

The total average volume of deposits increased by 5% to EUR 3.7bn (3.5). Household deposits increased by 22% to EUR 0.8bn (0.7), and corporate deposits increased by 1% to EUR 2.9bn (2.9).

Assets under management at Optimix, including the company's own mutual funds, increased to EUR 2.2bn (2.0) at the end of the period. New savings in Optimix during the year totalled net EUR -47m (-31).

Markets

Quarterly performance

SEK m	2024:4	2024:3	2024:2	2024:1	Total 2024	Total 2023	Change, %
Net interest income	8	-9	-5	-11	-17	-50	-66
Net fee and commission income	195	159	126	141	621	592	5
Net gains/losses on financial transactions	327	279	287	327	1,220	1,091	12
Other income	1	1	0	1	3	1	200
Total income	**530**	**430**	**409**	**457**	**1,826**	**1,634**	**12**
Staff costs	-252	-240	-240	-253	-985	-954	3
Other expenses	-124	-123	-151	-111	-509	-461	10
Internal purchased and sold services	1	20	52	-1	72	17	324
Depreciation, amortisation and impairments of property, equipment and intangible assets	-36	-38	-38	-33	-145	-131	11
Total expenses	**-411**	**-380**	**-378**	**-398**	**-1,567**	**-1,530**	**2**
Profit before credit losses and regulatory fees	**119**	**49**	**32**	**59**	**259**	**104**	**149**
Net credit losses	0	0			0		
Gains/losses on disposal of property, equipment and intangible assets		0			0		
Regulatory fees	-6	-6	-2	-11	-25	-20	25
Operating profit	**113**	**43**	**29**	**49**	**234**	**83**	**182**
Profit allocation	-118	-112	-97	-96	-423	-421	0
Operating profit after profit allocation	**-5**	**-69**	**-67**	**-48**	**-189**	**-338**	**-44**
Internal income	-206	-55	-78	183	-156	667	
Cost/income ratio, %	99.8	119.5	121.2	110.2	111.7	126.1	
Credit loss ratio, %	0.00	0.00			0.00		
Loans to the public	15,335	18,978	13,071	12,436	15,335	12,467	23
Deposits and borrowing from the public	711	34,354	31,415	54,751	711	26,243	-97
Allocated capital	1,831	1,575	1,673	1,495	1,831	1,686	9
Return on allocated capital, %	-0.9	-13.9	-12.9	-10.1	-9.1	-17.6	
Average number of employees	448	464	486	485	470	479	-2

Financial performance

Operating profit increased to SEK 234m (83). Income grew by 12% to SEK 1,826m (1,634). Expenses rose by 2% to SEK -1,567m (-1,530).

Net interest income totalled SEK -17m (-50).

Net fee and commission income increased by 5% to SEK 621m (592).

Net gains/losses on financial transactions increased by 12% to SEK 1220m (1091).

Staff costs rose by 3% to SEK -985m (-954), as a result of annual salary adjustments. The average number of employees decreased to 470 (479).

Other expense items amounted to SEK -582m (-575).

Regulatory fees totalled SEK -25m (-20).

Other units not reported in the business segments

Below is an account of income and expense items attributable to units not reported in the business segments, including the Group's IT department, provisions for Oktogonen and central business support units.

Quarterly performance

SEK m	2024:4	2024:3	2024:2	2024:1	Total 2024	Total 2023	Change, %
Net interest income	88	-21	-37	-33	-3	-170	-98
Net fee and commission income	50	66	86	86	288	385	-25
Net gains/losses on financial transactions	524	102	-35	11	602	37	
Share of profit of associates and joint ventures	-50	3	6	68	27	51	-47
Other income	22	39	20	18	99	94	5
Total income	**636**	**190**	**38**	**151**	**1,015**	**397**	**156**
Staff costs	-1,101	-975	-1,187	-1,165	-4,428	-3,519	26
Other expenses	-1,113	-923	-1,052	-1,202	-4,290	-4,446	-4
Internal purchased and sold services	1,792	1,734	1,893	1,985	7,404	7,120	4
Depreciation, amortisation and impairments of property, equipment and intangible assets	-115	-138	-135	-132	-520	-457	14
Total expenses	**-537**	**-302**	**-481**	**-514**	**-1,834**	**-1,303**	**41**
Profit before credit losses and regulatory fees	**99**	**-112**	**-444**	**-362**	**-819**	**-906**	**-10**
Net credit losses	6	6	-2	2	12	3	300
Gains/losses on disposal of property, equipment and intangible assets	0	0	0	0	0	0	
Regulatory fees	-21	-22	-22	-21	-86	-179	-52
Operating profit	**84**	**-129**	**-466**	**-382**	**-893**	**-1,082**	**-17**
Profit allocation	-7	-22	-9	-20	-58	-83	-30
Operating profit after profit allocation	**76**	**-149**	**-476**	**-402**	**-951**	**-1,165**	**-18**
Internal income	804	313	375	220	1,712	-768	
Loans to the public	20,496	27,055	29,956	27,752	20,496	38,553	-47
Deposits and borrowing from the public	29,671	86,337	115,789	116,815	29,671	31,204	-5
Allocated capital Finland	5,915	6,168	6,143	6,731	5,915	6,904	-14
Average number of employees	2,696	2,706	2,762	2,753	2,729	2,587	5

Financial performance

Operating profit improved to SEK -893m (-1,082).

Income increased to SEK 1,015m (397).

Expenses rose to SEK -1,834m (-1,303).

Staff costs rose by 26% to SEK -4,428m (-3,519). The provision for Oktogonen was SEK -255m (-285), of which SEK -159m related to the 2023 accounting year. The rest of the increase was due to an increase in employee numbers, annual salary adjustments and higher expenses for the earning of pensions, which arose due to a lower discount rate at the start of the year compared to the previous year. The average number of employees grew by 5% to 2,729 (2,587), with the number of employees at the Bank's IT department totalling 2,008 (1,883).

Other expenses fell by 4% to SEK -4,290m (-4,446).

Depreciation, amortisation and impairment of property, equipment and intangible assets amounted to SEK -520m (-457).

The Handelsbanken share and shareholders

Handelsbanken's share has traded on the Stockholm stock exchange since 1871, making the Bank's share the oldest currently listed on the exchange.

There are two classes of Handelsbanken's share: class A and class B. Class A shares are by far the most common and represent more than 98% of all shares, both in terms of the number of shares and the turnover. Class A shares each carry one vote, while class B shares have one-tenth of a vote. Both classes of share entail the same right to dividends. Each share represents SEK 1.55 of the share capital. At year-end, there were a total of 1,980,028,494 shares (1,980,028,494). The share capital was SEK 3,069 million (3,069).

Stock exchange trading

Handelsbanken's share has traded on the Stockholm stock exchange since 1871, and has been traded on several different market places for many years. During the year, Nasdaq Stockholm accounted for 33% of total trading in class A shares and 67% of trading in class B shares. The Chicago Board Options Exchange (Cboe) was largest among other marketplaces, representing 49% of total trading in class A shares, while the London Stock Exchange represented 13%. For many years, the Handelsbanken share has been included in numerous sustainability indexes.

Dividend

Where dividends are concerned, Handelsbanken's policy is that the dividend level must not lead to the capital ratios falling below a level of 1 percentage point above the requirements communicated by the Swedish Financial Supervisory Authority.

At the ordinary Annual General Meeting on 20 March 2024, the shareholders resolved to approve the Board's proposal of a dividend of SEK 13 per share, of which an ordinary dividend of SEK 6.50.

The Board proposes that the 2025 AGM resolve on an ordinary dividend of SEK 7.50 per share (6.50), and a special dividend of SEK 7.50 per share (6.50). The complete proposal on share dividends is presented on page 202.

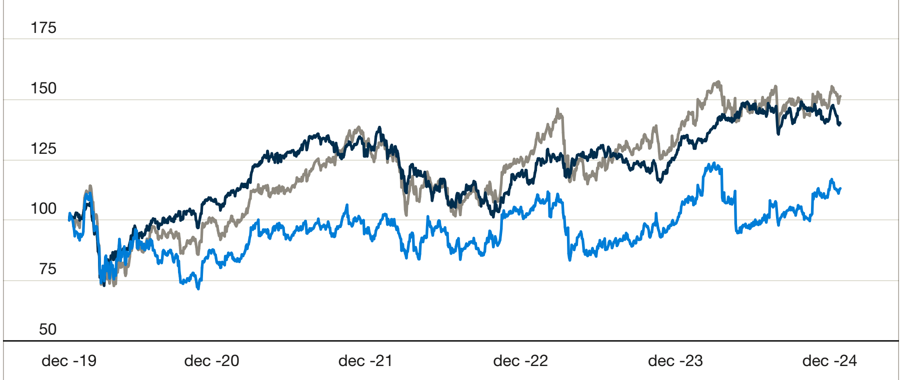
Handelsbanken's shares

	2024	2023	2022	2021	2020
Earnings per share, total operations, SEK	13.86	14.70	10.95	9.86	7.87
after dilution	13.86	14.70	10.95	9.86	7.87
Earnings per share, continuing operations, SEK	13.75	14.09	10.81	9.51	7.35
after dilution	13.75	14.09	10.81	9.51	7.35
Earnings per share, discontinued operations, SEK	0.12	0.61	0.14	0.35	0.52
after dilution	0.12	0.61	0.14	0.35	0.52
Ordinary dividend per share, SEK	7.50[1)]	6.50	5.50	5.00	4.10
Total dividend per share, SEK	15.00[1)]	13.00	8.00	5.00	8.42
Dividend growth, ordinary dividend, %	15.4[1)]	18.2	10	22	
Price of class A share, 31 December, SEK	114.20	109.45	105.10	97.86	82.60
Price of class B share, 31 December, SEK	148.70	130.20	122.20	107.80	92.20
Highest share price during year, SEK	125.95	112.80	106.45	107.35	112.30
Lowest share price during year, SEK	95.22	84.14	84.46	82.10	72.12
Share price performance, %	4	4	7	18	-18
Total return, %	16	12	13	29	-18
Dividend yield, %[2)]	13.1[1)]	11.9	7.6	5.1	10.2
Adjusted equity per share, SEK	105.91	103.48	98.14	90.87	84.90
Stock exchange price/equity, %	108	106	107	108	97
Average daily turnover on Nasdaq OMX (no. of shares)					
Class A	5,101,123	5,395,478	4,249,523	4,150,923	5,225,498
Class B	108,764	154,095	107,544	105,539	120,754
P/E ratio	8.2	7.4	9.6	9.9	10.5
Market capitalisation, SEK bn	227	217	209	194	164
No. of converted shares from the convertible subordinated loan issued in 2014, millions					
No. of shares as at 31 December, millions	1,980.0	1,980.0	1,980.0	1,980.0	1,980.0
Holding of repurchased own shares, millions					
Holding of own shares in trading book, millions					
Number of outstanding shares as at 31 December, millions	1,980.0	1,980.0	1,980.0	1,980.0	1,980.0
Dilution effect, end of period, millions	0.0	0.0	0.0	0.0	0.0
Number of outstanding shares after dilution, millions	1,980.0	1,980.0	1,980.0	1,980.0	1,980.0
Average number of outstanding shares, millions	1,980.0	1,980.0	1,980.0	1,980.0	1,980.0
after dilution	1,980.0	1,980.0	1,980.0	1,980.0	1,980.0

1) Dividend as recommended by the Board.
2) Total dividend per share in relation to the share price of the class A share at year-end.

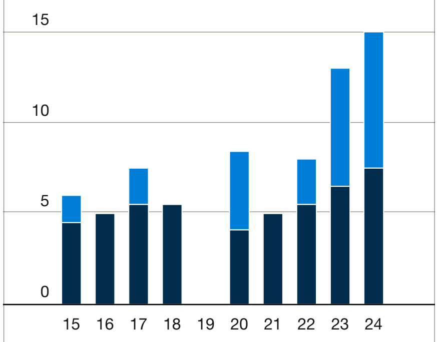
Five-year share price performance

Index 100 = 31 December 2019



Share dividends in the past 10 years

SEK per share



2024 according to Board proposal.

The largest Swedish shareholders

31 December 2024	Number of shares	% of votes	% of capital
Industrivärden	228,200,000	11.5	11.7
Oktogonen Foundation	159,225,141	8.0	8.2
Lundberg-gruppen	90,575,000	4.6	4.6
Handelsbankens Fonder	44,807,037	2.3	2.3
SEB Fonder	33,034,172	1.7	1.7
Swedbank Robur Fonder	22,476,359	1.1	1.2
J. Wallanders & T. Hedelius stiftelse, T. Browaldhs stiftelse	18,160,000	0.9	0.9
Avanza Fonder	17,312,485	0.9	0.9
Storebrand Fonder (SPP Fonder)	15,211,511	0.8	0.8
Avanza Pension	14,970,737	0.8	0.8
Carnegie Fonder	14,759,996	0.7	0.8
Länsförsäkringar Fonder	14,651,747	0.7	0.8
Första AP-fonden (AP1)	14,461,106	0.7	0.7
Folksam	14,394,159	0.7	0.7
Nordea Fonder	13,105,438	0.7	0.7

Shareholdings per shareholder

31 December 2024		Shareholdings			
Number of shares	Shareholders Number	Number of class A shares	Number of class B shares	% of share capital	% of votes
1–500 shares	137,698	15,028,109	4,617,265	1.0	0.8
501–1,000 shares	27,896	17,982,882	3,819,326	1.1	0.9
1,001–5,000 shares	39,863	83,137,999	10,308,844	4.7	4.3
5,001–20,000 shares	11,796	103,091,555	8,068,034	5.6	5.3
20,001–shares	3,016	1,725,536,620	8,437,860	87.6	88.6
Total	**220,269**	**1,944,777,165**	**35,251,329**	**100.0**	**100.0**

Shares divided into share classes

31 December 2024 Share class	Number	% of capital	% of votes	Average prices/ repurchased amount	Share capital
Class A	1,944,777,165	98.22	99.82		3,014,404,606
Class B	35,251,329	1.78	0.18		54,639,560
Total	**1,980,028,494**	**100.00**	**100.00**		**3,069,044,166**

Creating shareholder value

As at 31 December 2024, Handelsbanken's market capitalisation was SEK 227 billion (217). The market capitalisation thus increased by SEK 10 billion (8) during the year, while the Bank also distributed SEK 25.7 billion (15.8) in dividends. In the past five-year period, Handelsbanken has paid SEK 68 billion in dividends, while the market capitalisation has increased by SEK 27 billion.

Share price performance

The Swedish stock market (OMX Stockholm 30 index) increased by 4% during the year. The Stockholm stock exchange's bank index increased by 7%. Handelsbanken's class A shares closed at SEK 114.20 (109.45), an increase of 4%. Including dividends, the total return was 16%.

Repurchase of shares

At the AGM in March 2024, the Board received a mandate to repurchase a maximum of 120 million shares during the period until the AGM in March 2025. This mandate was not used in 2024.

Ownership structure

Over the past five years, the number of shareholders in Handelsbanken has increased from just over to 120,000 to more than 220,000 shareholders. In the same period, the percentage of foreign ownership in the Bank has declined from 48% to 38%. Three-quarters of the owners owned fewer than 1,001 shares. The 1.4% of the shareholders who each owned more than 20,001 shares together hold 88% of the share capital.

Corporate Governance Report

Handelsbanken is a Swedish public limited company whose shares are listed on Nasdaq Stockholm. The Board hereby submits its Corporate Governance Report for 2024. The Corporate Governance Report has been prepared in accordance with the Annual Accounts Act and the Swedish Corporate Governance Code. Handelsbanken applies the Swedish Corporate Governance Code with no deviations.

Corporate governance at Handelsbanken Group

Corporate governance in the Handelsbanken Group is aimed at creating a clear, fit-for-purpose organisational structure which ensures that operations can be carried out in a sound, effective manner and in accordance with external and internal rules, which facilitates the effective monitoring and management of the risks that arise. A clear allocation of responsibilities meets the Bank's needs as regards internal control, risk control and compliance, and is also key to enabling the operations to be followed up in the best possible manner, from a business perspective. Good governance must run through all operations, and it therefore affects all employees of the Handelsbanken Group.

At the heart of corporate governance are the goals and steering documents issued by the Board and the Chief Executive Officer. Handelsbanken's corporate culture, work method and remuneration system are also important for ensuring effective corporate governance, as is the ability to manage any risks that arise in the business operations.

Risk management is described in detail in a separate risk section in the Annual Report, note G2 on pages 80–122, in the Bank's Pillar 3 report, and also briefly in this Corporate Governance Report.

The Bank's goals, mission and culture

Handelsbanken's goal is to have higher profitability than the average of peer competitors in its home markets. The Bank's profitability goal is intended to offer shareholders long-term, high growth in value, with increasing earnings per share over a business cycle. With stable finances, the Bank can also provide support to its customers whatever the prevailing business environment. High profitability and sound, sustainable business operations are critical to shareholders that have invested in the Bank. In addition, these go hand in hand with low funding costs, positive growth and the Bank being seen as an attractive employer. This goal is mainly to be achieved by the Bank having more satisfied customers and lower costs than its competitors.

Handelsbanken creates value through unique customer meetings. Through trust in the individual, a strong local commitment and a decentralised way of working, the Bank creates long-term customer relationships. By running the Bank in a responsible and sustainable manner and with stable finances, Handelsbanken earns confidence from customers, shareholders and the wider world. Satisfied customers, income growing at a faster rate than expenses, and a low risk tolerance create sustainable profitability and the capacity to grow the Bank's business and customer offerings, regardless of the prevailing business and economic climate.

Handelsbanken always considers the situation of the individual customer, regardless of which customer segment the customer belongs to, which channel the customer chooses when dealing with the Bank, or which product the customer needs. Handelsbanken always strives for long-term customer profitability, and the customer's needs determine what business should be done with the customer, not the products that currently generate the highest profitability. The customer decides which distribution channel is best suited to the situation.

The overall customer responsibility always lies with the branch closest to the customer's geographical location.

Handelsbanken's decentralised approach means that each part of the business operations bears full responsibility for its business, based on the allocation of responsibilities and the directions established in the steering documents. The Bank's approach is characterised by trust and respect for customers and employees alike. Handelsbanken aims to develop the competency and skills of its employees and create the conditions to encourage long-term employment relations. All operations within the Group shall observe high ethical standards.

Regulations

The operations of Swedish banks are regulated by law, and banking operations may only be run with a licence from the Swedish Financial Supervisory Authority. The regulations for the Bank's operations are extensive.

The most pertinent of these include:
- The Swedish Companies Act
- The Swedish Banking and Financing Business Act
- Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (CRR)
- Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse
- The Swedish Credit Institutions and Securities Companies (Special Supervision) Act
- The Swedish Money Laundering and Terrorist Financing (Prevention) Act
- The Swedish Securities Market Act
- Extensive regulation of mutual fund and insurance operations

In addition, there are also a number of regulations and guidelines as well as general advice of crucial importance from the Swedish Financial Supervisory Authority and other authorities.

Handelsbanken's main principle is that operations outside Sweden are subject both to Swedish regulations and to the host country's regulations, if these are stricter or require deviations from Swedish rules.

Handelsbanken applies the Swedish Corporate Governance Code with no deviations. The code is available on the Swedish Corporate Governance Board's website, bolagsstyrning.se.

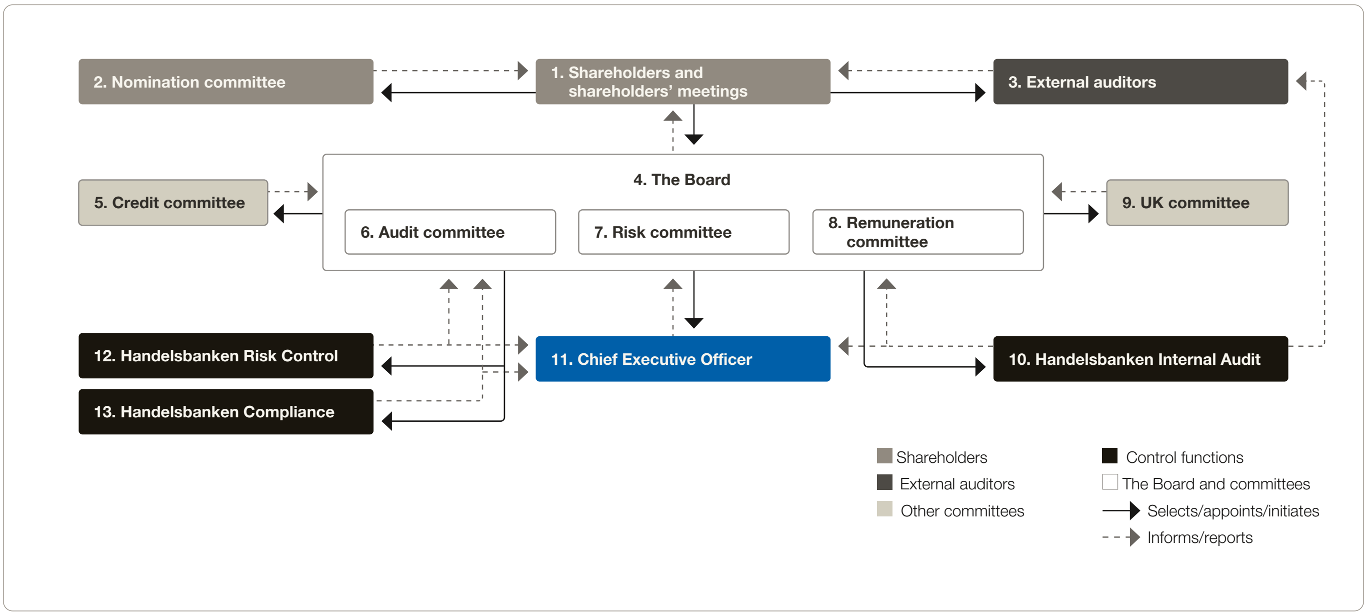
Handelsbanken also applies internal regulations. The steering documents issued by the Board and the Chief Executive Officer state the most important and fundamental principles, and also establish a framework for the Group's business operations, including the requirements for ensuring internal control for the business operations. These steering documents are complemented by other internal rules that provide more detailed instructions and guidance on how the business operations are to be conducted.

The Board's policies include:
- Policy on governance and steering documents
- Credit policy
- Policy for risk control
- Policy for operational risk
- Capital policy
- Financial policy
- Communication policy
- Policy for sustainability
- Policy for ethical standards
- Policy for management of conflicts of interest
- Policy against corruption
- Policy for remuneration
- Policies for suitability assessment
- Policy for group audit operations
- Policy for managing and reporting events of material significance
- Policy for the use of external auditors
- Policy for compliance
- Policy for complaints management
- Policy for employees' transactions in financial instruments
- Accounting policy
- Policy for products and services
- Policy on measures against financial crime

A summary of the Board's policies can be found on handelsbanken.com. Certain policies are also available in their entirety on the website.

More information
More information about Handelsbanken's corporate governance is available at handelsbanken.com. The site includes the following information:
- Previous Corporate Governance Reports from 2008 onwards
- Previous Sustainability Reports from 2010 onwards
- Articles of Association
- Information about the Nomination committee
- Minutes from shareholders' meetings from 2012 onwards.

Corporate governance structure



1. Shareholders and shareholders' meetings

Shareholders exercise their right to decide on matters concerning Handelsbanken at shareholders' meetings, which are the Bank's highest decision-making body. Every year, an Annual General Meeting (AGM) is held, which among other things appoints the Board, the Chairman of the Board and auditors.

2. Nomination committee

The Nomination committee's task is to prepare and submit proposals to the AGM regarding the appointment of the Chairman and other members of the Board and fees to the Chairman and other members of the Board. As prescribed by the Swedish Corporate Governance Code, the Nomination committee also submits proposals regarding the appointment of auditors and fees to the auditors. The AGM decides how the Nomination committee will be appointed.

3. External auditors

The external auditors are appointed by the AGM for the period until the end of the following year's AGM. The auditors are accountable to the shareholders. They carry out an audit and submit an audit report covering matters such as the Annual Report, including this Corporate Governance Report, and the administration of the Board and the Chief Executive Officer. In addition, the auditors report orally and in writing to the Board's Audit committee concerning how their audit was conducted. The auditors also submit a summary report of their audit to the Board as a whole.

4. The Board

The Board is responsible for the Bank's organisation and manages the Bank's affairs on behalf of its shareholders. The Board must continuously assess the Bank's financial situation and ensure that the Bank is organised in such a way that the accounting records, management of funds and other aspects of the Bank's financial circumstances are satisfactorily controlled. The Board establishes policies and instructions on how this is to be executed, and establishes rules of procedure for the Board and also an instruction for the Chief Executive Officer.

These steering documents state how responsibility and authority are allocated among the Board as a whole, the committees, the Chairman of the Board and the Chief Executive Officer. The appointments made by the Board include the Chief Executive Officer, Executive Vice Presidents, the Chief Risk Officer, the Chief Compliance Officer and the Chief Audit Executive, and the Board also stipulates the employment terms for these persons. The Chairman is responsible for evaluating the Board's work and informs the Nomination committee of the results of this evaluation.

5. Credit committee

The Board has set up a Credit committee which decides on credit cases where the amount exceeds the decision limit that the Board has delegated to another unit. Cases of special importance and credits to Board members and certain persons in managerial positions are decided upon by the Board as a whole.

6. Audit committee

The Board's Audit committee monitors the Bank's financial reporting by examining important accounting matters and other factors that may affect the qualitative content of the financial reports. The committee also monitors the effectiveness of the Bank's and Group's internal control, internal audit and risk management with regard to financial reporting, as well as the external auditors' impartiality and independence. The committee is also presented with a report on the Group's work with and reporting on sustainability matters. In addition, the committee evaluates the audit activities and submits a recommendation to the Nomination committee in the matter of the appointment of auditors. The Audit committee also receives reports from the Bank's internal and external auditors.

7. Risk committee

The Board's Risk committee monitors the effectiveness of the Handelsbanken Group's risk control and risk management. The committee prepares decisions in the Board regarding the Bank's risk strategy, risk tolerance, etc., and examines reports from Handelsbanken Compliance and Handelsbanken Risk Control. The committee also makes decisions independently, including decisions on the significant parts of the Bank's risk rating and estimation processes linked to the IRB approach.

8. Remuneration committee

The Board's Remuneration committee evaluates the employment conditions for the Bank's executive officers in the light of prevailing market terms. The committee's tasks also include preparing the Board's proposals to the AGM concerning guidelines for remuneration to executive officers, monitoring and evaluating the application of these guidelines, and preparing the Board's decisions on remuneration and other terms of employment for, among others, executive officers, as well as for the Chief Audit Executive. The guidelines for remuneration to executive officers are presented on page 51. The committee also makes an assessment of Handelsbanken's remuneration policy and remuneration system.

9. UK committee

The Board's UK Committee monitors the operations of Handelsbanken plc.

10. Handelsbanken Internal Audit

Handelsbanken Internal Audit performs an independent, impartial audit of the operations and financial reporting of the Group. A key task is to assess and verify processes for risk management, internal control and corporate governance. The Chief Audit Executive is appointed by the Board.

11. Chief Executive Officer

The Chief Executive Officer is appointed by the Board to lead Handelsbanken's day-to-day operations. In addition to instructions from the Board, the Chief Executive Officer is obliged to comply with the provisions of the Swedish Companies Act and a number of other statutes concerning, among other things, the Bank's accounting, management of funds and operational control.

12. Handelsbanken Risk Control

Handelsbanken Risk Control is responsible for verifying that all material risks in the Group are identified and managed by the relevant functions, and for analysing and reporting these risks. The Chief Risk Officer reports directly to the Chief Executive Officer and is the Head of Handelsbanken Risk Control.

13. Handelsbanken Compliance

Handelsbanken Compliance is responsible for monitoring and controlling compliance, providing advice and support on measures to be taken by the business in order to ensure compliance, and for the reporting of material deficiencies and risks. The Chief Compliance Officer reports directly to the Chief Executive Officer and is the Head of Handelsbanken Compliance.

Shareholders and shareholders' meetings

Shareholder rights
At the end of 2024, Handelsbanken had just over 220,000 shareholders. Shareholders' rights to decide on matters concerning the company's affairs are exercised at regular shareholders' meetings, the AGM and extraordinary general meetings. Handelsbanken has two classes of shares: class A and class B. Class A shares are by far the most common and represented more than 98 per cent of all shares outstanding at the end of 2024. Class A shares and class B shares entitle holders to the same proportion of the profit. Each class A share entitles the holder to one vote, while each class B share entitles the holder to one-tenth of a vote.

A shareholder wishing to have a matter considered by the AGM must submit a written request to the Board, in time for the matter to be included in the notice of the meeting. The Bank's website, handelsbanken.com, contains information as to when this request must have reached the Board.

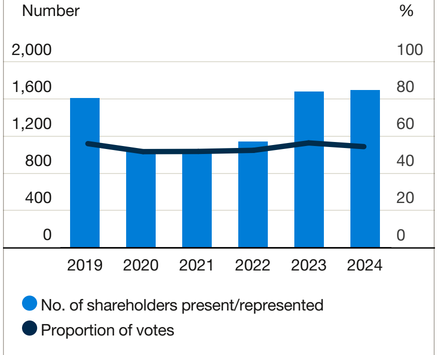
At the AGM, the Bank's shareholders make various decisions of major importance to the Bank's governance. Shareholders' decisions include:

- adopting the income statement and balance sheet
- appropriation of profits
- discharge from liability for the Board and the Chief Executive Officer for the past financial year
- the number of Board members and auditors of the Bank, and the election of Board members and auditors
- determining fees to Board members and auditors
- guidelines for remuneration to executive officers.

The shareholders at a shareholders' meeting can also make decisions on the Bank's Articles of Association. The Articles of Association constitute the fundamental steering document for the Bank. They specify which operations the Bank is to conduct, the limits on the amount of share capital, the right of shareholders to participate at shareholders' meetings and the items to be presented at the AGM. The Articles of Association also state that the number of Board members must be at least eight and at most 15. They are elected for one year at a time.

Information in preparation for meetings is published at handelsbanken.com. Minutes of previous meetings are also available in both Swedish and English.

Attendance at AGMs 2019–2024



Major shareholders
At the end of 2024, the holdings of one shareholder represented more than 10 per cent of the votes: AB Industrivärden, with 11.7 per cent. Detailed information on the Bank's largest Swedish shareholders can be found on page 39.

Annual General Meeting 2024
Handelsbanken's AGM was held on 20 March 2024.

1,697 shareholders were represented at the meeting. They represented approximately 54.6 per cent of all votes in the Bank. The Chairman of the meeting was lawyer Patrik Marcelius.

The decisions made by the shareholders at the meeting included:

- An ordinary dividend of SEK 6.50 per share and a special dividend of SEK 6.50 per share, with the remaining amount at the disposal of the meeting to be carried forward.
- Authorisation for the Board to decide on the acquisition of not more than 120 million shares in the Bank, as well as divestment of shares.
- Authorisation for the Board to decide on the issuance of convertible tier 1 capital instruments.
- Amendment of the Articles of Association removing the provision on limitation on voting rights.
- Amendment to the guidelines for remuneration to executive officers.
- The Board is to consist of nine members, excluding deputy members.
- The re-election of eight Board members and the election of Louise Lindh as new Board member for the period until the conclusion of the next AGM.
- The election of Pär Boman as Chairman of the Board.
- Fees to be paid to the Board members: SEK 3,900,000 to the Chairman of the Board, SEK 1,110,000 to the Deputy Chairman, and SEK 795,000 to the other Board members. For committee work, fees of SEK 475,000 are to be paid to each member of the Credit committee, the Risk committee and the Audit committee, fees of 450,000 are to be paid to each member of the UK committee, and fees of SEK 140,000 are to be paid to each member of the Remuneration committee. Furthermore, it was decided that the fee of SEK 600,000 would be paid to the Chair of the Risk committee and the Audit committee, that SEK 140,000 would be paid to the Chair of the Remuneration committee, that SEK 540,000 would be paid to the Chair of the Credit committee, and that SEK 510,000 would be paid to the Chair of the UK committee. Board members who are employees of Handelsbanken shall not receive a fee.
- The AGM re-elected PricewaterhouseCoopers AB and Deloitte AB to serve as auditors until the end of the AGM to be held in 2025.

Auditors
Magnus Svensson Henryson has been an authorised public accountant since 2001 and has been the auditor-in-charge for PricewaterhouseCoopers AB at Handelsbanken since 2024. Magnus Svensson Henryson is also an auditor for Bure Equity, Embracer, Holmen, L E Lundbergföretagen and Hufvudstaden. Magnus Svensson Henryson was born in 1969.

Malin Lüning has been an authorised public accountant since 2008 and has been auditor-in-charge for Deloitte AB at Handelsbanken since 2023. She is also an auditor for SBAB and Söderberg & Partners. Malin Lüning was born in 1980.

Nomination committee

The shareholders at the 2022 AGM resolved to establish an instruction for how the Nomination committee is to be appointed. According to the decision, the instruction will apply until it is amended by a future AGM. The instruction states that the Nomination committee shall comprise five members: the Chairman of the Board and one representative from each of the Bank's four largest shareholders on 31 August the year before the AGM is held.

However, the Nomination committee must not include representatives of companies which are significant competitors of the Bank in any of its main areas of operations. It is the Chairman of the Board's task to contact the largest owners, so that they will appoint one representative each to sit on the Nomination committee, together with the Chairman. The 2025 Nomination committee comprises:

Representative	Shareholders	Voting power %, 31 August 2024
Helena Stjernholm, Chair	Industrivärden	11.71
Maria Sjöstedt	Oktogonen Foundation	8.17
Claes Boustedt	Lundberg ownership group	4.65
Anna Magnusson	Första AP-fonden (AP1)	0.72
Pär Boman, Board Chairman		

Information on the composition of the Nomination committee has been available at handelsbanken.com since 19 September 2024.

The Nomination committee's task in preparation for the AGM on 26 March 2025 is to submit proposals for the election of a chairman of the AGM, the Chairman of the Board and other members of the Board, the fees to the Chairman and other members of the Board, and remuneration for committee work. The Nomination committee is also to submit proposals regarding the election of and fees to auditors.

In its work, the Nomination committee takes into account the Board's diversity policy. The policy stipulates that to promote independent opinions and critical questioning, it is desirable that the Board should be characterised by appropriate diversity and breadth in terms of its members' qualifications, experience and background and an even gender balance. When formulating its proposal to the AGM, the Nomination committee considers relevant parts of the Board's policy regarding the suitability assessment of Board members and the Chief Executive Officer. In compiling the proposal, the Nomination committee also considers the evaluation of the Board carried out by the Chairman of the Board.

Board

After the shareholders at the 2024 AGM had appointed Pär Boman to be Chairman of the Board, Fredrik Lundberg was appointed as Deputy Chairman at the first Board meeting after the AGM. At the same time, the Board appointed members of the Credit committee, Audit committee, Risk committee, Remuneration committee and UK committee. Information about the Board is shown on pages 54–56.

Composition of the Board

The Board was composed of nine elected members during the 2024 financial year. When the Board is to be elected, the Nomination committee proposes members. The Board also includes two members and two deputy members who are employee representatives, in accordance with applicable legislation.

The Board members have broad and extensive experience from the business community. Several are, or have been, chief executive officers of major companies, and most of them are also board members of major companies. Several members have worked on the Bank's Board for a long time and are very familiar with the Bank's operations. The Nomination committee's proposals at previous AGMs, including their reasons, are available at handelsbanken.com.

Suitability assessments of individual Board members are undertaken, and of the Board as a whole. The suitability assessment of the Board is carried out at least annually, as well as prior to changes in the composition of the Board, or when it is otherwise deemed necessary. This ensures that the Board has the knowledge, skills and experience required to fulfil its duties, which include establishing strategies and risk tolerances, and understanding and challenging decisions and proposals by executive management on the basis of their consequences.

During the 2024 financial year, the percentage of women on the Board of the Bank was 44 per cent of the elected members, and the percentage of the elected members with a different geographical origin than the country where Handelsbanken is domiciled was 11 per cent. The proportion of elected members who were independent of the Bank, its management and major shareholders was 78 per cent.

The Swedish Corporate Governance Code stipulates that the majority of Board members elected by the AGM must be independent of the Bank and the Bank's management, and that at least two of the independent Board members must also be independent of those of the company's shareholders that control 10 per cent or more of the shares and votes in the Bank. The composition of the Board fulfils the Code's requirements for independence.

Regulations governing the Board's work

The fundamental rules regarding the distribution of tasks among the Board, the Board committees, the Chairman, the Chief Executive Officer and Handelsbanken Internal Audit are in accordance with the Swedish Companies Act and the Swedish Corporate Governance Code, and are expressed in the Board's rules of procedure, as well as in its instructions to the Chief Executive Officer and to the Chief Audit Executive.

Chairman of the Board

The Board's rules of procedure state that the Chairman shall ensure that the Board carries out its work efficiently and that it fulfils its duties. This involves organising and managing the Board's work and creating the best possible conditions for this work. The Chairman must also ensure that the Board members continually update and expand their knowledge of the Bank's operations, and that new members receive appropriate introduction and training. The Chairman must be available to the Chief Executive Officer as an advisor and discussion partner, but must also prepare the Board's evaluation of the Chief Executive Officer's work.

The Chairman's duties include being chair of the Credit committee, Remuneration committee and UK committee, as well as being a member of the Audit committee and Risk committee. The Chairman is responsible for ensuring that the Board's work is evaluated annually. The 2024 Board evaluation took place via questionnaires and by the Chairman holding interviews with each Board member. The Deputy Chairman was responsible for the evaluation of the Chairman. The findings of the evaluation were presented to and discussed by the Board. The Chairman also informed the Nomination committee about the Board evaluation. The Chairman is responsible for maintaining contact with the major shareholders concerning ownership matters.

There is no other regular division of work for the Board except as concerns the committees.

Board work

The Board is the company's highest administrative body and is responsible for establishing the overall goals and strategy of the company.

Summary of focus areas in the Board's committees (excluding the Credit committee)

Committee	Members	Duties	Other focus areas in 2024
Audit committee	**Ulf Riese** (Chair) **Jon Fredrik Baksaas** **Hans Biörck** **Pär Boman**	The work of the Audit committee includes the following: • monitoring the financial reporting, as well as the effectiveness of the Bank's internal control, internal audit and risk management systems in relation to financial reporting • providing recommendations and proposals concerning the financial reporting • preparing the Board's decision regarding an audit plan for the work of Handelsbanken Internal Audit and taking into account reports from Handelsbanken Internal Audit • having regular contact with the external auditors. These auditors report to the committee on significant matters that have emerged from the statutory audit • keeping up to date with the audit of the Annual Report and consolidated accounts and the Swedish Supervisory Board of Public Accountants' quality control • assisting the Nomination committee in the matter of proposing auditors and thereafter submitting a recommendation regarding the election of auditors • informing the Board of the results of the audit and of the manner in which the audit has contributed to the reliability of the financial reports • monitoring and verifying the external auditors' impartiality and independence, with a particular focus on whether the auditors provide any services other than auditing to the company • receiving reports on the Group's work as well as reports on sustainability matters • receiving reports on productivity measures and so forth for material products and processes as well as performance targets and control systems relating to major IT investments. All interim reports and year-end reports are reviewed by the Audit committee. Items are presented by the Chief Executive Officer, the Chief Financial Officer, the Chief Audit Executive and the persons with main responsibility from the audit companies appointed by the AGM. The members of the committee can also ask questions to the Chief Audit Executive and external auditors when members of Bank management are not present. The Board's report on internal control over financial reporting can be found on page 52.	During the year, the Audit committee engaged in its usual work relating to financial reporting, auditing, etc. The Committee also addressed matters relating to management changes and the Bank's sustainability agenda and alignment with CSRD.
Risk committee	**Kerstin Hessius** (Chair) **Hans Biörck** **Pär Boman** **Ulf Riese** **Hélène Barnekow**	The work of the Risk committee includes the following: • processing reports from the Chief Risk Officer (CRO) and Chief Compliance Officer • preparing the Board's decisions regarding the establishment of the internal capital adequacy and liquidity adequacy assessment • processing the validation and evaluation of the internal risk rating system • preparing the Board's decisions regarding risk tolerance and risk strategy • processing the evaluation of the risk calculation methods used for limiting financial risks, calculating capital requirements and calculating economic capital • preparing the Board's decisions regarding the establishment of Handelsbanken's recovery plan. The Chief Risk Officer and Chief Compliance Officer present their reports to the Risk committee. The members of the committee can also ask questions to the Chief Risk Officer and Chief Compliance Officer when members of Bank management are not present. The Bank's Chief Executive Officer and Chief Financial Officer also attend meetings of the Risk committee. The three lines of defence for risk management are described on pages 48–49.	During the year, the Risk committee regularly addressed matters relating to risk tolerance, including credit risk, counterparty risk and liquidity risk, as well as the development of the Bank's IRB models. In addition, the committee discussed risk and compliance issues linked to, among other things, IT security, the Digital Operational Resilience Act (DORA) and operational risks, and anti-money laundering work. The committee also discussed the economic conditions and their effects on the Bank's business operations and its risks.
Remuneration committee	**Pär Boman** (Chair) **Jon Fredrik Baksaas** **Hans Biörck**	The tasks of the Remuneration committee include making an independent assessment of Handelsbanken's remuneration policy and remuneration system. In addition, the Remuneration committee prepares matters regarding remuneration to be decided on by the Board and the AGM. After the shareholders at the AGM have decided on guidelines for remuneration to executive officers, the Board decides on remuneration to, among others, these officers and the heads of the control functions: Handelsbanken Internal Audit, Handelsbanken Risk Control and Handelsbanken Compliance. Each year, the Remuneration committee evaluates Handelsbanken's guidelines as well as its remuneration structures and levels in accordance with the Swedish Corporate Governance Code. The Board's remuneration report is available at handelsbanken.com.	The Remuneration committee has engaged in its usual work concerning matters relating to remuneration. In addition, the committee has addressed cases involving the appointment of senior managers.
UK committee	**Pär Boman** (Chair) **Ulf Riese** **Michael Green** **Carl Cederschiöld**	Every quarter, the committee for UK operations receives information about the performance and position of the UK operations, and every year, information about the business plan for the UK operations, etc.	The UK committee has followed the operations of Handelsbanken plc, in terms of its financial reporting and its business situation.

The Board addresses many important matters during the year as part of carrying out its duties. This includes regularly occurring items to ensure sound risk management and reliable financial reporting. Other matters resulting from external regulatory requirements are also addressed, for example, adopting the Bank's internal capital adequacy and liquidity adequacy assessment (ICAAP/ILAAP) and recovery plan. The Board receives and examines the quarterly reporting from the company's control functions. This is an important part of the Board's control and overall efforts to ensure that the company is managed responsibly based on sound risk-taking and a high level of compliance. In addition, the Board addresses regularly occurring items such as the Bank's credit risks and credit losses, capital assessments, IT systems, IT security, audits, sustainability and the Bank's work on anti-money laundering and combating fraud. Furthermore, matters discussed at Remuneration, Risk and Audit committee meetings are reported at the next Board meeting.

At the first Board meeting after the AGM, the Board appoints a Deputy Chairman and the members and Chairs of its various Board committees. At this meeting, the Board also adopts the policies and other internal steering documents that regulate governance and internal control at the Bank.

The Board had 12 meetings in 2024, including two extended strategy meetings.

Committee work

Credit committee

The Credit committee consisted of the Chairman of the Board (Pär Boman, who also chairs the committee), the Deputy Chairman (Fredrik Lundberg), the Chief Executive Officer (Michael Green), the Chief Credit Officer (Per Beckman), and six Board members appointed by the Board (Jon Fredrik Baksaas, Stina Bergfors, Hans Biörck, Kerstin Hessius, Ulf Riese and Louise Lindh).

The Credit committee normally holds one meeting every month to take decisions on credit cases that exceed a set limit and that are not decided on by the whole Board due to the importance of these cases or legal requirements. The Country General Managers and County Managers, and the Head of Handelsbanken Global Banking presented cases to the Credit committee from their own units in 2024 and participated when other cases were presented, with the objective of providing them with a good picture of the Board's approach to risk. Credit cases that are decided upon by the whole Board are presented by the Chief Credit Officer. If a delay in the credit decision would inconvenience the Bank or the borrower, the credit instructions allow the Chief Executive Officer and the Chief Credit Officer to decide on credit cases during the interval between Credit committee meetings.

In 2024, the Credit committee had ten meetings.

Audit committee

The Audit committee comprised the Chairman of the Board (Pär Boman) and three Board members appointed by the Board (Jon Fredrik Baksaas, Hans Biörck and Ulf Riese). The latter members are independent of major shareholders, and of the Bank and its management. Ulf Riese was appointed to chair the committee.

In 2024, the Audit committee had nine meetings.

Risk committee

The Risk committee comprised the Chairman of the Board (Pär Boman) and four Board members appointed by the Board (Hans Biörck, Kerstin Hessius, Ulf Riese and Hélène Barnekow). The latter members are independent of major shareholders, and of the Bank and its management. Kerstin Hessius was appointed to chair the committee.

In 2024, the Risk committee had nine meetings.

Remuneration committee

The Remuneration committee comprised the Chairman of the Board (Pär Boman, who also chairs the committee) and two Board members appointed by the Board (Jon Fredrik Baksaas and Hans Biörck). The latter members are independent of the Bank, its management, and major shareholders.

In 2024, the Remuneration committee had eight meetings.

UK committee

The UK committee comprised the Chairman of the Board, (Pär Boman, who also chairs the committee), the Chief Executive Officer (Michael Green), the Chief Financial Officer (Carl Cederschiöld) and a member appointed by the Board (Ulf Riese).

In 2024, the UK committee had four meetings.

The Bank's management

Chief Executive Officer

During the 2024 financial year, Michael Green served as the Chief Executive Officer and President of Handelsbanken. Michael Green was born in 1966 and his academic qualifications include studies in business administration, economics and law. Michael Green joined the Gothenburg branch of the Bank as a corporate advisor in 1994 and he subsequently served in various roles, such as the Head of the US operations, Head of Handelsbanken in Western Sweden and Head of Capital Markets. In 2020, Michael Green was appointed General Manager of Handelsbanken Sweden. Alongside his employment at Handelsbanken, Michael Green is also a board member of the Stockholm Chamber of Commerce, ICC Sweden and Finance Sweden. On 31 December 2024, Michael Green's shareholdings in Handelsbanken and those of related parties amounted to 111,405, of which 85,000 class A shares in direct holdings and 26,405 in indirect holdings via the Oktogonen profit-sharing scheme. Neither Michael Green nor his related parties has any material shareholdings or other ownership interests in companies with which the Bank has significant business relationships.

Decision-making process

As a general rule, responsibilities and powers of authority at Handelsbanken under the Chief Executive Officer have been assigned to individual members of staff, rather than groups or committees. However, collective decisions are made, in the form of credit decisions made in Credit committees and the national boards. It is required that the members are unanimous regarding these decisions.

Chief Executive Officer's forum

The Chief Executive Officer has several forums at his disposal to address various matters, including the Executive Team and the Risk and Compliance committee.

Executive Team

On 1 April 2024, Handelsbanken adopted a new management structure with an Executive Team that replaced the previous Executive Management to coordinate the strategic governance of the Group on an ongoing basis, and address operational Group-wide issues and other critical matters from a Group perspective. Before decisions are made on such matters by the Chief Executive Officer or other officers, these are, as a general rule, discussed by the Executive Team. For more information on the members of the Executive Team and former executive management, refer to page 57.

The Risk and Compliance committee
The Risk and Compliance committee has been set up by the Chief Executive Officer for follow-up of risk management within several areas and for in-depth discussions regarding the Bank's overall risk situation prior to such matters being addressed by the Risk committee and the Board. In addition to the Chief Executive Officer, the Risk and Compliance committee comprises, among others, the heads of business support units and control functions.

Operational structure
Handelsbanken's overall organisational structure follows a geographical governance model. The Bank has long employed decentralised working methods, with important business decisions made locally close to the customer. Customer responsibility is geographical, meaning that all of the Group's customers are affiliated with a physical branch, regardless of which products or services the customer needs, or which channels the customer chooses.

The Handelsbanken Group's home markets are Sweden, Norway, the UK and the Netherlands, but the Group also has business operations in other markets. Outside Sweden, operations are mainly conducted via international branches, except in the UK, where the Bank has a subsidiary for its British operations.

In 2021, the decision was made to initiate a process to divest the operations in Finland. In 2023, an agreement was signed to sell the Finnish private, SME and life insurance operations. These transactions were completed in 2024. Handelsbanken's remaining operations in Finland are being handled in a separate sales process.

The starting point is that Country General Managers have overall responsibility for the Bank's activities in their respective countries. This responsibility includes a distribution responsibility for products and services, as well as a customer responsibility. The Chief Executive Officer has corresponding responsibility for operations in Sweden.

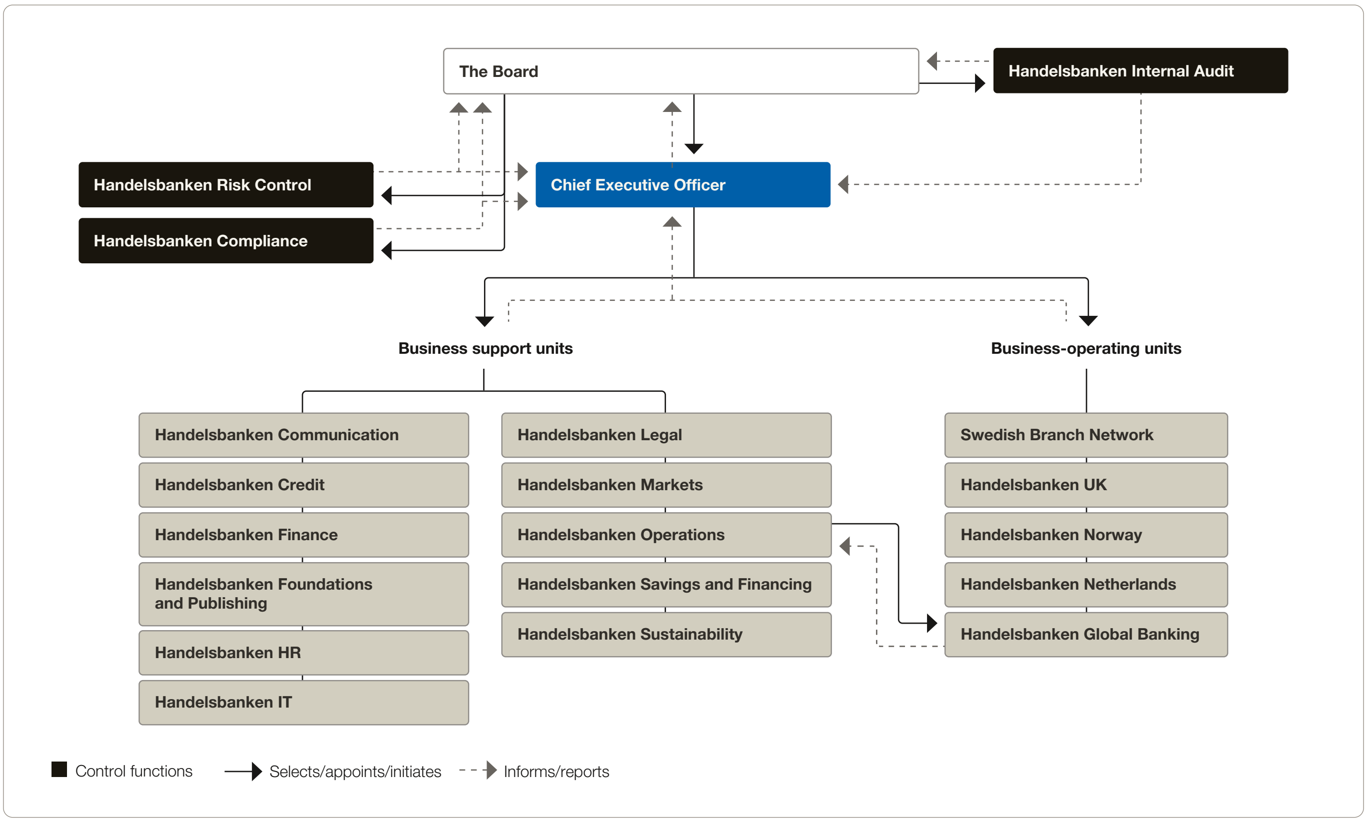
Business operations in the countries are supported by a number of units with Group-wide responsibility.

Product managers constitute central business support for a given product area. Product responsibility includes, according to a Group-wide approval process, developing, managing and phasing out products and services, as well as coordinating and supporting the distribution of the products and services.

Function managers have Group-wide responsibility for a given area. Function responsibility includes ensuring that work within the area functions well and is conducted in accordance with internal and external rules and regulations. The responsibility also includes providing guidance and support relating to the area.

Three lines of defence for risk management

Handelsbanken has three lines of defence for risk management, follow-up and internal



control of the Bank's risks. These are described in more detail below.

First line of defence
The business operations and the units that support the business operations constitute the first line of defence, with responsibility for managing and restricting the risks facing the business in accordance with external and internal rules. Responsibility for ensuring that the appropriate procedures, systems and processes are in place such that the operations can be conducted in accordance with external and internal rules regarding internal control, risk control and regulatory compliance in each respective unit has been delegated by the Chief Executive Officer to managers who report directly to the Chief Executive Officer. In turn, these managers may delegate operational responsibility for meeting these requirements to managers who report to them. Among other things, this responsibility means that fit-for-purpose instructions and procedures for the operation must be in place, and compliance with these procedures must be monitored regularly. Thus, internal control, risk control and compliance are integral parts of managers' responsibility at all levels in the Bank.

Second line of defence
The Handelsbanken Risk Control and Handelsbanken Compliance control functions constitute the second line of defence. Both functions are independent and organisationally separated from the activities they monitor and control.

Handelsbanken Compliance
Handelsbanken Compliance identifies, monitors, controls and reports on compliance risks within the Group. This includes controlling and assessing the suitability and effectiveness of the procedures in place and actions taken to minimise the risk of non-compliance with applicable rules. In addition, Handelsbanken Compliance provides advice and support about compliance to employees, the Chief Executive Officer and the Board, and continually informs the units concerned about the risks which may arise in the operations due to non-compliance. Handelsbanken Compliance also monitors the risk level relative to the risk tolerance for compliance risks established by the Board.

The function includes the Appointed Officer for Controlling and Reporting Obligations according to the applicable money laundering and terrorist financing regulations, and the Data Protection Officer (DPO) according to the applicable regulations on data protection and personal data processing.

The Chief Compliance Officer is appointed by the Board and reports directly and regularly to the Chief Executive Officer on matters regarding compliance in the Group, as well as quarterly to the Risk committee and the Board. This includes the report from the Appointed Officer regarding risks linked to financial crime, as well as the report from the DPO on data protection risks.

Handelsbanken Risk Control
Handelsbanken Risk Control identifies, measures, analyses and reports all the Group's material risks. This includes monitoring and checking the Group's risk management and assessing that Handelsbanken's risk management framework is efficient and fit-for-purpose. Handelsbanken Risk Control also checks that the risks and risk management comply with the Bank's risk strategy, and fall within the risk tolerance established by the Board.

The Chief Risk Officer is appointed by the Board and reports directly and regularly to the Chief Executive Officer and the Board. In 2024, the Chief Risk Officer attended all meetings of the Risk committee and most meetings of the Board and the Board's Credit Committee.

A more detailed description of the Bank's risk management and control is contained in note G2 on pages 80–122, and also in the Bank's Pillar 3 Report.

Third line of defence
The third line of defence is Handelsbanken Internal Audit, the Board's controlling body. The Chief Audit Executive is appointed by and reports to the Board.

Handelsbanken Internal Audit is tasked with performing an independent, impartial audit of the operations and financial reporting of the Group. This includes assessing, evaluating and verifying processes for risk management, internal control and corporate governance. The assignment is based on a policy established by the Board and is performed on the basis of a risk-based methodology in accordance with internationally accepted standards issued by the Institute of Internal Auditors (IIA). The planned auditing activities are documented every year in an audit plan which is established by the Board. Handelsbanken Internal Audit's conclusions, the actions to be taken and their status are reported regularly to the Audit committee and every year to the Board as a whole. The Chief Audit Executive is also a recipient of reports made via Handelsbanken's separate system for whistleblowing.

Handelsbanken Internal Audit is regularly subject to independent external quality reviews. In addition, the Bank's external auditors perform an annual quality review of the work of Handelsbanken Internal Audit.

Principles for remuneration at Handelsbanken

The remuneration policy establishes the Bank's principles for remuneration to employees. The policy stipulates that Handelsbanken's remuneration system must be fit-for-purpose and consistent with the Bank's business objectives and business culture, which are based on sound, sustainable operations, in which employees observe high ethical standards, good administrative order and regulatory compliance. Remuneration must also be structured in a manner that promotes a healthy and efficient management of sustainability risks. Remuneration must be on market terms, enabling Handelsbanken to attract, recruit, retain and develop skilled staff, and ensuring good management succession, thus contributing to the achievement of the Handelsbanken Group's corporate goal. In general, Handelsbanken has low tolerance of risk and holds the opinion that fixed remuneration contributes to healthy operations. This is, therefore, the main principle. The Bank's executive officers and employees who make decisions on credits or limits, or who work at the Bank's control functions, are paid fixed remuneration together with the possibility of further remuneration from the Oktogonen profit-sharing scheme. This also applies to employees who are assessed as having a material impact on the Bank's risk profile, called "risk-takers" in the Bank.

The main principle of the remuneration policy is that remuneration is paid in the form of fixed remuneration. However, the policy allows for variable remuneration to be paid. The Board decides on the total amount.

In certain countries, Handelsbanken is party to collective bargaining agreements on general terms and conditions of employment and conditions for pensions. The policy does not affect rights and obligations under collective bargaining agreements; nor does it affect obligations under applicable contract law or labour law.

Handelsbanken HR is responsible for verifying that remuneration in Handelsbanken is compliant with external and internal rules. The independent control functions monitor and analyse the remuneration system and report material risks and flaws to the Board's Remuneration and Risk committees.

A detailed description of fixed and variable remuneration at Handelsbanken is given below. Other information concerning remuneration paid by the Bank in accordance with the current regulations is presented in note G8 on pages 126–131, and in the Bank's remuneration report which is available at handelsbanken.com. This note and the Remuneration Report also provide information about amounts for salaries, pensions and other benefits, and loans to executive officers.

Fixed remuneration

The Bank takes a long-term view of its staff's employment. Remuneration for work performed is set individually for each employee, and is paid in the form of a fixed salary, customary salary benefits and pension.

The main principle is that salaries are set locally in salary reviews between employees and their line manager. These principles have been applied for many years with great success. They mean that managers at all levels participate regularly in the salary process, and take responsibility for the Bank's salary policy and the growth in their own unit's staff costs.

Salaries are based on factors known in advance: the nature and level of difficulty of the work, competency and skills, work performance and results achieved, leadership, and being a cultural ambassador for the Bank.

In Sweden and certain other countries, the Bank is party to collective bargaining agreements on general terms and conditions of employment during the employment period and on terms and conditions of pensions after employees have reached retirement age. The aim of the Bank's policy on salaries is to increase the Bank's competitiveness and profitability, to enable the Bank to attract, recruit, retain and develop skilled staff, and to ensure good management succession planning. Good profitability and productivity performance at the Bank creates the necessary conditions for salary growth for the Bank's employees.

Variable remuneration

The Oktogonen profit-sharing scheme covers all employees in the Handelsbanken Group. The provision is classified as variable remuneration and is based on profitability metrics linked to Handelsbanken's corporate goals being met and the Board's overall assessment regarding the Bank's performance. Disbursements are mainly made in cash to the employees, or alternatively to a pension plan, a savings plan or a combination of the two.

Performance-based variable remuneration is applied with great caution and to a very limited extent. It is only offered to employees in the Capital Markets business area and in mutual fund and asset management operations. In these operations, performance-based variable remuneration may only be paid to employees at units whose profits derive from commissions or intermediary transactions that take place without the Bank being subject to credit risk, market risk or liquidity risk. Performance-based variable remuneration is not offered to employees who, in their professional roles, have a material impact on the Bank's risk profile. 1.1 per cent of the Group's employees are eligible to receive performance-based variable remuneration. The total amount reserved for performance-based variable remuneration to employees in the Handelsbanken Group must not exceed 0.4 per cent of the Bank's common equity tier 1 capital during any given year. For 2024, a total of SEK 49 million was allocated for performance-based variable remuneration, corresponding to approximately 0.4 per cent of total salaries and approximately 0.03 per cent of the Bank's common equity tier 1 capital.

Performance-based variable remuneration is based on Handelsbanken's factors for setting salaries and it must be designed so that it does not encourage unhealthy risk-taking. The financial result on which the performance-based variable remuneration is based is adjusted for risk and charged with the actual cost of the capital and liquidity required by the operations. Normally, performance-based variable remuneration is only paid in cash. In subsidiaries which conduct mutual fund operations and in Handelsbanken Wealth & Asset Management Ltd, the performance-based variable remuneration is entirely or partially paid out as mutual fund units.

The main rule for performance-based variable remuneration is that at least 40 per cent is to be deferred for at least four years. For particularly large amounts of performance-based variable remuneration, 60 per cent is deferred. Payment and the right of ownership of the variable remuneration do not accrue to the person with the entitlement until after the end of the deferment period. Deferred variable remuneration can be removed or reduced if losses, increased risks or increased expenses arise during the deferment period, or if payment is deemed to be unjustifiable in view of the Bank's financial situation. Employees may not receive performance-based variable remuneration amounting to more than 100 per cent of their fixed remuneration.

Handelsbanken complies with the Swedish Financial Supervisory Authority's regulations regarding remuneration structures, which include provisions for formulating and adopting remuneration policies. The heads of the areas concerned, as well as the Chief Risk Officer and Chief Compliance Officer, take part in the Remuneration committee's preparation and assessment of the Board's remuneration policy and the Bank's remuneration system.

Remuneration to executive officers

The shareholders at the AGM decide on guidelines for remuneration to the Chief Executive Officer, Executive Vice Presidents and other members of the Executive Team.

The Board decides on remuneration to the officers who are subject to the Annual General Meeting's (AGM) remuneration guidelines (a total of nine individuals as at 31 December 2024). The Board also decides on remuneration to the Chief Audit Executive, among others.

Executive officers in Handelsbanken are Board members, the Chief Executive Officer, Executive Vice Presidents, and other members of the Executive Team.

The guidelines adopted by the AGM on 20 March 2024 are presented below.

Guidelines for remuneration to executive officers of Svenska Handelsbanken AB

These guidelines shall be applied to remuneration to the Chief Executive Officer, Executive Vice President, and other members of the Executive Team (below referred to as "executive officers"). The guidelines shall also apply to any remuneration to members of the Board which is paid in addition to fees for assignment to the Board of the Bank.

The guidelines shall be applied to new agreements, and shall not affect remuneration previously decided for executive officers. The guidelines are not applicable to remuneration that is decided upon by the annual general meeting.

Handelsbanken's goal is to have higher profitability than the average of peer competitors in its home markets. This goal is mainly to be achieved by more satisfied customers and lower costs than its competitors.

Handelsbanken's business strategy is presented in the Annual Report. To contribute to the Bank's goal; remuneration must reflect a long-term view of employment at the Bank, and also be in keeping with the Bank's generally low risk tolerance.

Principles for remuneration to employees of Handelsbanken

Handelsbanken's principles for remuneration to employees are long-established. In the policy for remuneration in the Handelsbanken Group, the Board has established that the Bank's remuneration system must be consistent with the Bank's business objectives and business culture, which are based on sound, sustainable operations.

In addition, the remuneration policy states that fixed remuneration is fit-for-purpose for sound, sustainable operations, and is therefore applied as a basic principle. Variable remuneration is applied with great caution. Remuneration for work performed is set individually for each employee, and is paid in the form of a fixed salary, pension allocation and customary salary benefits (which can take the form of a car allowance, housing associated with the position, disability insurance, household assistance services, etc.). Salaries are based on factors known in advance, such as those set out in the remuneration policy.

Taking into account the above approach, an employee's total remuneration must be on market terms and gender-neutral, enabling Handelsbanken to attract, recruit, retain and develop skilled employees, and ensuring good management succession.

Remuneration to executive officers

In the preparation of the Board's proposals for these guidelines, Handelsbanken's remuneration policy and the above principles for remuneration to employees have been taken into account; this contributes to the Bank's business strategy, long-term interests and sustainability:

- The aggregated total remuneration shall be on market terms.
- Remuneration is paid in the form of a fixed cash salary, pension provision and customary benefits.
- The executive officers in question are included in the Oktogonen profit-sharing system on the same terms as all employees of the Bank.
- Pension benefits are defined contribution, may correspond to a maximum of 35 per cent of the annual fixed cash salary, and may be payable in addition to pension plans under collective agreements. Other salary benefits may per year in total correspond to a maximum of 35 per cent of the annual fixed salary.
- Employment contracts are to apply until further notice or for a fixed term. The period of notice on the part of an executive officer is six months, and on the part of Handelsbanken a maximum of twelve months. If the Bank terminates the employment contract later than five years after the person becomes one of the Bank's executive officers, the period of notice is a maximum of twenty-four months. No other termination benefits are paid. Other time periods may apply due to collective agreements or labour legislation.

Concerning employment conditions that are subject to non-Swedish regulations: with regard to pension benefits and other benefits, the relevant adjustments may be made to comply with such mandatory regulations or fixed local practice. In doing this, the overall aims of these guidelines shall be fulfilled as far as possible.

Fees to Board members

Members of the Board who are elected by the general meeting shall in special circumstances be able to be compensated for services provided within their respective area of competence (including assignments to the board of another group company) which do not constitute services to the Board of the Bank. Such duties of service shall be handled in accordance with applicable internal rules and by due consideration of possible conflicts of interest. These services shall be compensated for by market-based remuneration. Information about any remuneration for such services shall be included in the annual report and the remuneration report.

Decision process

The Board has set up a remuneration committee. The committee's tasks include preparing the Board's proposals concerning guidelines for remuneration to executive officers. When the need for material changes arises – and at least every four years – the Board shall draw up a proposal for new guidelines and present it for a resolution at the annual general meeting. The guidelines shall apply until new guidelines have been adopted by the annual general meeting. The remuneration committee must also monitor and evaluate the application of the guidelines for remuneration for executive officers, as well as the prevailing structures and levels of remuneration at the Bank. All members of the remuneration committee are independent of the Bank and its management. The Chief Executive Officer also attends the committee's meetings, although not when the committee is discussing and deciding upon remuneration-related matters that concern the Chief Executive Officer himself/herself.

Deviation from the guidelines

The Board may decide, temporarily, to deviate partly or wholly from the guidelines, if there are particular reasons for this in an individual case, and a deviation is necessary to satisfy the Bank's long-term interests and sustainability, or to ensure the Bank's financial viability. As stated above, preparing the Board's resolutions in matters of remuneration is part of the remuneration committee's tasks, and this includes decisions regarding deviations from the guidelines.

The Board's report on internal control over financial reporting

The presentation of Handelsbanken's process for internal control over the financial reporting is based on the framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), which covers the following components: control environment, risk assessment, control activities, information and communication, and monitoring activities. The process was designed to ensure compliance with the Bank's principles for financial reporting and internal control, and to ensure that the financial reporting has been prepared pursuant to the law, applicable accounting standards, and other requirements related to listed companies.

Control environment
To ensure reliable financial reporting, Handelsbanken's internal control process for financial reporting is based on the control environment. The control environment is fundamental to other components of the process and has been described earlier in the Corporate Governance Report: i.e. organisational structure, division of responsibilities and steering documents. An important aspect of the control environment is that decision-making channels, powers of authority and responsibilities are clearly defined and communicated, and that steering documents established by the Board and Chief Executive Officer provide clear guidance and are complied with.

Risk assessment
Risk assessment aims to identify, manage and follow up risks with the potential to affect the financial reporting. Handelsbanken Finance is responsible for performing a risk assessment at Group level, in order to identify units for which the need for internal control is assessed as being of material significance to minimise the risk of material error in the financial reporting. Units that Handelsbanken Finance deems must be covered by the process are required to draw up general documentation of their processes for internal control over the financial reporting. This general documentation must describe the processes that generate the unit's most significant balance sheet and profit and loss items, risks, procedures for preparing the accounts, and identified control activities. The identified control activities are carried out each quarter to ensure that the financial reporting is correct, in all material respects.

The self-evaluations carried out annually within the parent company and subsidiaries are an essential part of the Bank's total risk assessment. Risks in the financial reporting are part of this total analysis. Other aspects of Handelsbanken's risk management are detailed in note G2 on pages 80–122 and in the Bank's Pillar 3 report.

Control activities
Various control activities are incorporated into the entire financial reporting process.

Handelsbanken Finance bears the overall responsibility for the financial reporting, the consolidated accounts and consolidated financial reports, and for financial and administrative control systems. The unit's responsibilities also include the Group's liquidity, the internal bank, own funds, tax analysis and Group-wide reporting to public authorities.

Handelsbanken Finance has the overall responsibility for ensuring that a fit-for-purpose process is in place for reporting on internal control over the financial reporting. For the units that Handelsbanken Finance has deemed must be covered by the process for internal control over the financial reporting, control activities are identified which are aimed at preventing, detecting and correcting errors and deviations in the financial reporting. Handelsbanken Finance has established a number of financial control activities linked to the general ledger and the process of preparing the accounts, which all finance departments within the parent company and subsidiaries are required to carry out in conjunction with every quarterly closing of accounts. These include, for example, the reconciliation and verification of reported amounts, and analyses of income statements and balance sheets. In addition to financial control activities, units selected by Handelsbanken Finance are responsible for identifying and evaluating operational control activities. These include controls performed in, for example, business processes and systems, which are assessed as being of material significance to minimise the risk of material error in the financial reporting. Heads of accounting and control at the respective units are responsible for ensuring that the control activities in the financial reporting for their unit are fit-for-purpose – i.e. that they are designed to prevent, detect and correct errors and deviations – and are in compliance with steering documents and instructions. At each quarterly closing of the accounts, the units certify to Handelsbanken Finance that the control activities have been carried out, and that their balance sheets and income statements are correct. Based on Handelsbanken Finance's follow-up of the units' reports, the CFO reports the status of the internal control of financial reporting to the Audit committee at each quarterly closing of accounts.

The CFO is responsible for setting up and maintaining a Valuation committee. The committee's role is to support the decision-making processes for valuation and reporting matters. The committee deals with the valuation of financial assets and liabilities, including derivatives at fair value and also financial guarantees. The valuations refer to both own holdings and holdings on behalf of others. The committee must ensure that the valuation complies with external regulations, steering documents and current market practices.

High information security is a precondition for good internal control over the financial reporting. Thus there are regulations and steering documents to ensure availability, accuracy, confidentiality and traceability of information in the business systems.

Information and communication
The Bank has information and communication paths with the aim of achieving completeness and correctness in its financial reports. Handelsbanken Finance must ensure that the staff concerned are aware of and have access to instructions of significance to the financial reporting. The Group's general accounting instructions and special procedures for producing financial reports, and the process for internal control over the financial reporting, are communicated to the staff concerned via the Group's intranet. The system used for financial reporting encompasses the entire Group.

Monitoring activities
The respective accounting and financial departments at the Bank monitor and verify compliance with applicable rules in the form of internal steering documents which affect the financial reporting, as the responsibility for internal control is an integral part of the managerial responsibility.

Handelsbanken Risk Control is responsible for identifying, checking and reporting risks of errors in the Bank's assumptions and assessments that form the basis of the Bank's financial reporting. Handelsbanken Risk Control is described in more detail on pages 43 and 49.

Handelsbanken Internal Audit is assigned to examine internal governance and control, and to evaluate the reliability of the Group's financial reporting. Handelsbanken Internal Audit is described in more detail on pages 43 and 49.

As part of the quality control work for financial reporting, the Board has set up an Audit committee. Among other responsibilities, the committee processes critical accounting matters and the financial reports produced by the Bank. The committee also supervises the effectiveness of the internal control, internal audit and the process for internal control over the financial reporting. The Audit committee is described in more detail on page 43.

The Group's information and communication paths are monitored continually to ensure that they are fit-for-purpose for the financial reporting.

Board

Elected by the AGM





Name	Pär Boman Chairman	Fredrik Lundberg Deputy Chairman	Jon Fredrik Baksaas Board member	Hélène Barnekow Board member	Stina Bergfors Board member
Year elected	2006	2002	2003	2022	2021
Year of birth	1961	1951	1954	1964	1972
Nationality	Swedish	Swedish	Norwegian	Swedish	Swedish
Position and significant board assignments[1]	Chairman of AB Volvo • Deputy Chairman of AB Industrivärden • Board member of Skanska AB • Chairman Pensionskassan SHB, Jan Wallanders och Tom Hedelius stiftelse and Tore Browaldhs stiftelse.	President and CEO of L E Lundbergföretagen AB • Chairman of Holmen AB, Hufvudstaden AB and AB Industrivärden • Board member of L E Lundbergföretagen AB and Skanska AB.	Chairman of DNV Group AS • Board member of Telefonaktiebolaget LM Ericsson and Scale Leap Capital AS.	Chairman of Mindler AB and Storytel AB • Board member of GN Store Nord A/S.	Board member of H&M Hennes & Mauritz AB and Tele2 AB.
Background	2006–2015 President and Chief Executive Officer of Handelsbanken.	President of L E Lundbergföretagen AB since 1981 • Active at Lundbergs since 1977.	2008–2016 GSM Association member, Chairman 2013–2016 • 2002–2015 Telenor Group, President and CEO • 1989–2002 Telenor Group, various positions within finance, financial control and management • 1988–1989 Aker AS • 1985–1988 Stolt Nielsen Seaway AS • 1979–1985 Det Norske Veritas, Norway and Japan.	2018–2022 CEO of Microsoft Sweden • 2014–2018 CEO and various management roles, Telia Sverige • 2009–2014 Various market leader roles, EMC Corporation (UK and USA) • 2001–2009 Various market leader roles, etc., Sony Ericsson Mobile Communications (USA, UK, Sweden) • 1999–2001 Market leader, Novo Nordisk (Denmark) • 1995–1999 Various management roles, Ericsson • 1993–1995 Market leader, Microsoft Corporation (Malta) • 1991–1993 Project manager/consultant, DLF Sweden.	2013–2018 Co-founder and CEO, other roles, United Screens • 2008–2013 Country Director, Google and Youtube • 2004–2007 CEO and other roles, Carat • 2000–2004 Director, other roles, OMD Worldwide • 1999–1999 Account Manager, TV3 Sweden, Modern Times Group.
Education	Engineer and Business/Economics degree, Dr. h.c. econ.	Graduate Engineer and Graduate in Economics/Business Administration, Dr. h.c. mult.	Graduate in Economics/Business Administration and PED from IMD.	Graduate in Economics/Business Administration.	Graduate in economics/administration, Dr. h.c. phil.
Remuneration 2024[2]	SEK 6,040,000	SEK 1,585,000	SEK 1,885,000	SEK 1,270,000	SEK 1,270,000
Credit committee Participation	Chair 10/10	10/10	9/10	–	10/10
Audit committee Participation	9/9	–	8/9	–	–
Remuneration committee Participation	Chair 8/8	–	8/8	–	–
Risk committee Participation	9/9	–	–	6/9[3]	–
UK committee Participation	Chair 4/4	–	–	–	–
Board meetings Participation	12/12	12/12	12/12	12/12	12/12
Own shareholdings and those of related parties, 31 December 2024	165,682, of which 130,000 class A shares in direct holdings and 35,682 in indirect holdings[5]	82,275,000 class A shares	3,800 class A shares	1,000 class A shares	4,300 class A shares
Dependent/independent	Independent of the Bank and its management. Not independent of major shareholders (Deputy Chairman of AB Industrivärden).	Independent of the Bank and its management. Not independent of major shareholders (Chairman of AB Industrivärden).	Independent of the Bank, its management and major shareholders.	Independent of the Bank, its management and major shareholders.	Independent of the Bank, its management and major shareholders.

1) As of 20 February 2025.
2) The presented remuneration to the Board is resolved on by the AGM and relates to the annual remuneration between the 2024 AGM and the 2025 AGM. Total remuneration to the Board amounted to SEK 20,345,000.
3) Became a member of the committee in March 2024.
4) Became a Board member and a member of the committee in March 2024.
5) Refers to indirect shareholdings in Handelsbanken via the Oktogonen profit-sharing scheme.

Board cont.




Name	Hans Biörck Board member	Kerstin Hessius Board member	Louise Lindh Board member	Ulf Riese Board member
Year elected	2018	2016	2024	2020
Year of birth	1951	1958	1979	1959
Nationality	Swedish	Swedish	Swedish	Swedish
Position and significant board assignments[1]	Chairman of Skanska AB.	Chairman of Hemsö Fastighets AB. • Board member of Lumera AB.	Chairman of J2L Holding AB and Fastighets AB L E Lundberg • Board member L E Lundberg-företagen AB, Hufvudstaden AB and Holmen AB.	Board member Jan Wallanders och Tom Hedelius stiftelse and Tore Browaldhs stiftelse.
Background	2001–2011 Skanska, Executive Vice President and CFO • 1998–2001 Autoliv, CFO • 1997–1998 Self-employed • 1977–1997 Various positions in Esselte.	2004–2022 AP3 Third National Swedish Pension Fund, CEO • 2001–2004 Stockholm Stock Exchange, CEO • 1999–2000 Sveriges Riksbank, Deputy Governor of the central bank • 1998 Danske Bank, CEO, Asset Management • 1990–1997 ABN Amro Bank/Alfred Berg • 1989–1990 Finanstidningen • 1986–1989 Swedish National Debt Office • 1985–1986 Sveriges Riksbank (central bank) • 1984–1985 Swedish Agency for Public Management.	2017–2024 President and CEO, Fastighets AB L E Lundberg • 2005–2017 Various positions, including assistant to the CEO, Executive Vice President and Regional Manager, Fastighets AB L E Lundberg • 2003–2005 audit assistant, KPMG.	Various positions at Handelsbanken • 2016–2018 Senior Advisor • 2007–2016 CFO • 2004–2007 Head of Handelsbanken Asset Management • 2004 Executive Vice President of Handelsbanken • Employed at Handelsbanken 1983.
Education	Graduate in Economics/ Business Administration.	Graduate in Economics/ Business Administration.	Graduate in Economics/ Business Administration.	Graduate in Economics/ Business Administration.
Remuneration 2024[2]	SEK 2,360,000	SEK 1,870,000	1,270,000 kr	SEK 2,795,000
Credit committee Participation	10/10	10/10	8/10[4]	10/10
Audit committee Participation	9/9	–	–	Chair 9/9
Remuneration committee Participation	8/8	–	–	–
Risk committee Participation	9/9	Chair 9/9	–	9/9
UK committee Participation	–	–	–	4/4
Board meetings Participation	12/12	12/12	9/12[4]	12/12
Own shareholdings and those of related parties, 31 December 2024	10,000 class A shares	47,213 class A shares	3,051,000 class A shares	200,000 class A shares
Dependent/ independent	Independent of the Bank, its management and major shareholders.	Independent of the Bank, its management and major shareholders.	Independent of the Bank, its management and major shareholders.	Independent of the Bank, its management and major shareholders.

Board cont.




Name	Anna Hjelmberg Employee representative	Lena Renström Employee representative	Stefan Henricson Employee representative, Deputy member	Mikael Almvret Employee representative, Deputy member
Year elected	2020	2020	2020	2023
Year of birth	1969	1965	1970	1969
Nationality	Swedish	Swedish	Swedish	Swedish
Position and significant board assignments[1]	Chair of Finansförbundet's Handelsbanken union club • Board member of Pensionskassan SHB.	Chair of Finansförbundet's Handelsbanken SE-union club.	Board member of Finansförbundet's Handelsbanken SE-union club.	Chair of Akademikerföreningen (Association for graduate professionals) at Handelsbanken.
Background	Insurance officer at Handelsbanken Liv, union roles in the Handelsbanken Group.	Advisory services in Handelsbanken's branch operations.	Managerial and advisory services at branches and regional head offices at Handelsbanken.	Specialist, System Owner and Business and Operations developer within Anti-Money Laundering, International operations, and Trading.
Education	Economics Programme at upper secondary school.	Graduate in Economics/Business Administration.	Economics Programme at upper secondary school.	Graduate in Economics/Business Administration.
Remuneration 2024[2]	SEK 0	SEK 0	SEK 0	SEK 0
Credit committee Participation	–	–	–	–
Audit committee Participation	–	–	–	–
Remuneration committee Participation	–	–	–	–
Risk committee Participation	–	–	–	–
UK committee Participation	–	–	–	–
Board meetings Participation	11/12	12/12	12/12	12/12
Own shareholdings and those of related parties, 31 December 2024	0	0	38,784, of which 38,784 in indirect holdings[3]	29,527, of which 29,527 in indirect holdings[3]
Dependent/ independent	Not independent of the Bank and its management (employee). Independent of major shareholders.	Not independent of the Bank and its management (employee). Independent of major shareholders.	Not independent of the Bank and its management (employee). Independent of major shareholders.	Not independent of the Bank and its management (employee). Independent of major shareholders.

1) As of 20 February 2025.
2) The presented remuneration to the Board is resolved on by the AGM and relates to the annual remuneration between the 2024 AGM and the 2025 AGM. Total remuneration to the Board amounted to SEK 20,345,000.
3) Refers to indirect shareholdings in Handelsbanken via the Oktogonen profit-sharing scheme.

Executive Team

Executive Team[1)]

Name	Position	Year of birth	Employed	Shareholdings
Per Beckman	Chief Credit Officer and Executive Vice President	1962	1993	Shareholdings 20,170, of which 20,170 in indirect holdings[6)]
Carl Cederschiöld[2)]	Chief Financial Officer and Executive Vice President	1973	1998	Shareholdings 34,526, of which 16,600 class A shares in direct holdings[5)] and 17,926 in indirect holdings[6)]
Pernilla Eldestrand[3)]	Chief Communication Officer	1969	1989	Shareholdings 40,987, of which 40,987 in indirect holdings[6)]
Michael Green	President and Chief Executive Officer	1966	1994	Shareholdings 111,405, of which 85,000 class A shares in direct holdings[5)] and 26,405 in indirect holdings[6)]
Maria Hedin	Chief Risk Officer	1964	2010	Shareholdings 6,592, of which 246 class B shares in direct holdings[5)] and 6,346 in indirect holdings[6)]
Dan Lindwall	Responsible for subsidiaries and group-wide matters	1965	2000	Shareholdings 7,356, of which 7,356 in indirect holdings[6)]
Cecilia Lundin	Chief Human Resources Officer	1970	2023	Shareholdings 55, of which 55 class B shares in direct holdings[5)]
Anton Romare Keller[4)]	Chief Information Officer	1982	2007	Shareholdings 12,766, of which 2,772 class A shares in direct holdings[5)] and 9,994 in indirect holdings[6)]

1) The table shows the Executive Team as per 20 February 2025. Until 31 March 2024, the Executive Team consisted of the Bank's executive management, which, in addition to the Chief Executive Officer (Michael Green) also included the Chief Financial Officer (Carl Cederschiöld), Chief Information Officer (Mattias Forsberg), Chief Credit Officer (Per Beckman), Chief Human Resources Officer (Cecilia Lundin), Head of Capital Markets (Dan Lindwall), Chief Sustainability and Climate Officer (Catharina Belfrage Sahlstrand), Chief Strategy Officer (Martin Noréus), Head of Products and Offerings (Anna Possne), Chief Risk Officer (Maria Hedin), the Country General Manager of Norway (Arild Andersen) and the Chief Executive Officer of Handelsbanken plc (Mikael Sörensen). The Chief Legal Officer (Martin Wasteson) and Chief Compliance Officer (Monika Bergström) was co-opted to the executive management. On 31 July 2024, Mattias Forsberg left the Executive Team in conjunction with stepping down from his position as Chief Information Officer. Catharina Belfrage Sahlstrand left the Executive Team on 21 January 2025 when she stepped down from her position as Chief Sustainability Officer.
2) Also Acting Chief Sustainability Officer since 21 January 2025.
3) Took office on 1 October 2024.
4) Took office on 1 August 2024.
5) Direct shareholdings refer to own and related party's shareholdings in Handelsbanken on 31 December 2024.
6) Refers to indirect shareholdings in Handelsbanken via the Oktogonen profit-sharing scheme on 31 December 2024.

Administration report, parent company

Performance in the parent company

The parent company's accounts cover parts of the operations that, in organisational terms, are included in branch operations within and outside Sweden, Markets and central business support units. Although most of Handelsbanken's business comes from the local branches and is co-ordinated by them, in legal terms a sizeable part of business volumes are outside the parent company in wholly owned subsidiaries – particularly in the Stadshypotek AB mortgage institution and Handelsbanken plc. Thus, the performance of the parent company is not equivalent to the performance of business operations in the Group as a whole.

For information on the divestment of operations in Finland, see the introduction to Note P46.

The parent company's operating profit grew by 15 per cent to SEK 32,454 million (28,110) compared with last year, mainly due to higher dividends received. The primary reason for the 36 per cent increase in dividends received to SEK 21,673 million (15,957) was that the parent company received dividends of approximately SEK 8,200 million from the subsidiary Handelsbanken plc. The item net gains/losses on financial transactions also increased. The main reason that net gains/losses on financial transactions increased by 65 per cent to SEK 2,880 million (1,745) is that the Bank's holdings of subordinated loans issued by the subsidiary Stadshypotek, which are measured at fair value on the balance sheet and income statement, were positively impacted by narrower spreads in the market. Net interest income declined by 2 per cent to SEK 25,416 million (25,946). Net fee and commission income increased by 4 per cent to SEK 4,771 million (4,573). Profit for the year grew by 24 per cent to SEK 27,659 million (22,363). Since year-end 2023, the parent company's equity has increased to SEK 160,189 million (158,431). For the parent company's five-year overview, see pages 196–197.

Risk management

Handelsbanken has a low risk tolerance that is maintained through a strong risk culture which is sustainable in the long term and applies to all areas of the Group. For a detailed description of the Bank's exposure to risks, and the management of these, see note G2.

Principles for remuneration to executive officers

Handelsbanken's principles for remuneration to executive officers are set out in note G8 and in the Remuneration to executive officers section of the Corporate Governance Report, see page 51.

Proposed appropriation of profits

In accordance with the balance sheet for Handelsbanken, profits totalling SEK 151,454 million are at the disposal of the AGM.

The Board proposes that the profit be appropriated as follows:

Dividend per share paid to the shareholders SEK 15.00, of which SEK 7.50 in ordinary dividend (SEK 13.00, of which SEK 6.50 in ordinary dividend for 2023)	29,700
Balance carried forward to the next year	121,754
Total allocated	**151,454**

The Board's assessment is that the amount of the proposed dividend, totalling SEK 29,700 million, is justifiable in view of the nature of operations, their scope, consolidation requirement, risk-taking, liquidity, and the general position both in the Bank and in the rest of the Group.

Unrealised changes in assets and liabilities at fair value had a net impact on equity of SEK 4,630 million.

The total capitalisation of the parent company and the consolidated situation at year-end, minus the proposed dividend based on completed conversions and other material changes since the year-end, exceeded the statutory minimum requirement pursuant to EU Regulation 575/2013 and Directive 2013/36/EU and other relevant requirements established for the Bank by public authorities.

The Handelsbanken share

Shares divided into share classes 31 December 2024

Share class	Number	% of capital	% of votes
Class A	1,944,777,165	98.22	99.82
Class B	35,251,329	1.78	0.18
Total	**1,980,028,494**	**100.00**	**100.00**

At the end of 2024, the holdings of one shareholder represented more than 10 per cent of the votes: AB Industrivärden. Detailed information on the Bank's largest Swedish shareholders can be found on page 39. For more information on shareholders and the general meeting, refer to the information beginning on page 44.

At the AGM in March 2024, the Board received a mandate to repurchase a maximum of 120 million shares during the period until the AGM in March 2025. This mandate was not used in 2024. For more information on the share and the shareholders, refer to the information beginning on page 38.

Other

Handelsbanken has a long-term perspective for its business, and sustainability is deeply embedded in both the corporate culture and the working methods. Sustainability is not only an engagement with environmental or social issues, but also something to be integrated into all parts of our business and organisation. For information on sustainability at Handelsbanken, refer to the information beginning on page 254.

Handelsbanken strives for its decentralised working method and belief in the individual to be integral to its operations. For a more detailed description of corporate governance at the Bank, refer to the information beginning on page 40.

Financial statements

Income statement, Group

SEK m	Note	2024	2023
Interest income	G3	171,125	159,805
of which interest income according to effective interest method and interest on derivatives in hedge accounting		*150,587*	*133,602*
Interest expenses	G3	-124,284	-112,227
Net interest income		**46,841**	**47,578**
Fee and commission income	G4	13,252	12,559
Fee and commission expenses	G4	-1,526	-1,421
Net fee and commission income		**11,726**	**11,139**
Net gains/losses on financial transactions	G5	3,103	2,661
Insurance result		126	157
Return on assets held on behalf of policyholders		297	336
Net insurance result	G6	**422**	**493**
Other dividend income		16	3
Share of profit of associates and joint ventures	G20	27	51
Other income	G7	209	325
Total income		**62,345**	**62,249**
Staff costs	G8	-15,731	-13,642
Other expenses	G9	-7,474	-7,796
Depreciation, amortisation and impairment of property, equipment and intangible assets	G25, G26	-2,004	-1,743
Total expenses		**-25,209**	**-23,182**
Profit before credit losses and regulatory fees		**37,136**	**39,067**
Net credit losses	G10	601	-141
Gains/losses on disposal of property, equipment and intangible assets	G11	13	20
Regulatory fees	G12	-2,733	-2,624
Operating profit		**35,016**	**36,322**
Taxes	G35	-7,795	-8,417
Profit for the year from continuing operations		**27,221**	**27,905**
Profit for the year from discontinued operations, after tax	G14	234	1,209
Profit for the year		**27,456**	**29,114**
attributable to			
Shareholders in Svenska Handelsbanken AB		27,451	29,107
of which from continuing operations		*27,217*	*27,898*
of which from discontinued operations		*234*	*1,209*
Non-controlling interest		5	8
Earnings per share, total operations, SEK	G13	13.86	14.70
after dilution	G13	13.86	14.70
Earnings per share, continuing operations, SEK	G13	13.75	14.09
after dilution	G13	13.75	14.09
Earnings per share, discontinued operations, SEK	G13	0.12	0.61
after dilution	G13	0.12	0.61

Statement of comprehensive income, Group

SEK m	2024	2023
Profit for the year	27,456	29,114
Other comprehensive income		
Items that will not be reclassified to the income statement		
Defined benefit pension plans	344	-2,226
Equity instruments measured at fair value through other comprehensive income	207	63
Tax on items that will not be reclassified to the income statement	-77	439
of which defined benefit pension plans	*-36*	*450*
of which equity instruments measured at fair value through other comprehensive income	*-41*	*-11*
Total items that will not be reclassified to the income statement	**475**	**-1,724**
Items that may subsequently be reclassified to the income statement		
Cash flow hedges	160	614
Debt instruments measured at fair value through other comprehensive income	6	25
Insurance contracts	66	-396
Translation difference for the year	1,758	-1,078
of which hedges of net investments in foreign operations	*-230*	*31*
Tax on items that may subsequently be reclassified to the income statement	-52	113
of which cash flow hedges	*-33*	*-127*
of which debt instruments measured at fair value through other comprehensive income	*-1*	*-5*
of which hedges of net investments in foreign operations	*47*	*-6*
of which translation difference	*-65*	*251*
Total items that may subsequently be reclassified to the income statement	**1,937**	**-722**
Total other comprehensive income	**2,412**	**-2,447**
Total comprehensive income for the year	**29,868**	**26,667**
attributable to		
Shareholders in Svenska Handelsbanken AB	29,870	26,662
Non-controlling interest	-2	5

The year's reclassifications to the income statement are presented in the Statement of changes in equity.

For January-December 2024, other comprehensive income amounted to SEK 2,412 million (-2,447) after tax. Defined benefit pension plans were positively affected by SEK 308 million (-1,776) after tax during the period. Pension obligations increased despite the discount rate pertaining to the Swedish pension obligation amounting to 3.6% compared with 3.5% at the end of last year. The increase was due to changes in assumptions that increased the obligations. However, the change in the value of plan assets was positive, which is why the net is positive for the year.

The translation of foreign operations had a positive effect of SEK 1,740 million (-833) after tax, which resulted from the SEK weakening from year-end against most currencies in the countries in which the Group operates.

Balance sheet, Group

SEK m	Note	2024	2023
Assets			
Cash and balances with central banks		529,995	476,171
Other loans to central banks	*G15*	12,547	6,282
Interest-bearing securities eligible as collateral with central banks	*G18*	172,606	199,128
Loans to other credit institutions	*G16*	18,922	19,294
Loans to the public	*G17*	2,297,878	2,291,808
Value change of interest-hedged item in portfolio hedge		-6,399	-9,657
Bonds and other interest-bearing securities	*G18*	47,508	50,087
Shares	*G19*	14,746	12,216
Investments in associates and joint ventures	*G20*	860	657
Assets where the customer bears the value change risk	*G21*	287,984	244,893
Derivative instruments	*G22*	47,069	30,110
Intangible assets	*G25*	8,426	8,567
Property and equipment	*G26*	4,803	4,777
Current tax assets		100	203
Deferred tax assets	*G35*	157	358
Pension assets	*G8*	13,102	11,699
Assets held for sale	*G14*	74,506	178,590
Other assets	*G27*	11,896	10,276
Prepaid expenses and accrued income	*G28*	2,468	2,331
Total assets	*G41*	**3,539,173**	**3,537,792**
Liabilities and equity			
Due to credit institutions	*G29*	84,280	90,143
Deposits and borrowing from the public	*G30*	1,310,739	1,298,480
Liabilities where the customer bears the value change risk	*G31*	288,263	245,100
Issued securities	*G32*	1,550,027	1,523,481
Derivative instruments	*G22*	15,956	34,238
Short positions	*G33*	1,007	2,364
Insurance liabilities	*G34*	7,808	8,407
Current tax liabilities		957	1,211
Deferred tax liabilities	*G35*	3,744	3,969
Provisions	*G36*	378	601
Liabilities held for sale	*G14*	10,623	63,721
Other liabilities	*G37*	15,376	14,882
Accrued expenses and deferred income	*G38*	2,935	2,990
Subordinated liabilities	*G39*	37,054	43,117
Total liabilities	*G41*	**3,329,146**	**3,332,706**
Non-controlling interest		6	8
Share capital		3,069	3,069
Share premium reserve		8,758	8,758
Provisions	*G40*	18,659	16,239
Retained earnings		152,085	147,905
Profit for the year (attributable to shareholders of Svenska Handelsbanken AB)		27,451	29,107
Total equity		**210,027**	**205,085**
Total liabilities and equity		**3,539,173**	**3,537,792**

Statement of changes in equity, Group

2024 SEK m	Share capital	Share premium reserve	Other reserves: Defined benefit pension plans	Other reserves: Cash flow hedges	Other reserves: Fair value through other comprehensive income	Other reserves: Insurance contracts	Other reserves: Translation foreign operations	Retained earnings incl. profit for the year	Non-controlling interest	Total
Opening equity 2024	3,069	8,758	11,963	181	197	396	3,502	177,011	8	205,085
Profit for the year								27,451	5	27,456
Other comprehensive income			308	127	171	66	1,747		-7	2,412
of which reclassification within equity					*-3*		*-811*			*-814*
Total comprehensive income for the year			308	127	171	66	1,747	27,451	-2	29,868
Reclassified to retained earnings								814		814
Dividend[1]								-25,740		-25,740
Share-based payment to employees at Handelsbanken plc[2]								54		54
Hedge of share-based payments to employees[2]								-54		-54
Change in non-controlling interest										
Closing equity 2024	3,069	8,758	12,271	308	369	462	5,249	179,535	6	210,027

2023 SEK m	Share capital	Share premium reserve	Other reserves: Defined benefit pension plans	Other reserves: Cash flow hedges	Other reserves: Fair value through other comprehensive income	Other reserves: Insurance contracts	Other reserves: Translation foreign operations	Retained earnings incl. profit for the year	Non-controlling interest	Total
Opening equity 2023	3,069	8,758	13,739	-307	126	793	4,332	163,510	3	194,024
Profit for the year								29,107	8	29,114
Other comprehensive income			-1,776	488	71	-396	-831		-3	-2,447
of which reclassification within equity			*49*				*-284*			*-235*
Total comprehensive income for the year			-1,776	488	71	-396	-831	29,107	5	26,667
Reclassified to retained earnings								235		235
Dividend[1]								-15,840		-15,840
Share-based payment to employees at Handelsbanken plc[2]								79		79
Hedge of share-based payments to employees[2]								-79		-79
Change in non-controlling interest										
Closing equity 2023	3,069	8,758	11,963	181	197	396	3,502	177,011	8	205,085

1) The dividend paid in 2024 pertaining to 2023 amounted to SEK 13 per share. The dividend paid in 2023 pertaining to 2022 amounted to SEK 8 per share.
2) As of the 2020 earnings year, all employees at Handelsbanken plc are covered by a Share Incentive Plan ("SIP").

Statement of cash flows, Group

SEK m	2024	2023
Operating activities		
Operating profit	35,016	36,322
Profit from discontinued operations, before tax	307	1,394
of which paid-in interest	*178,825*	*162,813*
of which paid-out interest	*-127,203*	*-112,316*
of which paid-in dividends	*191*	*47*
Adjustment from operating activities to investing activities	1,767	
of which to Divestment of operations and subsidiaries	*1,767*	
Adjustment for non-cash items in operating profit and profit for the year from discontinued operations		
Credit losses	-576	254
Unrealised value changes	-89	-1,095
Amortisation and impairment	2,435	1,748
Paid income tax	-8,519	-7,681
Changes in the assets and liabilities of operating activities		
Other loans to central banks	19,598	475
Loans to other credit institutions	374	-9,882
Loans to the public	25,303	27,892
Interest-bearing securities and shares	26,332	-80,826
Due to credit institutions	-6,596	8,752
Deposits and borrowing from the public	-14,402	-26,249
Issued securities	26,545	48,680
Derivative instruments, net positions	-35,153	11,559
Short positions	-1,260	209
Claims and liabilities on investment banking settlements	-2,027	7,396
Other	-24,526	4,178
Cash flow from operating activities	**44,529**	**23,125**
Investing activities		
Divestment of operations and subsidiaries	17,147	
Acquisitions of and contributions to associates and joint ventures	-175	-53
Sales of shares	6	
Acquisitions of property and equipment	-949	-832
Disposals of property and equipment	398	326
Acquisitions of intangible assets	-678	-957
Cash flow from investing activities	**15,748**	**-1,517**
Financing activities		
Repayment of subordinated liabilities	-13,371	-8,351
Issued subordinated liabilities	5,704	8,635
Dividend paid	-25,740	-15,840
Cash flow from financing activities	**-33,407**	**-15,556**
Cash flow for the year	**26,870**	**6,052**
Cash and cash equivalents at beginning of year	476,181	475,882
Cash flow from operating activities	44,529	23,125
Cash flow from investing activities	15,748	-1,517
Cash flow from financing activities	-33,407	-15,556
Exchange difference on cash and cash equivalents	26,957	-5,753
Cash and cash equivalents at end of year	**530,009**	**476,181**

The statement of cash flows has been prepared in accordance with the indirect method, which means that operating profit and profit for the year from discontinued operations have been adjusted for transactions that did not entail paid-in or paid-out cash, such as depreciation/amortisation and credit losses.

The statement of cash flows in the above table includes the discontinued operations in Finland, see note G14.

Statement of cash flows, Group, cont.

Change in liabilities in financing activities

SEK m	2024	2023
Opening balance	43,117	42,404
Cash flow	-7,667	284
Non-cash changes, foreign exchange fluctuations	1,908	-770
Non-cash changes, foreign exchange hedges	-16	1,153
Non-cash changes, accrued interest	-287	46
Total liabilities in financing activities	**37,054**	**43,117**

Divestment of operations and subsidiaries

SEK m	2024
Purchase price	
Total purchase price	18,843
Claim on purchaser	-1,696
Payment received	**17,147**
Divested assets and liabilities	
Loans to the public	34,119
Other assets	6
Total assets	**34,124**
Deposits and borrowing from the public	15,170
Other liabilities	40
Total liabilities	**15,210**
Cash flow from operating activities	**-1,766**

The purchase price in its entirety is received in the form of cash and cash equivalents.

Notes, Group

G1 Material accounting policies

Contents

1. Statement of compliance

Basis of accounting
The consolidated accounts have been prepared in accordance with IFRS® Accounting Standards and interpretations of these standards as adopted by the EU. In addition, the accounting policies also adhere to the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), and the regulations and general guidelines issued by the Swedish Financial Supervisory Authority in FFFS 2008:25, Annual Reports in Credit Institutions and Securities Companies. RFR 1 Supplementary Accounting Rules for Groups, and statements from the Swedish Corporate Reporting Board, are also applied in the consolidated accounts. The presentation currency is the Swedish krona and all figures are rounded to the nearest million kronor (SEK m) unless otherwise stated. The parent company's accounting policies are shown in note P1.

Issuing and adoption of Annual Report and company information
Svenska Handelsbanken Aktiebolag's Annual Report and consolidated accounts for the period 1 January 2024–31 December 2024 were approved for issue by the Board and Chief Executive Officer on 20 February 2025 and will be presented for adoption by the AGM on 26 March 2025.

The parent company, Svenska Handelsbanken AB (publ), is domiciled in Stockholm at the address Kungsträdgårdsgatan 2, 106 70 Stockholm, Sweden. Handelsbanken is a credit institution that offers financial services and products in its home markets, Sweden, the UK, Norway and the Netherlands. The operations are described in more detail in the Administration report.

2. Changed accounting policies

The changes in accounting regulations applicable from 1 January 2024 have not had any impact on Handelsbanken's financial statements, capital adequacy, large exposures or other circumstances according to applicable operating regulations.

The accounting policies and calculation methods applied by the Group during the financial year are consistent with the policies applied in the Annual and Sustainability Report for 2023.

3. Changes in IFRS which are yet to be applied

Presentation and Disclosure in Financial Statements (IFRS 18)
In April 2024, the IASB published the new standard IFRS 18 Presentation and Disclosures in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. Provided that the EU endorses IFRS 18, and the effective date proposed by the IASB is not changed, the standard will be applied from the 2027 financial year. IFRS 18 introduces new requirements for the presentation and disclosure of information in financial statements, particularly focusing on the structure of the income statement and the disclosure of management-defined performance measures.

The standard is not expected to have any financial impact on Handelsbanken since IFRS 18 does not entail any new valuation principles and instead focuses on the presentation and disclosures in the financial statements. The Bank has started work to analyse the effects of the new standard.

Amendments to the classification and measurement of financial instruments (IFRS 9 and IFRS 7)
In May 2024, the IASB published amendments to the classification and measurement of financial instruments in IFRS 9 and IFRS 7. Provided that the EU endorses the amendments, and the effective date proposed by the IASB is not changed, the amendments to the standards will be applied from the 2026 financial year. The amendments to IFRS 9 mainly clarify assessing whether contractual cash flows in financial assets, which include terms that are dependent on future events, meet the criteria for solely payments of principal and interest (SPPI criteria). The amendments mainly provide guidance for assessing whether the SPPI criteria are met for loans with ESG-linked features. In some cases, a contingent event gives rise to contractual cash flows that meet the SPPI criteria, both before and after the change in cash flows, but the nature of the contingent event does not relate directly to changes in basic lending risks and costs. An example is loans with ESG-linked features under which the interest rate according to the contractual terms is adjusted based on the reduction in the borrower's carbon emissions. In such a case, the SPPI criteria are met only if the contractual cash flows in all potential scenarios are not materially different from a financial asset with identical contractual cash flows but without such a contingent event. Furthermore, clarification is provided that contractual cash flows do not meet the SPPI criteria if they are based on a variable that does not constitute basic lending risks and costs, for example, follows an equity index or commodity index, or if they represent a share of the borrower's income or profit, even if such terms and conditions are common in the market.

The amendments to IFRS 7 include providing qualitative and quantitative disclosures about the effect of contractual terms that could change the amount of contractual cash flows dependent on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in basic lending risks and costs. The disclosure requirements encompass financial assets measured at amortised cost or fair value through other comprehensive income and financial liabilities measured at amortised cost.

The amendments to IFRS 9 also clarify the date of initial recognition of financial assets and liabilities, and the date of derecognition of financial assets and liabilities from the statement of financial position. The amendments

G1 cont.

also include an optional exemption whereby financial liabilities settled using an electronic payment system can be derecognised from the statement of financial position before the obligation is extinguished, i.e., before the contractual obligation is discharged, cancelled or expires, provided that certain criteria specified in the regulations are met.

The Bank has started work to analyse the effects of the amendments to IFRS 9 and IFRS 7. The assessment at the current time is that these amendments will not have any material impact on Handelsbanken's financial statements, capital adequacy, large exposures or other circumstances according to applicable operating regulations.

Other future changes in accounting regulations
Other future changes in accounting regulations issued for application are not deemed to have any material impact on Handelsbanken's financial statements, capital adequacy, large exposures or other circumstances according to applicable operating regulations.

4. Financial instruments (IFRS 9 Financial Instruments, IAS 32 Financial Instruments: Presentation)

Recognition and derecognition
Purchases and sales of equities and money market and capital market instruments on the spot market are recognised on the trade date. The same applies to derivatives. Other financial assets and liabilities are normally recognised on the settlement date.

Financial assets are derecognised from the balance sheet when the contractual rights to the cash flows originating from the asset expire or when all risks and rewards related to the asset are transferred to another party. A financial liability is derecognised from the balance sheet when the obligation is fulfilled, ceases or is cancelled.

Measurement categories
Financial assets are allocated to one of the following measurement categories:
1. amortised cost
2. fair value through other comprehensive income
3. fair value through profit or loss
   a) mandatory
   b) fair value option.

The starting points for the classification of financial assets into the respective measurement categories is the company's business model for managing such assets and the asset's contractual terms.

Financial liabilities are allocated to one of the following measurement categories:
1. amortised cost
2. fair value through profit or loss
   a) mandatory
   b) fair value option.

As a general rule, financial liabilities are recognised at amortised cost. The exceptions are financial liabilities which are required to be measured at fair value through profit or loss, such as derivatives, and liabilities which, upon initial recognition, are irrevocably identified as being measured at fair value (fair value option).

Financial assets and liabilities recognised on the same row on the balance sheet may be classified in different measurement categories, see note G41.

Upon initial recognition, all financial assets and liabilities are recognised at fair value. For financial instruments at fair value through profit or loss, the transaction costs are recognised in the income statement on the acquisition date. For other financial instruments, the transaction costs are included in the acquisition cost.

Assessment of the business model for financial assets
The assessment of the business model for managing financial assets defines classification into measurement categories. For the purposes of the business model, Handelsbanken has divided its financial assets into portfolios on the basis of how they are managed, reported and evaluated by the Bank's management. When the business model is determined for the respective portfolio, the factors considered include established guidelines and objectives with a portfolio and how these are implemented in the operations, the risks which affect the performance of the portfolio and how the risks are managed, as well as the frequency, volume, reasons for and times of sales.

Assessment of financial assets' contractual terms
The assessment of whether contractual cash flows constitute solely payments of principal and interest, and thus are consistent with a basic lending arrangement, is significant for the classification into measurement categories. For the purposes of this assessment, "principal" is defined as the financial asset's fair value upon initial recognition. "Interest" is defined as consideration for the time value of money, credit risk, other fundamental lending risks (such as liquidity risk) and costs (such as administrative expenses), as well as a profit margin. If the financial asset has contractual terms that could change the timing or amounts of the contractual cash flows, modify the consideration for the time value of money, cause leverage or entail extra costs for prepayment and extension, then the cash flows are assessed as not constituting solely payments of principal and interest.

The Bank offers corporate customers loans with ESG-linked features, which provide incentives for borrowers to achieve improvements within predetermined sustainability targets by adjusting the interest rate based on the borrower's fulfillment of these sustainability targets. The difference compared with loans without ESG-linked features is that the interest rate is adjusted by a percentage stated in the contract (mainly between 1.5–5.0 basis points) based on the borrower meeting these sustainability targets. The sustainability-related targets are thus specific to each borrower. The Bank has evaluated the loans with ESG-linked features and the contractual cash flows are deemed to consist solely of payments of principal and interest. The contractual cash flows are thus considered to be consistent with a basic lending arrangement and the loans with ESG-linked features are measured at amortised cost.

Amortised cost
A financial asset is to be measured at amortised cost if both of the following conditions are met:
- The objective of the business model is to collect contractual cash flows.
- The contractual cash flows constitute solely payments of principal and interest.

Financial assets recognised in this measurement category consist of loans and holdings of interest-bearing securities. These assets are subject to impairment testing. Financial liabilities recognised in this measurement category consist primarily of liabilities due to credit institutions, deposits and borrowing from the public, and issued securities.

Amortised cost consists of the discounted present value of all future cash flows relating to the instrument where the discount rate is the instrument's effective interest rate at the time of acquisition. Interest and credit losses are recognised in the income statement items Net interest income and Credit losses, respectively. Early repayment charges for loans redeemed ahead of time, capital gains/losses generated from repurchases of the Bank's own issued securities, and foreign exchange effects are recognised in the income statement under Net gains/losses on financial transactions.

Fair value through other comprehensive income
A financial asset is to be measured at fair value through other comprehensive income if both of the following conditions are met:
- The objective of the business model is both to collect contractual cash flows and to sell the asset.
- The contractual cash flows constitute solely payments of principal and interest.

Holdings of interest-bearing securities in the Bank's liquidity portfolio which satisfy the above conditions are recognised in this mea-

G1 cont.

surement category. These assets are subject to impairment testing. Interest income is recognised under Net interest income. Foreign exchange effects and credit losses are recognised under Net gains/losses on financial transactions. Unrealised changes in value are recognised in other comprehensive income and reclassified to the income statement in conjunction with a sale, under the item Net gains/losses on financial transactions.

Upon initial recognition, equity instruments that are not held for trading may be irrevocably classified as measured at fair value through other comprehensive income. This valuation principle is applied for certain shareholdings in companies which engage in activities to support the Bank, such as participating interests in clearing organisations and infrastructure collaboration in the Bank's home markets. Subsequent changes in value, both realised and unrealised and including exchange gains/losses, are recognised in other comprehensive income. Realised changes in value are reclassified in equity to retained earnings, i.e. not to the income statement. Only dividend income from these holdings is recognised in the income statement.

Fair value through profit or loss, mandatory
If a financial asset does not meet the conditions for measurement at amortised cost or for measurement at fair value through other comprehensive income, measurement at fair value through profit or loss is mandatory. Financial assets and liabilities held for trading are always classified as measured at fair value through profit or loss, as are financial assets managed and evaluated on a fair value basis.

This measurement category mainly consists of listed shares, units in mutual funds, interest-bearing securities and derivatives. Interest, dividends, foreign exchange effects, and realised and unrealised changes in value are recognised under Net gains/losses on financial transactions. For the recognition of derivatives through hedge accounting, see section 7.

Fair value through profit or loss, fair value option
There is an option, at initial recognition, to irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency ("accounting mismatch") that would otherwise arise from measuring the asset.

There is a corresponding option to irrevocably designate, at initial recognition, a financial liability as measured at fair value through profit or loss if either of the following conditions is met:

- It eliminates or significantly reduces a measurement or recognition inconsistency ("accounting mismatch") that would otherwise arise from measuring the liability.
- A group of financial liabilities, or a group of both financial assets and financial liabilities, is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy. Information about these instruments is provided internally to the Bank's management on that same basis.

This valuation principle has been applied to avoid inconsistencies when measuring assets and liabilities which are counter-positions of each other and which are managed on a portfolio basis, such as liabilities resulting from unit-linked insurance contracts and certain holdings in the liquidity portfolio which are hedged with economic hedges. Unrealised and realised changes in value are recognised under Net gains/losses on financial transactions. Interest is recognised under Net interest income.

Reclassifications of financial instruments
As a general rule, financial assets are not reclassified after initial recognition. Reclassification is permitted in the rare case that the Bank changes the business model it applies for the management of a portfolio of financial assets. The reclassification of financial liabilities is not permitted after initial recognition.

Financial guarantees and loan commitments
Issued financial guarantees entail an obligation to reimburse the holder of a debt instrument (loan or interest-bearing security) for losses incurred in the event that a specified borrower fails to make a payment when due in accordance with the contractual terms, for example, a credit guarantee. The fair value of an issued guarantee is the same as the premium received when it was issued. Upon initial recognition, the premium received for the guarantee is recognised as a liability under Accrued expenses and deferred income on the balance sheet. The guarantee is subsequently measured at the higher of the amortised premium or the provision for the expected loss. Premiums for issued financial guarantees are amortised under Net fee and commission income over the validity period of the guarantee. In addition, the total guaranteed amount relating to guarantees issued is reported off-balance as a contingent liability, see note G44.

Loan commitments are reported off-balance until the settlement date of the loan, see note G44. Fees received for loan commitments are accrued under net fee and commission income over the maturity of the commitment unless it is highly probable that the commitment will be fulfilled, in which case the fee is included in the loan's effective interest. Financial guarantees and irrevocable loan commitments are subject to impairment testing.

Compound financial instruments
A compound financial instrument consists of a derivative component known as an embedded derivative, and a non-derivative host contract. If the host contract in a compound financial instrument is a financial liability, an embedded derivative must be separated from the host contract and recognised as a derivative if all of the following terms are met:

- The economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.
- A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative.
- The compound financial instrument is not measured at fair value through profit or loss. Consequently, derivatives embedded in financial liabilities measured at fair value through profit or loss are not recognised separately.

Separate recognition is applied, for example, to the embedded derivative in issues of equity-linked bonds and other structured products.

Embedded derivatives in financial assets are not recognised separately. Financial assets with embedded derivatives are regarded as a whole when assessing whether their contractual cash flows constitute solely payments of principal and interest.

The inherent value of the option to convert in issued convertible debt instruments is recognised separately in equity. The value of the equity component is determined at the time of issue as the difference between the fair value of the convertible debt instrument in its entirety reduced by the fair value of the liability component. The carrying amount of the equity component is not adjusted during the life of the convertible debt instrument. The liability component is measured and recognised at fair value on the balance sheet at the time of issue. After initial recognition, the liability component is recognised at amortised cost based on the original effective interest rate.

Repurchase transactions
Repurchase agreements, or repo transactions, refer to agreements where the parties simultaneously agree on the sale of specific securities and the repurchase of these securities at a pre-determined price. Securities sold in a repo transaction (repurchase agreement) remain on the balance sheet during the life of the transaction, as the Group is exposed to the value change risk applying to the security during this period. The sold instrument is also reported off-balance as a pledged asset, see note G43. Depending on the counterparty, payment received is recognised under Due to credit institutions or as Deposits and borrowing from the public. Securities bought in a repo transaction (reverse repurchase agreement) are accounted for in

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the corresponding way, i.e. they are not recognised on the balance sheet during the life of the transaction. Depending on the counterparty, the payment made is recognised under Other loans to central banks, Loans to other credit institutions or Loans to the public. Collateral received which is sold on under repurchase agreements is recognised off-balance as a commitment, see note G44.

Securities loans
Lent securities remain on the balance sheet, as the Group is still exposed to the value change risk applying to the security, as well as being reported off-balance as pledged assets, see note G43. Borrowed securities are not recognised on the balance sheet unless they are sold (known as shortselling). If they are sold, a value corresponding to the sold instrument's fair value is recognised as a liability. Borrowed securities which are lent to a third party are recognised off-balance as commitments, see note G44.

Derivative instruments
All derivatives are measured at fair value on the balance sheet. Derivatives with positive fair values are recognised on the assets side under Derivative instruments. Derivatives with negative fair values are recognised on the liabilities side under Derivative instruments. Realised and unrealised gains and losses on derivatives are recognised in the income statement under Net gains/losses on financial transactions. For the recognition of derivatives through hedge accounting, see section 7.

Offset of financial assets and liabilities
Financial assets and liabilities are offset and reported at a net amount on the balance sheet if the Bank has a contractual right to offset, in its operating activities and in the event of bankruptcy, and if the intention is to settle the items on a net basis or to simultaneously liquidate the asset and settle the liability. Further information about set-off of financial assets and liabilities is provided in note G24.

5. Principles for fair value measurement of financial assets and liabilities (IFRS 13 Fair Value Measurement)

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent market participants.

For financial instruments traded on an active market, the fair value is the same as the quoted market price. An active market is one where quoted prices are readily and regularly available from a regulated market, execution venue, reliable news service or equivalent, and where the price information can be verified by means of regularly occurring transactions. The current market price corresponds to the price between the bid price and the offer price which is most representative of fair value under the circumstances. For groups of financial instruments which are managed on the basis of the Bank's net exposure to market risk, the current market price is presumed to be the same as the price which would be received or paid if the net position were divested.

When there is no reliable information about market prices for financial instruments, fair value is established using valuation models. The valuation models used are based on input data which essentially can be verified using market observations such as market interest rates and share prices. If necessary, an adjustment is made for other variables which a market participant would be expected to take into consideration when setting a price. The assumptions used in the valuation are based on market practice and are continuously reviewed by the risk control function, as well as being compared with the counterparty valuation.

Interest-bearing securities
Interest-bearing securities issued by governments and Swedish mortgage bonds are valued using current market prices. Corporate bonds are valued using valuation techniques based on market yields for the corresponding maturity adjusted for credit and liquidity risk. The values are regularly reviewed in order to ensure that they reflect the current market price. The reviews are mainly performed by obtaining prices from several independent price sources and by reconciliation with recently performed transactions in the same or equivalent instruments.

Shares
Shares listed on an active market are valued at market price. When valuing unlisted shares and participations, the choice of model is determined by what is deemed appropriate for the individual instrument. Holdings of unlisted shares mainly consist of shares in companies which engage in activities to support the Bank. In all material respects, unlisted shares are classified at fair value through other comprehensive income. In general, such holdings are valued at the Bank's share of the company's net asset value. For unlisted shares for which the company agreement regulates the price at which the shares can be divested, the holdings are valued at the predetermined divestment price.

Derivatives
Derivatives which are traded on an active market are valued at market price. Most of the Group's derivative contracts, including interest rate swaps and various types of linear currency derivatives, are valued using valuation models based on market rates and other market prices. The valuation of non-linear derivative contracts that are not actively traded is also based on a reasonable assumption of market-based input data such as volatility.

When performing model valuation for derivatives, in some cases there are differences between the transaction price and the value measured by a valuation model upon initial recognition. Such differences occur when the applied valuation model does not fully incorporate all the components that affect the value of the derivative. Unrealised results due to positive differences between the transaction price and the value measured by a valuation model (known as day 1 gains/losses) are comprised of the Bank's profit margin and compensation to cover, for example, the cost of capital and administrative expenses. Unrealised positive day 1 gains/losses are not recognised in profit/loss upon initial recognition, but are amortised over the life of the derivative.

Assets and liabilities where the customer bears the value change risk
Assets where the customer bears the value change risk mainly comprise mutual fund units in unit-linked insurance contracts. These mutual fund units are valued using the fund's current market value (NAV). Each asset corresponds to a liability where the customer bears the value change risk. The valuation of these liabilities reflects the valuation of the assets. Since the policyholders/unit holders have prior rights to the assets, there is no motive to adjust the valuation for credit risk. Assets and liabilities where the customer bears the value change risk have essentially been classified at fair value through profit or loss.

6. Credit losses (IFRS 9 Financial Instruments)

Expected credit losses
The impairment rules presented in IFRS 9 apply to financial assets at amortised cost, financial assets at fair value through other comprehensive income, as well as financial guarantees and irrevocable loan commitments, and are based on a model for the recognition of expected credit losses. This model stipulates that the provision must reflect a probability-weighted amount determined through the evaluation of a number of potential outcomes, with consideration given to all reasonable and verifiable information available on the reporting date without unreasonable expense or exertion. The assessment takes into account historical, current and future-oriented factors. The assets to be tested for impairment are divided into the following three stages, depending on the degree of credit impairment:

- Stage 1 comprises financial assets with no significant increase in credit risk since initial recognition.

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- Stage 2 comprises financial assets with a significant increase in credit risk since initial recognition, but for which there is no objective evidence that the claim is credit-impaired at the time of reporting.
- Stage 3 comprises financial assets for which objective circumstances have been identified indicating that the claim is credit-impaired.

In Stage 1, provisions are to be recognised which correspond to the loss expected to occur within 12 months as a result of default. In Stage 2 and Stage 3, provisions are to be recognised corresponding to the loss expected to occur at some time during the whole of the remaining maturity of the asset as a result of default.

For agreements in Stage 1 and Stage 2, there is a Group-wide, central process using model-based calculation. The process begins for all agreements with an assessment of whether there has been a significant increase in the credit risk since initial recognition (start date of the agreement). For a detailed description of significant increases in credit risk, see the "Credit risks" section of note G2. The provisions in the different impairment stages are calculated on an individual basis. Manual calculation is used for agreements in Stage 3, with the exception of a small portfolio of homogeneous claims which have a model-calculated provision in Stage 3. In conjunction with each reporting date, an assessment is made at agreement level as to whether an agreement will be subject to a model-based calculation or a manual calculation.

The calculations of expected credit losses are primarily affected by the risk parameters "probability of default" (PD), "exposure at default" (EAD) and "loss given default" (LGD). Expected credit losses are determined by calculating PD, EAD and LGD up to the expected final maturity date of the agreement. The three risk parameters are multiplied and adjusted by the survival probability or, alternatively, the probability that a credit exposure has not defaulted or been repaid in advance. The estimated expected credit losses are then discounted back to the reporting date using the original effective interest rate and are totalled. Total credit losses in Stage 1 is calculated using the probability of default during the coming 12-month period. For Stage 2 and Stage 3, credit losses are calculated using the probability of default during the asset's remaining time to maturity.

Model-based calculation

The calculation of the expected credit losses takes into consideration at least three macroeconomic scenarios (one neutral, one upturn and one downturn scenario) with relevant macroeconomic risk factors, such as unemployment, key/central bank rates, GDP, inflation and property prices, by country. The various scenarios are used to adjust the risk parameters. Every macroeconomic scenario is assigned a probability, and the expected credit losses are obtained as a probability-weighted average of the expected credit losses for each scenario.

For additional information on the models used to calculate expected credit losses for agreements in Stage 1 and Stage 2, and for an explanation of concepts such as PD, EAD and LGD, expected maturity, significant increase in credit risk and macroeconomic information, see the "Credit risks" section in note G2. For sensitivity analyses for expected credit losses, see note G10.

Manual calculation

Assets in Stage 3 are tested for impairment on an individual basis using a manual calculation. This testing is carried out on a regular basis and in conjunction with every reporting date by the local branch with business responsibility (unit with customer and credit responsibility) and is decided by the local and central credit departments.

Impairment testing is carried out when there are objective circumstances which indicate that the counterparty will not be able to fulfil its contractual obligations, according to the definition of default. Such objective circumstances could be, for example, late payment, non-payment or an indication of unlikely payment.

Impairment testing involves an estimation of the future cash flows and the value of the collateral (including guarantees). Consideration is normally given to at least two forward-looking scenarios for expected cash flows, based on both the customer's repayment capacity and the value of the collateral. The outcome of these scenarios is probability-weighted and discounted with the loan's original effective interest rate. The scenarios used can take into account both macroeconomic and agreement-specific factors, depending on what is deemed to affect the individual counterparty's repayment capacity and the value of the collateral. The assessment takes into account the specific characteristics of the individual counterparty. An impairment loss is recognised if the estimated recoverable amount is less than the carrying amount.

Expert-based calculation

Expert-based calculation is carried out for credit losses, in order to incorporate the estimated impact of factors not deemed to have been considered in the model (Stage 1 and Stage 2), or which have not been considered in manual calculations (Stage 3). The model-based calculations are constructed with the ambition of making as accurate estimations as possible of the individual contributions to the overall provision requirement. However, it is very difficult to incorporate all of the particular characteristics that define an individual agreement into a general model. For this reason, a manual analysis is carried out of the agreements which give the largest contributions to the overall provision requirement. The manual analysis aims to apply expert knowledge about the individual credits to an assessment of whether the model-based or manual calculations need to be replaced with an expert-based calculation. An expert-based calculation may entail either a higher or lower provision requirement than the original calculation.

Expert-based calculation can also be carried out at a more aggregate level to adjust the model-based calculations for a sub-portfolio or similar. These adjustments are distributed proportionally over the agreements involved. An expert-based calculation may entail either a higher or lower provision requirement than the original calculation.

Recognition and presentation of credit losses

- Financial assets measured at amortised cost are recognised on the balance sheet at their net amount, after the deduction of expected credit losses.
- Off-balance sheet items (financial guarantees and irrevocable loan commitments) are recognised at their nominal amounts. Provisions for expected credit losses on these instruments are recognised as a provision on the balance sheet.
- Financial assets at fair value through other comprehensive income are measured at fair value on the balance sheet. Provisions for expected credit losses on these instruments are recognised in the fair value reserve in equity and do not, therefore, reduce the carrying amount of the instrument.
- For financial assets measured at amortised cost and off-balance sheet items, the period's credit losses (expected and actual) are recognised in the income statement under the item Credit losses. The item Credit losses consists of the period's provisions for expected credit losses, less reversals of previous provisions, as well as write-offs and recoveries during the period.
- For financial assets measured at fair value through other comprehensive income, the credit losses for the period (expected and actual) are recognised in the income statement under the item Net gains/losses on financial transactions.

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- Write-offs consist of actual credit losses, less reversals of previous provisions for expected credit losses in Stage 3 and may refer to either the entirety or parts of a financial asset. Write-offs are recorded when there is deemed to be no realistic possibility of repayment. Following a write-off, the claim on the borrower and any guarantor normally remains and is thereafter, as a rule, subject to enforcement activities. Enforcement activities are not pursued in certain situations, such as when a trustee in bankruptcy has submitted their final accounts of the distribution of assets in conjunction with the bankruptcy, when a scheme of arrangement has been accepted or when a claim has been conceded in its entirety. Claims for which a concession is granted in conjunction with a restructuring of financial assets are always recognised as actual credit losses.
- Payments to the Bank in relation to written-off financial assets are recognised in income as recoveries.

Further information on credit losses is provided in note G10.

Default/Credit-impaired asset
The Bank's definition of default is identical to the definition applied in the Capital Requirements Regulation (CRR), entailing either that the counterparty is over 90 days overdue with a payment or that an assessment has been made that the counterparty will be unable to fulfil its contractual payment obligations. Such an assessment implies that it is deemed to be more likely that the borrower will be unable to pay than that they will be able to pay. The assessment is founded on all available information about the borrower's repayment capacity. Consideration is given to indicators of insolvency such as insufficient liquidity, late and cancelled payments, records of non-payment or other signs of impaired repayment capacity. Other signals may include the borrower entering into bankruptcy or the granting of a substantial forbearance measure entailing a decrease in the value of the Bank's claim on the borrower.

The probability of default is calculated before each reporting date and is incorporated in the assessment of whether there has been a significant increase in the credit risk since the initial recognition, as well as in the calculation of expected credit losses for financial assets in Stage 1 and Stage 2.

A credit-impaired financial asset, which is an exposure in Stage 3, is defined as an exposure in default. This means that the assessment for accounting purposes is consistent with the assessment used in the Group's credit risk management.

Interest
In Stage 1 and Stage 2, recognition of interest income attributable to items on the balance sheet is based on gross accounting, which means that the full amount of interest income is recognised under Net interest income. In Stage 3, interest income is recognised net, that is, taking into account impairment. Interest rate effects arising due to discounting effects, attributable to the decrease of the period until the expected payment, result in a reversal of previously provisioned amounts and are recognised as interest income in accordance with the effective interest method.

Valuation of repossessed property and equipment to protect claims
Upon initial recognition, repossessed property and equipment is recognised at fair value on the balance sheet. Repossessed property and equipment (including repossessed lease assets) which is expected to be divested in the near future is valued at the lower of the carrying amount and fair value less costs to sell. Unlisted shareholdings taken over to protect claims are normally recognised at fair value through profit or loss.

Modified financial assets
A loan is seen as modified when the terms and provisions which determine the cash flows are amended relative to those in the original agreement as the result of forbearance measures or commercial renegotiations. Forbearance measures refer to changes in terms and conditions in conjunction with restructurings or other financial relief measures. Such changes are implemented with the objective of securing repayment in full, or of maximising the repayment of the outstanding loan amount, from lenders experiencing, or facing, financial difficulties. Commercial renegotiations refer to changes to terms and conditions which are not related to a borrower's financial difficulties, such as changes in the cash flow for a loan arising due to changes in the market conditions for repayment or interest.

If the cash flows from a financial asset which is classified as measured at amortised cost have been modified, but the cash flows have not significantly changed, the modification does not normally cause the financial asset to be derecognised from the balance sheet. In such cases, the gross carrying amount is recalculated on the basis of the changed cash flows of the financial asset, and the adjustment amount is recognised in the income statement.

As there may be various reasons for carrying out a modification, there is no unconditional connection between modifications and assessed credit risk. When a financial asset is subject to forbearance measures and the asset remains on the balance sheet, it is classified in Stage 2 or Stage 3, based on the outcome of the assessment made when granting the forbearance measure. The assessment involves a check of whether a provision is required for credit loss, or other circumstances which result in classification in Stage 3.

If a financial asset is modified in a way that results in significantly changed cash flows, the modified financial asset is derecognised from the balance sheet and replaced with a new agreement. In such cases, the modification date constitutes the initial recognition date for the new agreement and this date is used thereafter for the calculation of expected credit losses and for the assessment of whether there has been a significant increase in the credit risk since the initial recognition.

7. Hedge accounting (IAS 39 Financial Instruments: Recognition and Measurement)

Handelsbanken has elected to continue to apply the hedge accounting rules in IAS 39, in accordance with the transitional rules in IFRS 9. The Group applies different methods for hedge accounting, depending on the purpose of the hedge. Derivatives – mainly interest rate swaps and cross-currency interest rate swaps – are used as hedging instruments. When hedging foreign exchange risks related to net investments in foreign operations, liabilities in the functional currency of the respective foreign operation are used as a hedging instrument. As part of the Group's hedging strategies, the value changes of a hedging instrument are sometimes divided into separate components and included in more than one hedging relationship. Therefore, one and the same hedging instrument can hedge different risks. Division of hedging instruments is only done if the hedged risks can clearly be identified, the efficiency can be reliably measured, and the total value change of the hedging instrument is included in any hedging relationship.

Fair value hedges are used to protect the Group against undesirable impact on profit/loss due to exposure to changes in market prices. Fair value hedges are applied for individual assets and liabilities and for portfolios of financial instruments. Hedged risks in hedging relationships at fair value comprise the interest rate risk on lending and funding at fixed interest rates. The hedging instruments in these hedging relationships consist of interest rate swaps. In the case of fair value hedges, the hedging instrument and hedged risk are both recognised at fair value. Changes in value are recognised directly in the income statement under Net gains/losses on financial transactions. When portfolio hedging is applied, the value of the hedged item is reported as a separate line item in the balance sheet in conjunction with Loans to the public. When fair value hedges are terminated early, the accrued value change on the hedged item is amortised under Net gains/losses on financial transactions during the remaining time to maturity. When a fair value hedge is terminated early, and the hedged item

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no longer exists, the value change generated is reversed directly under Net gains/losses on financial transactions.

Cash flow hedges are applied to manage exposures to variations in cash flows relating to changes in the floating interest rates on lending and funding. The expected maturity for this type of lending and funding is normally much longer than the interest rate adjustment period, which is very short. Cash flow hedging is also used to hedge foreign exchange risk in future cash flows deriving from lending and funding. Foreign exchange risks deriving from intra-group monetary items can also be subject to this type of hedging, if they give rise to currency exposures which are not fully eliminated on consolidation. Derivatives which are hedging instruments in cash flow hedges are measured at fair value. If the derivative's value change is effective – that is, it corresponds to future cash flows related to the hedged item – it is recognised as a component of Other comprehensive income and in the hedge reserve in equity. Ineffective components of the derivative's value change are recognised in the income statement under Net gains/losses on financial transactions. When a cash flow hedge is terminated early, the cumulative gain or loss on the hedging instrument previously recognised in other comprehensive income is amortised under Net gains/losses on financial transactions during the period in which the hedged cash flows are expected to occur. If cash flow hedges are terminated early and the hedged cash flows are no longer expected to occur, the accumulated value change in the hedge reserve is reclassified to Net gains/losses on financial transactions.

Hedging of net investments in foreign entities is applied to protect the Group from exchange differences due to operations abroad. Loans in foreign currencies are used as hedging instruments. The hedged item in these hedges comprises the exposure in the foreign currency attributable to the carrying amount of the initial portion of the net assets in a foreign operation. Loans in foreign currency that hedge net investments in foreign operations are recognised in the Group at the exchange rate on the balance sheet date. The effective part of the exchange differences for such loans is recognised as a component of Other comprehensive income and in the translation reserve in equity. The ineffective components of hedges of net investments in foreign operations are recognised in the income statement under Net gains/losses on financial transactions.

For more information, see note G23 Hedge accounting.

8. Insurance operations

Classification

Handelsbanken's insurance contracts can be comprised of risk insurance components, savings insurance components, or both. Classification as an insurance contract or an investment contract is determined by the specific insurance components (savings insurance components/risk insurance components) in the contract, as these have differing financial implications. The savings insurance components of traditional life insurance contracts, as well as risk insurance contracts and risk insurance components separated from combined traditional life insurance contracts and unit-linked insurance contracts, transfer significant insurance risk and are classified, measured and recognised as insurance contracts. The savings insurance component in unit-linked insurance contracts and portfolio bond insurance contracts is classified as an investment contract and recognised in accordance with IFRS 9.

Insurance contracts' level of aggregation

Handelsbanken has identified portfolios of insurance contracts on the basis of the insurance risks to which they expose the Bank. For the savings insurance components of the traditional life insurance contracts, all contracts have been deemed to be profitable. Furthermore, a significant amount of time has elapsed since these contracts were signed and it is no longer possible to sign new contracts of this product type, which is why only one portfolio and grouping have been identified. For risk insurance contracts and risk insurance components, each respective insurance product constitutes a separate portfolio. Since all contracts have been deemed to be profitable, only one grouping per portfolio has been identified. These groupings have been separated further based on the contracts signed more than one year apart not being included in the same grouping.

Measurement of insurance contracts

Handelsbanken applies the general measurement model when measuring the liability for the remaining insurance coverage for the savings insurance components of the traditional life insurance contracts. The reason that the general measurement model is applied is that these contracts have tenors that are significantly longer than one year, and the high benefits in the contracts results in non-conditional disbursements of supplementary amounts, which are those that vary according to the returns on the underlying assets, that are not expected to comprise a material proportion of the total disbursements. Under the general measurement model, the liability for remaining coverage is measured as the total of the expected present value of future cash flows, a risk adjustment and a contractual service margin. Handelsbanken has not identified onerous contracts.

Liability for incurred claims are measured as the total of the expected present value of future cash flows and a risk adjustment. However, claims with an expected settlement date within 12 months are not discounted. For a more detailed description of the expected present value of future cash flows, risk adjustment and contractual service margin, see note G34.

Handelsbanken applies the premium allocation approach when measuring the liability for remaining coverage in risk insurance contracts and risk insurance components separated from combined traditional life insurance contracts and unit-linked insurance contracts, and for reinsurance contracts. The reason that the premium allocation approach is applied is that these contracts have a tenor of a maximum of one year. The liability for remaining coverage is not discounted and instead is measured at received, but not yet earned premiums. Received premiums are recognised as income on a straight-line basis as the coverage is provided. Handelsbanken has not identified onerous contracts.

Recognition of insurance contracts and reinsurance contracts held

The liability for remaining coverage and liability for incurred claims are recognised under the balance-sheet item Insurance liabilities. Assets and liabilities relating to reinsurance contracts held are recognised in the items Other assets and Other liabilities, respectively. The net result from insurance contracts is presented as a total under the item Net insurance result in profit or loss. Net insurance result includes the items Insurance result and Return on assets held on behalf of policyholders. The line Insurance result includes income and expenses attributable to insurance contracts as well as operating expenses. The line Return on assets held on behalf of policyholders is recognised in accordance with IFRS 9, but is included in net insurance result since the assets are attributable to contracts that are recognised as insurance contracts. The effects of a changed discount rate when measuring the savings insurance component of traditional life insurance contracts, which are accumulated in the item Insurance contracts in equity, are recognised in Other comprehensive income. Upon the transition to IFRS 17, the amount in Other comprehensive income was zero.

Recognition and measurement of investment contracts

The savings insurance component in unit-linked insurance contracts and portfolio bond insurance contracts comprises investment contracts. These contracts and the associated investment assets are measured at fair value through profit or loss. These items are rec-

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ognised on the balance sheet under Assets and Liabilities where the customer bears the value change risk, respectively. Premium fees, asset fees and other administrative charges from investment contracts are recognised in the income statement under Fee and commission income. Acquisition costs are also recognised directly in the income statement. Changes in the values of assets and liabilities are recognised under Net gains/losses on financial transactions.

9. Assets held for sale and accounting of discontinued operations (IFRS 5)

Non-current Assets Held for Sale and Discontinued Operations
Non-current assets or a group of assets, possibly with some directly associated liabilities, (disposal group) are classified as held for sale when the carrying amount will be mainly recovered through a sale and when a sale is highly probable. If an asset is classified as held for sale, special valuation principles are applied. These principles essentially mean that, with the exception of items such as financial assets and liabilities (see point 4), assets held for sale and disposal groups are measured at the lower of the carrying amount and fair value less costs to sell. Thus, property and equipment or intangible assets held for sale are not depreciated or amortised. Any impairment losses and subsequent revaluations are recognised directly in the income statement. However, a gain is not reported to the extent that it exceeds previously recognised accumulated impairment. Assets and liabilities held for sale are reported as a separate item on the Group's balance sheet until the time of sale.

Independent operations of a material nature which can be clearly differentiated from the Group's other operations, and which have either been divested or are classified as held for sale using the policies described above, are recognised as discontinued operations. In recognition as a discontinued operation, the operation's profit is reported on a separate line in the income statement, separately from other profit/loss items. Profit or loss from discontinued operations comprises the profit or loss after tax of discontinued operations, the profit or loss after tax that arises when valuing the assets held for sale/disposal groups that are included in discontinued operations at fair value less costs to sell, and realised gains/losses from the disposal of discontinued operations. For disclosures regarding assets and liabilities held for sale and discontinued operations, see note G14.

10. Equity

Equity comprises the components described here.

Share capital
There are two classes of Handelsbanken's share: class A and class B. Class A shares each carry one vote, while class B shares have one-tenth of a vote. Both classes of share entail the same right to dividends.

Share premium reserve
The share premium reserve comprises the options component of issued convertible debt instruments and the amount that in the issue of shares and conversion of convertible debt instruments exceeds the quota value of the shares issued.

Other reserves
Defined benefit pension plans
The item Defined benefit pension plans is comprised of actuarial gains and losses on the pension obligation, as well as the return on plan assets that exceeds or falls below the return based on the discount rate.

Cash flow hedges
Unrealised changes in the value of derivative instruments which comprise hedging instruments in cash flow hedges are reported in the item Cash flow hedges (Hedge reserve) to the extent that the hedge is effective, that is to say, has corresponding future cash flows attributable to the hedged item.

Fair value through other comprehensive income
Unrealised changes in the value of financial assets classified as measured at fair value through other comprehensive income are recognised in the item Fair value through other comprehensive income (Fair value reserve). Furthermore, the item includes provisions for expected credit losses on debt instruments classified as measured at fair value through other comprehensive income. Realised changes in the value of debt instruments classified as measured at fair value through other comprehensive income are reclassified from the item fair value through other comprehensive income to profit or loss. Realised changes in the value of equity instruments classified as measured at fair value through other comprehensive income are reclassified from the item fair value through other comprehensive income to retained earnings.

Insurance contracts
The effects of a changed discount rate when measuring the savings insurance component of traditional life insurance contracts are recognised in the item Insurance contracts.

Translation of foreign operations
The item Translation foreign currencies (Translation reserve) comprises unrealised foreign exchange effects arising due to translation of foreign entities to the presentation currency of the consolidated accounts. In addition, effective parts of hedges of net investments in foreign operations are recognised in the item, as well as translation differences that have arisen from non-monetary items classified as measured at fair value through other comprehensive income.

Retained earnings including profit for the year
Retained earnings comprise the profits generated from the current and previous financial years. Dividends and repurchases of own shares are reported as deductions from retained earnings.

Realised gains/losses attributable to equity instruments classified as measured at fair value through other comprehensive income are reclassified from the item fair value through other comprehensive income to retained earnings.

Non-controlling interest
Non-controlling interest consists of the portion of the Group's net assets that is not directly or indirectly owned by holders of the parent company's ordinary shares. Non-controlling interest is recorded as a separate component of equity.

11. Income

Net interest income
Interest income and interest expenses are recognised as Net interest income in the income statement, with the exception of interest flows deriving from financial instruments mandatorily measured at fair value through profit or loss, which are recognised under Net gains/losses on financial transactions, where the overall activity in the trading book is recognised.

Interest income and interest expenses for financial instruments at amortised cost are calculated and recognised by applying the effective interest method or, where considered appropriate, by applying a method that results in an amount constituting a reasonable estimate of the results of a calculation based on the effective interest method. Effective interest includes fees which are considered an integral part of the effective interest rate of a financial instrument (generally fees compensating for risk). The effective interest rate corresponds to the rate used to discount future contractual cash flows to the carrying amount of the financial asset or liability.

Net interest income also includes interest from derivative instruments recognised through hedge accounting and interest from derivatives in economic hedges, as these hedge items for

G1 cont.

which the interest flows are recognised under Net interest income.

In addition to interest income and interest expenses, net interest income includes fees for deposit insurance.

Net fee and commission income
Fee and commission income is recognised at the point in time at which the performance obligation is satisfied, which corresponds to the transfer of control over the service to the customer. The total income is divided between each service and recognition in income depends on whether the services are fulfilled at a specific point in time, or over time. Fee and commission income in the form of, for example, management fees in asset management, is usually recognised at the rate these services are performed. Fee and commission income in the form of, for example, brokerage, card fees or payment commissions, is generally recognised when the service has been performed, i.e. at a specific point in time. When the income includes variable remuneration, such as a refund, bonus or performance-based element, the income is recognised only when it is highly probable that no repayment of the amount will take place. Lending fees not included in the effective interest are recognised as fee and commission income. Fee and commission expenses are transaction-based and directly related to transactions for which the income is recognised as Fee and commission income.

Net gains/losses on financial transactions
Net gains/losses on financial transactions includes all items with an impact on profit or loss that arise when measuring financial assets and liabilities at fair value through profit or loss, and when financial assets and liabilities are realised (with the exception of equity instruments classified as measured at fair value through other comprehensive income).

- Gains/losses on financial instruments at amortised cost consist of realised gains and losses on financial assets and liabilities classified as measured at amortised cost, such as early repayment charges for loans redeemed ahead of time, and capital gains/losses generated from repurchases of the Bank's own issued securities.
- Gains/losses on financial instruments at fair value through other comprehensive income consist of realised gains and losses on interest-bearing securities classified as measured at fair value through other comprehensive income. Realised gains and losses are reclassified from other comprehensive income to Net gains/losses on financial transactions in conjunction with a divestment/sale. The item also includes credit losses (expected and actual) on these assets.
- Gains/losses on financial instruments measured at fair value through profit or loss, fair value option, consist of unrealised and realised changes in the value of financial assets and liabilities that upon initial recognition were identified as measured at fair value through profit or loss.
- Gains/losses on financial instruments measured at fair value through profit or loss, mandatory, consist of unrealised and realised changes in value, dividend income and interest (with the exception of interest deriving from derivatives used to hedge items for which the interest flow is recognised in net interest income) on financial assets and liabilities held for trading, or which are managed and evaluated on the basis of fair value.
- Fair value hedges consist of unrealised and realised changes in the value of hedging instruments, and the hedged risk component in financial assets and liabilities which constitute hedged items in fair value hedges. Ineffective portion of cash flow hedges consists of changes in the value of hedging instruments which do not correspond to future cash flows attributable to the hedged item.
- Gains and losses arising as a result of translating monetary items in foreign currencies (meaning a different currency to the functional currency), and non-monetary items in foreign currencies that are measured at fair value, using the prevailing closing rate on the balance sheet date. Gains/losses on financial assets and liabilities in foreign currencies measured at amortised cost, translated at the prevailing closing rate on the balance sheet date, are thus recognised under Net gains/losses on financial transactions.
- Return on assets held on behalf of policyholders are deducted from Net gains/losses on financial transactions since they are included in Net insurance result.

Dividend
Dividends on shares measured at fair value through other comprehensive income are recognised in the income statement under the item Other dividend income. Dividends on shares measured at fair value through profit or loss are recognised in the income statement under the item Net gains/losses on financial transactions. Any dividends from associates and joint ventures are deducted from the carrying amount of the investments in associates and joint ventures.

12. Employee benefits (IAS 19 Employee Benefits)

Staff costs
Staff costs consist of salaries, pension costs and other forms of direct staff costs including social security costs, special payroll tax on pension costs and other forms of payroll overheads. Any remuneration in connection with terminated employment is recognised as a liability when the agreement is reached and amortised over the remaining employment period.

Accounting for pensions
The Bank's post-employment benefits consist of pension obligations that are classified as either defined contribution plans or defined benefit plans. For defined contribution plans, the Bank pays fixed premiums into a separate legal entity, and the employee bears the value change risk until the funds are paid out. For these plans, the Bank has no further obligations after the premiums have been paid. Premiums paid for defined contribution plans are recognised in the income statement as staff costs as they arise, by means of the employee rendering services to the Bank.

Other pension obligations are classified as defined benefit plans. For defined benefit pension plans, the pension payable is based on the salary and period of employment, implying that the Bank bears all the material risks for fulfilling the pension obligation. The Projected Unit Credit Method is applied to calculate the pension obligations and associated costs, and the present value of the pension commitment is recognised as a pension obligation. For the majority of defined benefit plans, the Group has kept plan assets, for the purpose of covering the obligation, separately in pension foundations and a pension fund or similar. The pension obligations minus the fair value of the plan assets are reported as net pensions on the balance sheet. The pension costs for defined benefit plans are recognised in the income statement as staff costs, which comprises the cost of the pension rights earned during the year, interest expense on the pension obligation and interest income on the plan assets. The calculation of pension rights earned during the year is based on an estimated final salary and is subject to actuarial assumptions, and refers to the proportion of the calculated final total pension payment for the year. The same interest rate is applied in calculating interest expense and interest income for the year as is used for the current corporate bond rate (the rate at the start of the year) for maturities corresponding to the period remaining until the pension liability is due to be disbursed. Actual gains and losses on the pension obliga-

G1 cont.

tion arising when the actual outcome deviates from assumptions are recognised in other comprehensive income, as is the difference between actual return and estimated interest income on the plan assets.

Calculation of costs and obligations resulting from the Group's defined benefit plans depends on several assessments and assumptions which may have a considerable impact on the amounts reported. A more detailed description of these assumptions and assessments is provided in section 13 and in note G8.

13. Material assessments and estimates

In certain cases, the application of the Group's accounting policies means that management must make assessments (in addition to those applying to estimates) that have a material impact on amounts reported. The amounts reported are also affected, in a number of cases, by assumptions about the future and estimates. Assumptions and sources of uncertainty in estimates always imply a risk for adjustment of the carrying amount of assets and liabilities. The assessments, assumptions about the future and estimates applied always reflect management's best and fairest assessments and are continually subject to examination and validation.

The assessments, assumptions about the future and estimates that have had a material impact on the financial reports are described below.

Consolidated accounts

A structured entity is an entity that has been formed to achieve a limited and well-defined purpose, and designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. Handelsbanken's interests in structured entities are limited to holdings in funds.

Funds for which the Bank is the asset manager and in which the Bank holds more than 50% of the units are consolidated. The Bank's interests in the fund are recognised at fair value on the line Shares in the balance sheet. The remaining portion of the fund's fair value is consolidated and recognised in the line items Assets where the customer bears the value change risk and Liabilities where the customer bears the value change risk in the balance sheet. Holdings ranging between 20% and 50% are consolidated in certain cases if the circumstances indicate that the Bank has control of them, for example, because the fund has a broad management mandate and generates a high proportion of variable returns.

Interests under unit-linked insurance contracts are not assessed as entailing that the Group is exposed to variable returns. These interests are excluded from the assessment of whether control over the fund exists. Units in funds under unit-linked insurance contracts are recognised as Assets where the customer bears the value change risk, while the corresponding liability for unit-linked insurance contracts is recognised as Liabilities where the customer bears the value change risk.

For further information about interests in unconsolidated structured entities, see note G49.

Financial instruments at fair value

The categorisation of financial instruments at fair value in level 1, level 2 and level 3 requires assessments of the degree of transparency regarding market data used in the valuation. Financial instruments measured at current market prices in an active market are included in level 1. The financial instruments measured based on valuation models using inputs that essentially can be verified using market observations are included in level 2. Financial instruments measured based on valuation models that to a material extent are affected by input data that cannot be verified using external market data are categorised as level 3. Accordingly, assessments have been made to identify the financial instruments that do not have an active market. Furthermore, assessments were made in selecting the valuation models to be applied and which inputs are to be used in the valuation models.

The starting point is that inputs used in the valuation models can essentially be verified using market observations, such as quoted share prices and interest rates. Whenever the inputs for a valuation model cannot be verified to a material extent using external market data, it is necessary for management to apply its own assumptions and estimates for calculating the fair value. However, the Bank's holdings of financial assets classified in Level 3 represent only a minor share of total financial assets measured at fair value. The Bank has an established control environment for determining the fair values of financial instruments which includes a review of valuation models and market prices performed by the risk control function. The carrying amounts of financial instruments at fair value are presented in note G42 Fair value measurement of financial instruments.

For more information about material assessments for the fair value measurement of financial instruments and the assumptions applied, see note G1 section 5 Principles for fair value measurement of financial assets and liabilities and note G42 Fair value measurement of financial instruments.

Classification of insurance contracts and calculation of insurance liabilities

Under IFRS 17, the basis of application of the standard is the legal insurance contract if this is deemed to transfer a significant insurance risk. The Bank has assessed that the classification as an insurance contract or an investment contract is to be determined by the specific insurance components (savings insurance components/risk insurance components) in the contract, as these have differing financial implications. A separation of the savings insurance and risk insurance components provides the most correct reporting since only the latter transfers significant insurance risk. The Bank's assessment is that it would have a marginal effect on the Bank's financial position or earnings if all combined unit-linked insurance contracts had been recognised in accordance with IFRS 17, due to the short contract tenors. The contracts refer to long-term savings but, according to the accounting judgement, have only short contract tenors (up to one year) since the price can be adjusted on an ongoing basis.

Assumptions about the future are applied when calculating the expected present value of future cash flows for the insurance liability, which entails that the calculation is associated with uncertainty. The carrying amounts of insurance liabilities are presented in note G34 Insurance liabilities.

For more information about material assessments and the assumptions and estimates applied to the calculation of insurance liabilities, and the decision-making process, see note G34 Insurance liabilities.

Actuarial calculation of defined benefit pension plans

Calculation of the Group's expense and obligations for defined benefit pensions is based on a number of actuarial, demographic and financial assumptions that management has deemed have a significant impact on the carrying amount. Note G8 Staff costs presents a list of the most significant assumptions used when calculating this year's provision. The discount rate for defined benefit pensions is assessed every quarter and other assumptions are assessed annually or when a material change has occurred.

The discount rate used by the Bank in the calculation is based on a number of first-class, liquid corporate bonds with varying maturities. For corporate bonds with maturities corresponding to the estimate average maturity of the pension obligation, this currently being 20 years, the discount rate is determined of the basis of market interest rates. In order to create a stable base of bonds, when the selection of corporate bonds with maturities corresponding to that of the pension liability is inadequate, corporate bonds with a maturity shorter than that of the pension liability are also used as the basis for determining the discount rate. For these, the discount rate is determined on the basis of a yield curve. The yield curve is constructed as a spread over the Swedish swap curve. The spread, which is based on corporate

G1 cont.

bonds, excluding own issues, is applied to the swap curve. In this way, a yield curve is modelled and a 20-year yield can be derived from this. The carrying amounts of pension obligations are presented in note G8 Staff costs.

Note G8 Staff costs provides a sensitivity analysis of the Group's pension obligations for all major actuarial assumptions. This shows how the obligation would have been affected by reasonably feasible changes in these assumptions.

Credit losses

Material assessments, assumptions about the future and estimates were made when calculating expected credit losses. The valuation of expected credit losses is inherently associated with a certain degree of uncertainty. Areas involving a high degree of assessments and estimates are described below under the respective headings.

Future-oriented information in macroeconomic scenarios

Handelsbanken continuously monitors macroeconomic developments, with a particular focus on the home markets. Through this monitoring, the Bank develops the macroeconomic scenarios which form the basis for the future-oriented information used in the model-based calculation of expected credit losses. The capacity of the Bank's customers to fulfil their contractual payments varies in line with macroeconomic developments. Consequently, future macroeconomic developments have an impact on the Bank's view of the provision needed to cover expected losses. The calculation of the provision requirement for expected credit losses is based on the neutral scenario proposed by the Bank's macroeconomic research unit.

As the losses may be more highly affected by a future deterioration of economic trends than by the equivalent improvement, the Bank uses at least two alternative scenarios to take into account the non-linear aspects of expected credit losses. These alternative scenarios represent conceivable developments, one significantly worse and one significantly better than the neutral scenario. The most significant macroeconomic risk factors have been selected on the basis of the Bank's loss history over the past decade, supplemented with experience-based assessments. These macroeconomic risk factors are then used in the Bank's quantitative statistical models for forecasting migrations, defaults, loss rates and exposures. The macroeconomic risk factors include unemployment, key/central bank rates, GDP, inflation and property prices. The Bank's business model, to offer credit to customers with a high repayment capacity, means that the connection between the macroeconomic developments and the provision requirement is not always especially pronounced. For a more detailed description of macroeconomic information, see the "Credit risks" section of note G2.

The calculation of expected credit losses applies forward-looking information in the form of macroeconomic scenarios. A change in the macroeconomic scenarios, or in the probability weights applied, affects both the assessment of significant increases in credit risk and the estimated expected credit losses. The carrying amounts of provisions for expected credit losses are presented in note G10 Credit losses. For a description and the outcome of sensitivity analyses, see note G10 Credit losses.

Significant increase in credit risk

The Bank makes an assessment at agreement level at the end of each reporting period as to whether there has been a significant increase in credit risk since initial recognition. For a more detailed description of significant increases in credit risk, see the "Credit risks" section of note G2.

Model-based calculation

The quantitative models which form the basis for the calculation of expected credit losses for agreements in Stage 1 and Stage 2 make use of several assumptions and assessments. One key assumption is that the quantifiable relationships between macroeconomic risk factors and risk parameters in historical data are representative of future events. The quantitative models applied are based on a history of approximately ten years, although this history varies by product and region due to inconsistency in the availability of historical outcomes. The quantitative models have been constructed with the help of econometric models, applying the assumption that the observations are independently conditioned by the risk factors. This means that the risk parameters can be predicted without distortion. Furthermore, a selection of the most significant macroeconomic risk factors is made on the basis of the macroeconomic risk factors' explanatory power in relation to individual risk parameters. The selection of the macroeconomic risk factors and specification of the model are made to achieve a balance between simplicity, demonstrative ability and stability. Currently, no climate-related factors have been included in the models, but the matter is subject to continuous assessment. Climate-related risks, and certain other environmental risks, are assessed in the credit process and are included in the internal rating at counterparty level, which comprises a risk factor that impacts the calculation of forward-looking probabilities for the risk parameters PD, LGD and EAD. For a more detailed description of models and model validations, see the "Credit risks" section of note G2.

Manual and expert-based calculation

Assets in Stage 3 are tested for impairment at agreement level using a manual calculation. For impairment testing, material assessments are made regarding such factors as future cash flows, the scenarios to be applied and the probability of the various scenarios occurring, and to assess the value of the collateral. For a more detailed description of manual calculations, see point 6 under the heading "Manual calculation" and the "Credit risks" section of note G2.

Expert-based calculation is carried out for model outcomes on agreements in Stage 1 and Stage 2, in order to incorporate the estimated impact of factors not deemed to have been considered in the model, as well as for manually assessed agreements in Stage 3. Expert-based calculations are performed based on expert knowledge of individual loans and/or sub-portfolios, which involves making material assessments. For a more detailed description of expert-based calculations, see point 6 under the heading "Expert-based calculation."

Other assessments

Sustainability risks

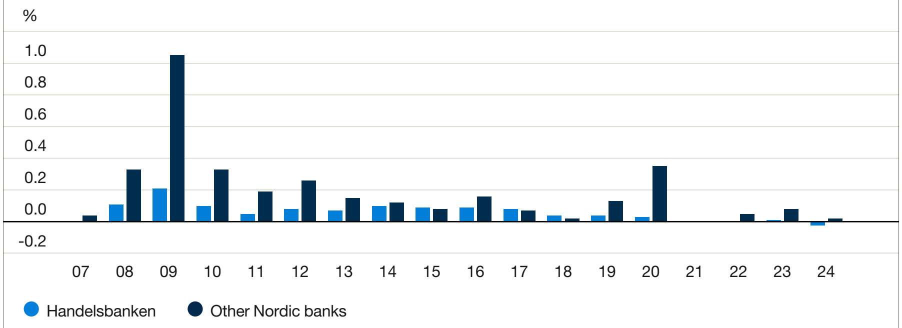
When preparing the annual report, material assessments were made regarding the extent to which sustainability risks, mainly climate-related and certain other environmental risks, have impacted the financial statements and the estimates and assumptions applied. The assessment is that it is essentially expected credit losses that could potentially be impacted by climate and other environmental risks (see Credit losses above). The Bank continuously performs assessments of whether sustainability risks could potentially impact other areas of the financial statements, which mainly consist of fair value measurement of financial instruments and provisions and contingent liabilities. These assessments did not identify any requirement to consider sustainability risks for areas other than expected credit losses. The Bank's overall assessment is that sustainability risks have not had a material impact on the financial statements for 2024.

G2 Risk and capital management

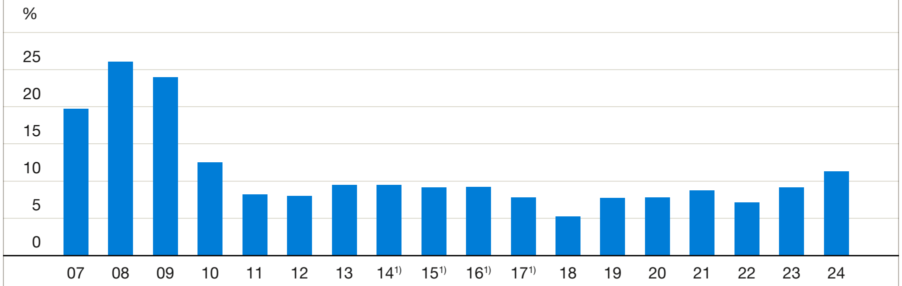
Handelsbanken's low risk tolerance is a central element of the Bank's business concept. The low risk tolerance, together with a decentralised way of working, stable finances, and accountability, make up the foundation of Handelsbanken's long-term customer relationships.

The information in this note includes the disposal groups in Finland, which have been reclassified to Assets held for sale and Liabilities held for sale on the balance sheet, respectively, and which constitutes discontinued operations, see note G14.

Credit losses as % of loans 2007–2024



Net gains/losses on financial transactions as a proportion of profit 2007–2024



1) Excluding non-recurring items.

Resilient risk management

The aim of Handelsbanken's capital and liquidity planning is to ensure that the Bank remains a going concern in both normal conditions and under stress. The result of this is a strong capital and liquidity situation and continuous access to the financial markets via the Bank's short-term and long-term funding programmes.

The Bank has a large and high-quality liquidity reserve, which provides a good degree of resistance to possible disruptions in the financial markets. Handelsbanken Treasury's liquidity portfolio, which is part of the Bank's liquidity reserve, has a low risk profile and primarily consists of balances with central banks, government bonds and covered bonds. In addition, there is a comprehensive unutilised issue amount for covered bonds at Stadshypotek. Liquidity reserves are kept in all currencies that are important to the Bank. Operations can thus be maintained for a considerable period of time even in an extreme situation when markets are closed. The total liquidity reserve including the unutilised issue amount covers the Bank's liquidity requirements for more than three years in a stressed scenario.

The Bank's capital situation remains strong. Good earnings and low credit losses during the year have contributed to this.

The Bank performs special stress tests, which consider such factors as the macroeconomic and geopolitical situation, the prevailing market situation and the effects of climate change to be able to act at an early stage if the liquidity or capital situation were to deteriorate.

The geopolitical security situation has heightened the risk of different types of attacks on critical infrastructure in society. The Bank's security department is monitoring developments and assesses the risk of various scenarios on an ongoing basis.

Risk tolerance

Handelsbanken has a low risk tolerance based on an overall strategy of avoiding or minimising risk and thereby remaining a stable business partner for its customers regardless of the economic climate or market situation. The low risk tolerance is the foundation of the risk management framework applied by the Bank. This framework comprises the strategies, processes, limits, controls and reporting procedures that are stipulated in steering documents at various levels in the Group.

The Bank's business model is centred on taking and managing credit risks in the branch operations with the aim of establishing long-term relationships with customers that have a good repayment capacity and strong financial position. The quality requirement must never be neglected in favour of higher credit volumes, higher prices or market share. For the past few decades, Handelsbanken's credit loss ratio has been significantly lower than the average of other Nordic banks. The Bank's starting point is that no credit shall lead to a loss. This approach governs how the branches grant and follow up credits.

In order to keep the Bank's exposure to market and liquidity risks within the low risk tolerance, such risks are only to occur as a natural part of customer business, in connection with the Bank's funding and liquidity management, and in its role as market maker. These risks are limited by matching interest rate adjustment periods and cash flows in different currencies, hedging open positions and maintaining a liquidity reserve of high quality.

The Bank's low tolerance for market risk has resulted in a comparatively low proportion of the Bank's earnings coming from net gains/losses on financial transactions.

In line with the low risk tolerance, the Bank endeavours to prevent operational risk and compliance risk as far as possible.

The risk tolerance for sustainability risks is also low and these risks are managed as an integral part of the Bank's traditional risk areas.

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Risks at Handelsbanken

Risk	Description
Credit risk	The risk of the Bank facing economic loss because the Bank's counterparties cannot fulfil their contractual obligations. Credit risk also includes counterparty risk in connection with transactions in currency, fixed-income, commodity and equities markets, meaning the risk that the counterparty is unable to meet its commitments.
Market risk	The risks arises from price and volatility changes in the financial markets. Market risks are divided into interest rate risk, equity price risk, foreign exchange risk and commodity price risk.
Liquidity risk	The risk that the Bank will not be able to meet its payment obligations when they fall due without being affected by unacceptable costs or losses.
Operational risk	The risk of loss due to inadequate or failed internal processes, human error, erroneous systems or external events. The definition includes legal risk, model risk, and information and communication technology (ICT) risk.
Compliance risk	The risk associated with the Bank's failure to comply with external and internal rules and regulations, accepted market practice and relevant standards that are applicable to the Bank's licensed operations, and the consequences that this could have for the Bank in the form of sanctions, material financial loss or loss of reputation.
Remuneration risk	The risk of loss or other damage arising due to the remuneration system.
Insurance risk	The risk in the outcome of an insurance that depends on the insured party's longevity or health.
Sustainability risk	The risk of financial loss or a tarnished reputation due to factors related to the environment and climate, social responsibility including human rights and labour, as well as governance issues. Sustainability risks are an integral part of the Bank's traditional risk areas above and may arise in own operations and through the Bank's business, such as granting credit and investments.

Risk strategy

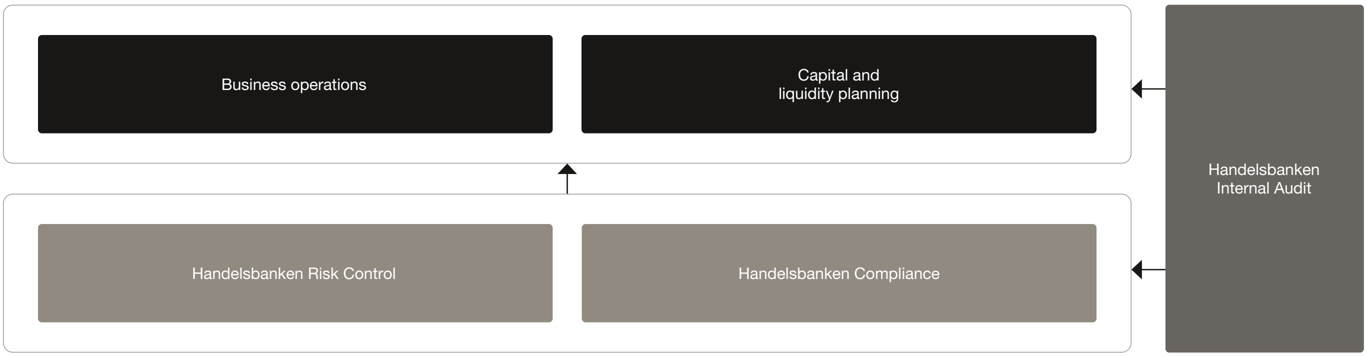
The Bank's operations entail a variety of risks that are systematically identified, measured, managed and reported in all parts of the Group. Handelsbanken's restrictive approach to risk means that the Bank deliberately avoids high-risk transactions, even if the expected financial reward may be high at the time.

The risk strategy is founded on a strong risk culture that is sustainable in the long term and applies to all areas of the Group. The risk culture is an integral part of the Bank's work and is deeply rooted among all employees. The Bank is characterised by a clear division of responsibility where each part of the business operations bears full responsibility for its business and for risk management. This results in high levels of risk awareness and prudence in the business operations. However, the decentralised business model is combined with both a centralised credit process and strong internal controls. The low risk tolerance is also reflected in the Bank's view on remuneration. The main principle is that remuneration must be fixed since this contributes to the long-term perspective which is a central element of Handelsbanken's business model. Performance-based variable remuneration is not offered to employees who, in their professional roles, have a material impact on the Bank's risk profile.

Lending has a strong local anchoring, where the close customer relationship and local knowledge promote low credit risks. In addition, the Group must be well capitalised in relation to its risks and hold liquid assets so that it can meet its payment obligations when they fall due, including in situations of financial stress when funding is not possible in the financial markets. Handelsbanken thus aims for a business model which is not affected by fluctuations in the business cycle.

This restrictive approach to risk over time means that the Bank is a stable and long-term business partner for its customers, regardless of the economic climate and market situation. It contributes to good risk management and to sustaining a high service level even when operations and the markets where the Bank operates are subject to strain. The same principles for the Bank's approach to risk apply in all countries where the Bank operates. For a more detailed description of how the Bank manages various risk areas, capital and liquidity, refer to the relevant sections of this note.

Handelsbanken's risk management and risk control



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Risk organisation

Handelsbanken applies the three lines of defence principle for the management, follow-up and control of the Bank's risks. The business operations and the units that support the business operations constitute the first line of defence, with responsibility for managing and restricting the risks facing the business in accordance with external and internal rules. The control functions Handelsbanken Risk Control and Handelsbanken Compliance constitute the second line of defence, and monitor and control the Group's risks, the work of the business operations, and compliance with applicable rules and regulations. The third line of defence is Handelsbanken Internal Audit, which examines all of the Bank's operations, including risk management, the work of the control functions and corporate governance. For additional information about the Bank's three lines of defence for risk management, refer to Handelsbanken's Corporate Governance Report on pages 40–58.

Handelsbanken's Board has overall responsibility for the Bank's risk management and establishes internal rules for this. The Board establishes policies and the CEO establishes guidelines describing how various risks should be managed and reported. The Board has established a Credit committee (composed of the CEO and the Chief Credit Officer, together with several Board members) to decide on certain credit cases, and a UK committee (composed of the Chairman of the Board, the CEO, CFO and an additional Board member) to facilitate follow-up of the operations in the UK.

The Board has also established a Risk committee, an Audit committee and a Remuneration committee, whose duties include preparing matters to be decided by the Board. The Risk committee also makes decisions such as on the significant parts of the Bank's risk rating and estimation processes linked to the IRB approach. The members of the Risk committee, Audit committee and Remuneration committee are comprised entirely of Board members. In addition, the CEO has established a Risk and Compliance committee for follow-up of risk management and for in-depth discussions regarding the Bank's overall risk situation prior to such matters being addressed by the Risk committee and the Board. For a more detailed description of the work of the committees and sub-committees, see Handelsbanken's Corporate Governance Report on pages 40–58. The Bank also has additional committees, such as the CFO's Asset and Liability committee (ALCO) and associated liquidity, capital, financial control and valuation sub-committees.

Reporting and monitoring of the risk and capital situation

In 2024, the CRO reported the Group's risks, except for compliance risks (see below), to the CEO, the Board's Risk committee and the Board at least quarterly. The reports have also been presented to the CEO's Risk and Compliance committee. The Group risk reports describe and analyse the Bank's risk profile and include the CRO's assessment of the Group's material risks and an assessment of whether there are significant deficiencies in the operation to report and address. The Group risk reports also include forward-looking risk assessments and must make possible an assessment of whether Handelsbanken is fulfilling the risk tolerance and the risk strategy decided by the Board. The Group risk reports are formulated in accordance with the Board's policy for risk control. In addition to the aforementioned Group risk reports, Handelsbanken Risk Control and Handelsbanken Credit report on both an ongoing and annual basis on the Bank's credit risk situation (including counterparty risks) and the IRB approach to the Bank's Executive Team, the CEO's Risk and Compliance committee, the Risk committee and the Board, as well as the boards of relevant subsidiaries. These reports include volume development and credits with heightened risk. The reporting includes evaluations of the internal risk rating processes, evaluations of the Bank's IRB models and observations from the validation of the Bank's IRB models.

Limit utilisation for market and liquidity risks is compiled and controlled on a daily basis by Handelsbanken Risk Control. Exceeded limits are immediately reported to the person who makes the decision about the limits. The liquidity risk is summarised and reported daily to the CFO and the CEO and to the Board at every regular Board meeting. The Liquidity committee, chaired by the Head of Handelsbanken Treasury, meets before each regular Board meeting and on other occasions when necessary. In Liquidity committee meetings, reports are presented on the current liquidity situation, on the results of stress tests, scenario analyses, and other information which is relevant for the assessment of the Group's liquidity situation.

The Bank's capital situation is reported weekly to the CFO and the CEO. In the event of a threshold being exceeded, or if the Head of Handelsbanken Capital Management or the CFO deems it appropriate for some other reason, proposals for appropriate measures must be presented to the CEO. The capital situation in a medium- and long-term perspective is summarised quarterly by the Capital committee. Handelsbanken Capital Management performs a complete update of the capital forecast on a quarterly basis, or when there are significant changes at the Bank.

The capital situation, utilisation of market risk limits and the liquidity situation are reported to the Board at least quarterly.

Operational risks and incidents which have occurred are reported continuously by branches and units throughout the Group to Handelsbanken Risk Control, where they are monitored. In turn, Handelsbanken Risk Control reports operational risk and incidents which have occurred to the CEO, the Board's Risk committee and the Board. Risks in the remuneration system are evaluated on an annual basis and reported to the Board's Remuneration committee and Risk committee. Operational risk reporting includes information regarding significant events, major losses, important proactive measures and an aggregated risk assessment at Group level. In addition, Handelsbanken Risk Control monitors that the actions which have been decided are implemented.

In 2024, the Chief Compliance Officer reported compliance risks at least quarterly to the CEO, the Board's Risk committee and the Board. These reports included compliance risks linked to financial crime, as well as data protection risks. The reports have also been presented in the CEO's Risk and Compliance committee.

G2 cont.

The Board's risk declaration and risk statement

The Board has decided on the following risk declaration and risk statement:
Risk declaration:
Handelsbanken has satisfactory arrangements for risk management which are fit for purpose in relation to the Bank's business goal, the risk tolerance and risk strategy which the Board has decided for the operations and the Bank's overall risk profile.

Risk statement:
Handelsbanken's business goal is to have higher profitability than the average of peer competitors in our home markets. This goal is mainly to be achieved by having more satisfied customers and lower costs than its competitors. Handelsbanken is a bank with a strong local presence and a decentralised way of working.

The Bank's low risk tolerance means that its overall risk profile is to be low. The Group must also be well capitalised at all times in relation to the risks, fulfil all requirements imposed by the authorities, and hold liquid assets so that it can meet its payment obligations, including in situations of financial stress in the short and long term. The Bank must also have appropriate protection and incident management capabilities in the event of an attack, disruption or interruption to the Bank's critical operations. The risk tolerance and the risk strategy support Handelsbanken's aim to have a business model that is independent of changes in the business cycle.

The Bank has, and will maintain, a low level of credit risk. The Bank's tolerance of credit risk is reflected in the expectation that the Bank will be able to have good capacity for granting credit without government support, even in a serious recession. This is achieved by such measures as its strong local presence and close customer relations. The quality of credits must never be neglected in favour of achieving higher volume or a higher margin. The Bank is selective when choosing customers with the requirement that borrowers have a good repayment capacity. As a consequence of this, the credit portfolio has a clear concentration on risk classes where the probability of loss is low. This consistent approach is reflected in the Bank's low credit losses over time. In 2024, credit losses were -0.02% (0.01) of loans to the public.

To ensure that the Bank is well capitalised in relation to the risks and has a good liquidity situation, the Board stipulates the Bank's risk tolerance for capitalisation and liquidity. When the risk tolerance for capitalisation is decided, the capital measure is set partly in relation to the statutory requirements and partly in relation to Handelsbanken's assessed capital requirement based on the Bank's model for economic capital (EC), which encompasses all of the Group's risks in one single metric. The risk tolerance for the Bank's liquidity risk is decided on the one hand through requirements that the Bank under stressed circumstances must have a sufficiently large liquidity reserve in the form of liquid assets and assets which can be pledged, including liquidity-generating measures to be able to continue its operations during determined time periods, and on the other hand through requirements regarding the accumulated net amount of incoming and outgoing cash flows in different time intervals.

The common equity tier 1 ratio must, under normal circumstances, exceed the total common equity tier 1 capital requirement communicated by the Swedish Financial Supervisory Authority by at least 1 percentage point. The leverage ratio must exceed the total capital requirement communicated by the Swedish Financial Supervisory Authority by at least 0.6 percentage points.

The ratio between AFR (Available Financial Resources) and EC must exceed 120%.

The Bank's assessment of the Swedish Financial Supervisory Authority's common equity tier 1 capital requirement at year-end 2024 was 14.9% (14.8), including the Swedish Financial Supervisory Authority's guidance of 0.5% within the framework of Pillar 2. Similarly, the Bank's assessment of the leverage ratio requirement was 3.5% (3.5), including the Swedish Financial Supervisory Authority's guidance of 0.5% within the framework of Pillar 2.

At the end of 2024, the Bank's common equity tier 1 ratio was 18.8% (18.8) and the AFR/EC ratio was 383% (366). The Bank must have accumulated positive net cash flows over a period of at least one year, taking into account the liquidity reserve, and with the assumption that parts of the non-fixed-term deposits from households and companies disappear during the first month. With Handelsbanken's total liquidity reserve, including liquidity-generating measures, the liquidity requirement would be covered for over three years during such stressed conditions.

The Bank's risk profile is in accordance with the risk tolerance and risk strategy established by the Board.

Credit risk

Credit risk is defined as the risk of the Bank facing economic loss because the Bank's counterparties cannot fulfil their contractual obligations.

Credit risk strategy

Handelsbanken's credit process is centralised and shared by the whole Group, although individual business decisions are made on a decentralised basis. The credit process is based on a conviction that a decentralised organisation with a local presence ensures high quality in credit decisions. The Bank is a relationship bank whose branches maintain regular contact with the customer. This gives the branch an in-depth knowledge of each individual customer and a continually updated picture of the customer's financial situation.

Rather than being a mass market bank, Handelsbanken is selective in its choice of customers, which means it seeks customers with a high creditworthiness. The quality requirement is never neglected in favour of higher credit volumes or to achieve higher returns. The Bank also avoids participating in financing that involves complex customer constellations, complex and opaque transactions, or high ESG risks.

When Handelsbanken assesses the credit risk of a specific customer, the assessment must start with the borrower's repayment capacity. The assessment includes an analysis of the customer's financial position, as well as the risks to which the customer is exposed and which could affect the stability of the customer's financial position over time. Part of the risk analysis is the Bank's assessment of how the customer is affected by ESG risks, including climate-related risk – both physical risks and transition risks. One of the first steps in analysing the repayment capacity is determining which sector the customer belongs to. We have to understand the challenges and the risks that are specific to the sector in question before we can analyse our individual customer. A weak repayment capacity can never be

G2 cont.

accepted on the grounds that good collateral has been offered to the Bank. Collateral may, however, substantially reduce the Bank's loss if the borrower cannot fulfil their obligations. Credits must therefore normally be adequately secured.

The branch's local presence and close relationships with its customers enable the branch to quickly identify any problems and take action. In many cases, this means that the Bank can take action more rapidly than would have been possible with a more centralised management of problem loans. The branch also has full financial responsibility for granting credits. Therefore, it addresses problems that arise when a customer has repayment difficulties and also bears any credit losses. If necessary, the local branch obtains support from the local credit department and central departments. The Bank's working methods make sure that all employees whose work involves transactions linked to credit risk acquire a solid and well-founded approach to this type of risk. This approach forms an important part of the Bank's culture. The work method and approach described are important reasons for the Bank reporting very low credit losses over a long period.

Credit organisation

In Handelsbanken's decentralised organisation, each branch responsible for customers has total credit responsibility. Customer and credit responsibility lies with the branch manager or with the employees at the local branch to whom the manager delegates this task.

In Handelsbanken's decentralised organisation, the documentation that forms the basis for credit decisions is always prepared by the branch responsible for the credit, regardless of whether the final decision is to be made at the branch, at county or national level, in the Board's Credit committee or by the Board. Credit decision documentation includes general and financial information regarding the borrower, and an assessment of their repayment capacity, loans and credit terms, as well as a valuation of collateral.

For national boards, the Board's Credit committee and the Board, the credit decision refers to the total amount of the credit limit with possible headroom for unsecured credits. For borrowers whose total loans exceed SEK 5 million, the credit decision is made in the form of a credit limit. In the case of loans to private individuals against collateral in the residential property, a limit requirement comes into play for amounts exceeding SEK 12 million. For loans to housing co-operative associations against collateral in the residential property, a limit is required for amounts exceeding SEK 12 million.

Credit limits granted are usually valid for a period of one year. However, certain circumstances allow for credit limits for housing co-operative associations to apply for up to a maximum of three years. When extending a credit limit, the decision procedure required is the same as for a new credit limit.

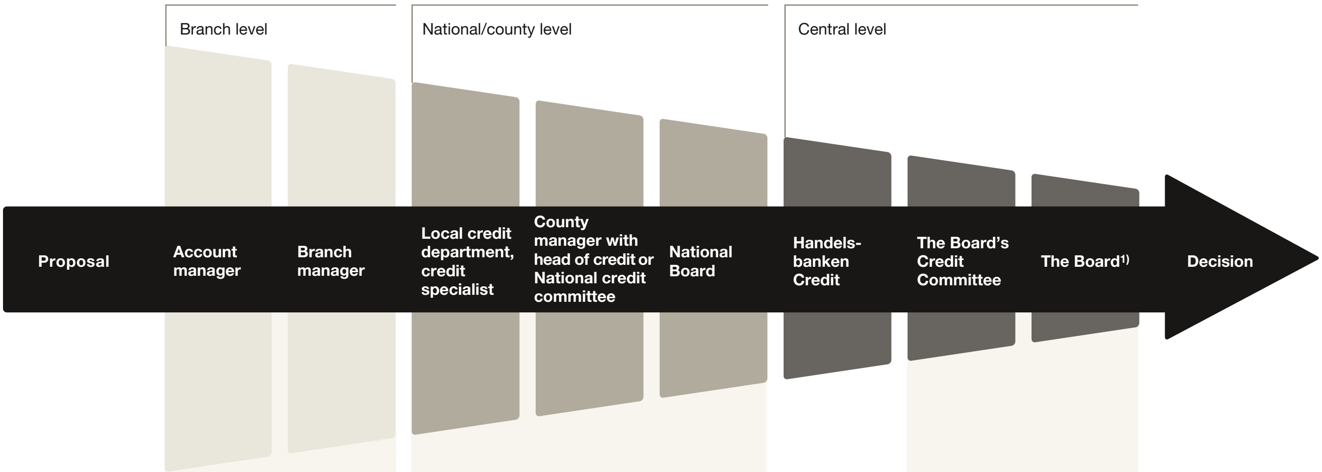
Branch managers and most branch staff have personal decision limits allowing them to decide on credits to the customers they manage.

For decisions on larger credit limits, there are decision-making bodies at county and national level, as well as at the central level. Each additional level of decision adds credit expertise. Each decision level has the right to reject credit limits within their own decision level and also credit limits which would otherwise have been decided at a higher level. All persons throughout the decision-making process who are responsible for granting credits, regardless of level, must be in agreement in order to positively decide on a credit limit. If there is the slightest doubt among any of these persons, the credit application is rejected. The largest credits have been reviewed by Handelsbanken Credit and decided by the Board or the Credit committee established by the Board. However, no credit application may be processed in the Bank without the recommendation of the branch manager who is responsible for the credit, with the exception of credit decisions made via automatic modelling.

The decision procedure for credits and credit limits is illustrated in the figure Credit process and decision levels at Handelsbanken. The figure also shows the percentage of credit limit decisions and amounts at the various decision levels.

In Handelsbanken's decentralised organisation, where a large proportion of the credit and credit limit decisions are made by individual branches, a well-functioning review process

Credit process and decision levels at Handelsbanken



Breakdown of limit decisions2)	Branch level	National/county level	Central level
Proportion of number of limits	69%	29%	2%
Proportion of limit amount	12%	30%	58%

1) Decides only if the case is assessed to be of special or general interest and decides on credits to Board members and certain executive officers.
2) Excluding sovereign and bank limits decided at central level and Handelsbanken plc.

G2 cont.

Credit exposures, geographical breakdown 2024

SEK m	Note	Sweden	UK	Norway	Finland	The Netherlands	Other countries	Total
Balance sheet items								
Cash and balances with central banks		63,478	125,771	4,160	14	203,650	132,936	530,009
Other loans to central banks	*G15*	3,352		9,195				12,547
Loans to other credit institutions	*G16*	17,552	372	49	3	396	551	18,923
Loans to the public	*G17*	1,616,388	246,788	320,698	75,362	104,604	8,246	2,372,086
Interest-bearing securities eligible as collateral with central banks	*G18*	172,606						172,606
Bonds and other interest-bearing securities	*G18*	47,508						47,508
Derivative instruments	*G22*	47,042					27	47,069
Total		**1,967,926**	**372,931**	**334,103**	**75,379**	**308,650**	**141,759**	**3,200,749**
Off-balance sheet items								
Contingent liabilities	*G44*	341,667	56,293	62,680	2,018	2,970	32,640	498,268
of which contingent liabilities		*25,955*	*6,949*	*4,666*	*985*	*78*	*17,121*	*55,754*
of which obligations		*315,712*	*49,344*	*58,014*	*1,032*	*2,892*	*15,520*	*442,514*
Total		**341,667**	**56,293**	**62,680**	**2,018**	**2,970**	**32,640**	**498,268**
Total on- and off-balance sheet items		**2,309,594**	**429,224**	**396,782**	**77,397**	**311,620**	**174,400**	**3,699,017**

Credit exposures, geographical breakdown 2023

SEK m	Note	Sweden	UK	Norway	Finland	The Netherlands	Other countries	Total
Balance sheet items								
Cash and balances with central banks		67,895	113,645	4,776	10	128,696	161,159	476,181
Other loans to central banks	*G15*	3,464	1,131	1,687	25,863			32,145
Loans to other credit institutions	*G16*	17,467	766	208	3	335	519	19,297
Loans to the public	*G17*	1,639,614	230,671	313,265	144,563	97,110	8,993	2,434,217
Interest-bearing securities eligible as collateral with central banks	*G18*	199,128						199,128
Bonds and other interest-bearing securities	*G18*	50,087						50,087
Derivative instruments	*G22*	29,961					149	30,110
Total		**2,007,615**	**346,214**	**319,937**	**170,438**	**226,141**	**170,820**	**3,241,165**
Off-balance sheet items								
Contingent liabilities	*G44*	321,298	47,077	61,722	23,911	3,094	28,883	485,985
of which contingent liabilities		*28,601*	*6,439*	*3,807*	*3,907*	*100*	*15,266*	*58,120*
of which obligations		*292,697*	*40,638*	*57,915*	*20,004*	*2,995*	*13,616*	*427,865*
Total		**321,298**	**47,077**	**61,722**	**23,911**	**3,094**	**28,883**	**485,985**
Total on- and off-balance sheet items		**2,328,914**	**393,291**	**381,658**	**194,349**	**229,235**	**199,703**	**3,727,150**

The table above includes the disposal groups in Finland, which has been reclassified to Assets held for sale on the balance sheet, see note G14.

Geographical breakdown refers to the country in which the exposures are reported.

Loans to the public subject to impairment testing, geographical breakdown 2024

	Gross			Provisions			
SEK m	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Net
Sweden	1,570,355	43,122	3,633	-73	-135	-514	1,616,388
UK	231,215	12,856	2,968	-88	-95	-68	246,788
Norway	312,409	7,536	956	-31	-55	-117	320,698
Finland	63,063	11,795	897	-16	-43	-334	75,362
The Netherlands	103,335	1,255	19	-1	-1	-3	104,604
Other countries	8,213	16	52	0	0	-35	8,246
Total	**2,288,590**	**76,580**	**8,525**	**-210**	**-328**	**-1,071**	**2,372,086**

Loans to the public subject to impairment testing, geographical breakdown 2023

	Gross			Provisions			
SEK m	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Net
Sweden	1,549,709	88,182	2,862	-143	-458	-538	1,639,614
UK	209,855	19,130	2,084	-162	-196	-40	230,671
Norway	300,653	12,348	527	-73	-96	-94	313,265
Finland	131,957	11,636	1,522	-44	-66	-442	144,563
The Netherlands	91,603	5,505	9	-3	-1	-3	97,110
Other countries	8,922	47	58	-1	0	-33	8,993
Total	**2,292,700**	**136,848**	**7,064**	**-426**	**-819**	**-1,150**	**2,434,217**

The table above includes the disposal groups in Finland, which has been reclassified to Assets held for sale on the balance sheet, see note G14.

G2 cont.

is crucial for ensuring high-quality decision-making. The branch manager examines the quality of the staff's decisions and the local credit departments examine the quality of decisions made by branch managers.

The purpose of the quality review is to ensure that the Bank's credit policy and internal instructions are complied with, that credit quality is maintained, and that credit and credit limit decisions show that there is good credit judgement and a sound business approach. A corresponding quality review is also performed for credit limit decisions made at higher levels in the Bank. Credit limits granted by County Managers in tandem with the head of the local credit department or national Credit committees and national boards are examined by Handelsbanken Credit, which also prepares and examines credit limits decided by the Board or the Credit committee established by the Board. Handelsbanken Credit also ensures that credit assessments are consistent throughout the Group and that loans are granted in accordance with the credit policy decided by the Board.

Ecster

The subsidiary Ecster AB has offered payment solutions via selected sales companies and consumer financing in Sweden and Finland. The company has been discontinued since February 2023. No new credits or loans have been granted since the spring of 2024 and the loan stock has since been a pure run-off portfolio.

Loans to the public subject to impairment testing, broken down by sector and industry 2024

	Gross			Provisions			
SEK m	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Net
Private individuals	1,144,251	23,713	5,017	-52	-67	-588	1,172,274
of which mortgage loans	*992,020*	*18,724*	*2,406*	*-15*	*-23*	*-58*	*1,013,054*
of which other loans with property mortgages	*129,982*	*3,957*	*1,437*	*-5*	*-5*	*-93*	*135,273*
of which other loans, private individuals	*22,249*	*1,032*	*1,174*	*-32*	*-39*	*-437*	*23,947*
Housing co-operative associations	275,905	7,019	123	-1	-9	-8	283,029
of which mortgage loans	*263,786*	*4,545*	*46*	*-1*	*-4*	*-7*	*268,365*
Property management	690,119	37,156	2,565	-99	-113	-108	729,520
Manufacturing	29,983	1,634	45	-5	-6	-26	31,625
Retail	24,545	493	107	-8	-7	-69	25,061
Hotel and restaurant	6,873	819	144	-4	-7	-23	7,802
Passenger and goods transport by sea	243	2	0	0	0	0	245
Other transport and communication	5,602	164	18	-2	-2	-15	5,765
Construction	12,471	3,083	260	-16	-83	-143	15,572
Electricity, gas and water	9,903	5	11	-1	0	-3	9,915
Agriculture, hunting and forestry	20,888	883	93	-4	-6	-11	21,843
Other services	13,943	892	44	-7	-7	-17	14,848
Holding, investment, insurance companies, mutual funds, etc.	27,465	386	6	-5	-2	-4	27,846
Sovereigns and municipalities	1,483	94		0	-1		1,576
of which the Swedish National Debt Office	*1,547*						*1,547*
Other corporate lending	24,916	237	92	-6	-18	-56	25,165
Total	**2,288,590**	**76,580**	**8,525**	**-210**	**-328**	**-1,071**	**2,372,086**

Loans to the public subject to impairment testing, broken down by sector and industry 2023

	Gross			Provisions			
SEK m	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Net
Private individuals	1,158,428	28,771	4,159	-143	-132	-589	1,190,494
of which mortgage loans	*991,247*	*21,664*	*1,592*	*-38*	*-43*	*-44*	*1,014,378*
of which other loans with property mortgages	*139,030*	*5,631*	*1,310*	*-44*	*-40*	*-93*	*145,794*
of which other loans, private individuals	*28,151*	*1,476*	*1,257*	*-61*	*-49*	*-452*	*30,322*
Housing co-operative associations	283,134	11,367	13	-4	-20	-9	294,481
of which mortgage loans	*265,549*	*5,291*	*12*	*-1*	*-1*	*-8*	*270,842*
Property management	648,688	81,834	1,984	-130	-249	-159	731,968
Manufacturing	19,210	4,150	72	-24	-105	-46	23,257
Retail	30,214	671	108	-13	-9	-62	30,909
Hotel and restaurant	4,333	1,803	101	-4	-9	-6	6,218
Passenger and goods transport by sea	1,289	1	0	0	0		1,290
Other transport and communication	11,985	178	18	-5	-2	-15	12,159
Construction	14,238	4,429	281	-56	-264	-93	18,535
Electricity, gas and water	15,941	33	7	-2	0	-3	15,976
Agriculture, hunting and forestry	20,390	1,507	81	-7	-8	-3	21,960
Other services	20,965	818	143	-11	-9	-85	21,821
Holding, investment, insurance companies, mutual funds, etc.	23,154	878	12	-6	-5	-3	24,030
Sovereigns and municipalities	12,278	64		0	0		12,342
of which the Swedish National Debt Office	*6,748*						*6,748*
Other corporate lending	28,453	344	85	-21	-7	-77	28,777
Total	**2,292,700**	**136,848**	**7,064**	**-426**	**-819**	**-1,150**	**2,434,217**

The table above includes the disposal groups in Finland, which has been reclassified to Assets held for sale on the balance sheet, see note G14.

G2 cont.

Credit portfolio

The Bank's credit portfolio is presented in this section based on the categorisation of balance sheet items. The section Capital requirements for credit risks presents the credit portfolio based on CRR.

Based on the consolidated balance sheet, credits are categorised as loans to the public or loans to credit institutions, while off-balance sheet items are broken down by product type. "Exposure" refers to the sum of on- and off-balance sheet items. Loans to the public is the dominant item. See table Credit exposures, geographical breakdown.

Handelsbanken strives to maintain its historically low level of credit losses compared to other banks, thus contributing to the Bank's profitability goal and retaining its sound financial position. Handelsbanken regularly evaluates the quality of the credit portfolio in order to identify and limit impairment requirements. In granting credits, the Bank never strives toward goals such as a predetermined volume or market share in particular sectors, and is instead selective when choosing its customers, adopting the mindset that credit customers

Loans to the public subject to impairment testing, geographical breakdown by sector 2024

SEK m	Sweden	UK	Norway	Finland	The Netherlands	Other countries	Total
Private individuals	922,364	69,358	140,493	1,539	33,772	4,748	1,172,274
of which mortgage loans	*902,318*		*110,712*	*24*			*1,013,054*
of which other loans with property mortgages	*2,888*	*66,714*	*27,987*	*132*	*33,070*	*4,482*	*135,273*
of which other loans, private individuals	*17,158*	*2,644*	*1,794*	*1,383*	*702*	*266*	*23,947*
Housing co-operative associations	221,688		29,186	32,155			283,029
of which mortgage loans	*218,047*		*28,154*	*22,164*			*268,365*
Property management	333,378	156,845	128,021	40,222	70,035	1,019	729,520
Manufacturing	25,313	2,923	2,579	35	1	774	31,625
Retail	16,537	2,577	4,815	102	8	1,022	25,061
Hotel and restaurant	2,011	3,390	2,340		60	1	7,802
Passenger and goods transport by sea	228	12	5				245
Other transport and communication	4,549	568	250		353	45	5,765
Construction	6,945	2,023	6,597	1	6		15,572
Electricity, gas and water	6,137	322	3,226	115	115		9,915
Agriculture, hunting and forestry	19,877	1,743	223	0			21,843
Other services	9,260	3,757	1,411	366	15	39	14,848
Holding, investment, insurance companies, mutual funds etc.	24,167	2,847	593	36	202	1	27,846
Sovereigns and municipalities	660		177	739			1,576
of which the Swedish National Debt Office	*1,547*						*1,547*
Other corporate lending	23,274	423	782	52	37	597	25,165
Net loans to the public	**1,616,388**	**246,788**	**320,698**	**75,362**	**104,604**	**8,246**	**2,372,086**
of which total provisions for expected credit losses (Stage 1–3)	*-722*	*-250*	*-203*	*-393*	*-5*	*-35*	*-1,608*
Total loans to the public	**1,617,110**	**247,038**	**320,901**	**75,755**	**104,609**	**8,282**	**2,373,695**

Loans to the public subject to impairment testing, geographical breakdown by sector 2023

SEK m	Sweden	UK	Norway	Finland	The Netherlands	Other countries	Total
Private individuals	928,455	67,678	119,527	39,633	29,800	5,401	1,190,494
of which mortgage loans	*905,229*		*92,266*	*16,883*			*1,014,378*
of which other loans with property mortgages	*3,548*	*64,882*	*25,603*	*17,145*	*29,555*	*5,061*	*145,794*
of which other loans, private individuals	*19,678*	*2,796*	*1,658*	*5,605*	*245*	*340*	*30,322*
Housing co-operative associations	220,222		28,339	45,920			294,481
of which mortgage loans	*211,610*		*27,672*	*31,560*			*270,842*
Property management	330,257	144,438	139,703	50,114	66,462	994	731,968
Manufacturing	16,511	1,457	2,634	1,036	1	1,618	23,257
Retail	23,205	2,213	4,397	335	2	757	30,909
Hotel and restaurant	2,310	3,482	349	17	60		6,218
Passenger and goods transport by sea	1,162	13	4	111			1,290
Other transport and communication	9,497	428	1,215	557	461	1	12,159
Construction	7,226	1,812	9,054	431	7	5	18,535
Electricity, gas and water	9,946	303	3,619	1,997	111		15,976
Agriculture, hunting and forestry	20,049	1,511	240	156		4	21,960
Other services	14,229	4,231	2,527	807	22	5	21,821
Holding, investment, insurance companies, mutual funds etc.	19,857	2,946	506	623	96	2	24,030
Sovereigns and municipalities	10,238		222	1,882			12,342
of which the Swedish National Debt Office	*6,748*						*6,748*
Other corporate lending	26,451	159	929	944	88	206	28,777
Net loans to the public	**1,639,614**	**230,671**	**313,265**	**144,563**	**97,110**	**8,993**	**2,434,217**
of which total provisions for expected credit losses (Stage 1–3)	*-1,139*	*-399*	*-264*	*-552*	*-7*	*-35*	*-2,395*
Total loans to the public	**1,640,753**	**231,070**	**313,529**	**145,115**	**97,117**	**9,028**	**2,436,612**

The table above includes the disposal groups in Finland, which has been reclassified to Assets held for sale on the balance sheet, see note G14.

G2 cont.

must be of high quality. The demands on quality must never be neglected in favour of achieving a high credit volume. This is clearly stated in the Bank's credit policy, endorsed each year by the Board.

Following the high inflation and rising interest rates in prior years, macroeconomic conditions have normalised to a certain extent, which is reflected in the model-based provisions in Stage 1 and Stage 2.

Based on climate scenarios, the Bank has analysed physical climate risks, focusing on flood risks, in the credit portfolio's real estate exposures in the Bank's four home markets. These analyses indicated limited exposure to these risks. There is generally a higher risk of flooding in the UK than in the other home markets. For more information see, ESRS 2 IRO-1 E1.

Scenario analyses were also carried out to investigate how the introduction of energy efficiency requirements for buildings could impact property companies in the Bank's credit portfolio in Sweden and Norway as well as Swedish households. They analyse the impact on the value of the collateral and show a low risk of credit losses related to these transition risks. For more information see, ESRS 2 IRO-1 E1.

Collateral

The Bank's credit policy states that credits must normally have satisfactory collateral. A weak repayment capacity can never be accepted on the grounds that good collateral has been offered to the Bank. Collateral may, however, substantially reduce the Bank's loss if the borrower cannot fulfil their obligations.

The Bank's measures to limit its credit risk include the acceptance of collateral from customers. The primary means of reducing credit risk in the Bank are the pledging of immovable property, such as residential properties and other real estate, floating charges on assets, guarantees (including guarantor commitments) and the use of netting agreements (see the section on Counterparty risks for more information).

The basic principle applied in property finance is that credits must be covered by collateral in the form of properties. For exposures

Credit exposures, breakdown by type of collateral 2024

SEK m	Note	Residential property[1]	Other property	Sovereigns, municipalities and county councils[2]	Guarantees as for own debt[3]	Financial collateral	Collateral in assets	Other collateral	Unsecured	Total
Balance sheet items										
Cash and balances with central banks				530,009						530,009
Other loans to central banks	*G15*			12,547						12,547
Loans to other credit institutions	*G16*								18,923	18,923
Loans to the public	*G17*	1,780,542	384,401	40,257	7,015	12,419	16,513	6,080	124,859	2,372,086
Interest-bearing securities eligible as collateral with central banks	*G18*			170,604					2,002	172,606
Bonds and other interest-bearing securities	*G18*			3,784					43,724	47,508
Derivative instruments	*G22*	391	1,138	6,853	383	87			38,217	47,069
Total		**1,780,933**	**385,539**	**764,054**	**7,398**	**12,506**	**16,513**	**6,080**	**227,725**	**3,200,749**
Off-balance sheet items										
Contingent liabilities	*G44*	86,470	61,944	26,041	2,778	10,319	563	6,943	303,210	498,268
of which contingent liabilities		*262*	*556*	*2,401*	*188*	*777*		*596*	*50,974*	*55,754*
of which obligations		*86,208*	*61,388*	*23,640*	*2,590*	*9,542*	*563*	*6,347*	*252,236*	*442,514*
Total		**86,470**	**61,944**	**26,041**	**2,778**	**10,319**	**563**	**6,943**	**303,210**	**498,268**
Total on- and off-balance sheet items		**1,867,403**	**447,483**	**790,095**	**10,176**	**22,825**	**17,076**	**13,023**	**530,935**	**3,699,017**

Credit exposures, breakdown by type of collateral 2023

SEK m	Note	Residential property[1]	Other property	Sovereigns, municipalities and county councils[2]	Guarantees as for own debt[3]	Financial collateral	Collateral in assets	Other collateral	Unsecured	Total
Balance sheet items										
Cash and balances with central banks				476,181						476,181
Other loans to central banks	*G15*			32,145						32,145
Loans to other credit institutions	*G16*								19,297	19,297
Loans to the public	*G17*	1,802,548	381,314	83,954	12,275	13,072	18,300	7,181	115,573	2,434,217
Interest-bearing securities eligible as collateral with central banks	*G18*			197,348	543				1,237	199,128
Bonds and other interest-bearing securities	*G18*			3,838	239				46,010	50,087
Derivative instruments	*G22*			442		43			29,625	30,110
Total		**1,802,548**	**381,314**	**793,908**	**13,057**	**13,115**	**18,300**	**7,181**	**211,742**	**3,241,165**
Off-balance sheet items										
Contingent liabilities	*G44*	71,689	57,200	27,281	3,325	12,720	376	7,504	305,890	485,985
of which contingent liabilities		*525*	*1,061*	*2,239*	*228*	*918*		*795*	*52,354*	*58,120*
of which obligations		*71,164*	*56,139*	*25,042*	*3,097*	*11,802*	*376*	*6,709*	*253,536*	*427,865*
Total		**71,689**	**57,200**	**27,281**	**3,325**	**12,720**	**376**	**7,504**	**305,890**	**485,985**
Total on- and off-balance sheet items		**1,874,237**	**438,514**	**821,189**	**16,382**	**25,835**	**18,676**	**14,685**	**517,632**	**3,727,150**

1) Including housing co-operative apartments.
2) Refers to direct exposures to sovereigns and municipalities and government guarantees.
3) Does not include government guarantees.

The table above includes the disposal groups in Finland, which has been reclassified to Assets held for sale on the balance sheet, see note G14.

G2 cont.

with properties as collateral, an LTV ratio is calculated by dividing the credit exposure by the value of the collateral. The Bank follows internal recommendations and external regulations which limit the maximum amount of a loan for which the collateral is property. The value of the properties is reviewed at least annually, and is based on the estimated market value. Checks are performed more often if market conditions have changed significantly. Since collateral is not generally utilised until a borrower faces serious repayment difficulties, the valuation of collateral focuses on the expected value in the case of a sale in unfavourable circumstances in connection with insolvency.

For unsecured long-term credit commitments to companies, the Bank often enters into an agreement with the customer on special credit terms which allow the Bank to renegotiate or terminate the loan in the case of unfavourable performance.

In special circumstances, the Bank may buy credit derivatives or financial guarantees to hedge the credit risk in claims, but this is not part of the Bank's normal lending process.

A minor part of loans to credit institutions consists of reverse repos. A reverse repo is a repurchase transaction in which the Bank buys interest-bearing securities or equities with a special agreement that the security will be resold to the seller at a specific price on a specific date. Handelsbanken regards reverse repos as secured lending.

Only collateral used in the calculation of the capital requirement for credit risk is specified in the table "Credit exposures, breakdown by type of collateral."

On- and off-balance sheet items subject to impairment testing, breakdown by type of collateral 2024

		Gross			Provisions		
SEK m	Note	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Balance sheet items							
Cash and balances with central banks		**530,003**					
Sovereigns, municipalities and county councils[1]		530,003					
Other loans to central banks	*G15*	**12,547**					
Sovereigns, municipalities and county councils[1]		12,547					
Loans to other credit institutions	*G16*	**18,872**	**55**		**-1**	**-3**	
Sovereigns, municipalities and county councils[1]							
Guarantees as for own debt[2]							
Unsecured		18,872	55		-1	-3	
Loans to the public	*G17*	**2,288,590**	**76,580**	**8,525**	**-210**	**-328**	**-1,071**
Residential property[3]		1,722,581	52,800	5,560	-76	-119	-204
Other property		372,266	10,995	1,474	-59	-86	-189
Sovereigns, municipalities and county councils[1]		33,223	7,026	24	-1	-15	0
Guarantees as for own debt[2]		6,778	242		-2	-3	
Financial collateral		11,680	743	1	-2	-3	0
Collateral in assets		15,734	774	68	-17	-30	-16
Other collateral		5,423	634	167	-4	-23	-117
Unsecured		120,905	3,366	1,231	-49	-49	-545
Interest-bearing securities eligible as collateral with central banks	*G18*						
Bonds and other interest-bearing securities	*G18*	**13,259**			**-2**		
Total		**2,863,270**	**76,635**	**8,525**	**-213**	**-331**	**-1,071**
Off-balance sheet items							
Contingent liabilities	*G44*	**292,278**	**6,282**	**159**	**-39**	**-90**	**-26**
of which contingent liabilities		*54,384*	*1,315*	*55*	*-6*	*-12*	*-26*
Residential property[3]		233	23	6	0	0	-5
Other property		539	15	2	0	0	-1
Sovereigns, municipalities and county councils[1]		2,391	10		0	0	
Guarantees as for own debt[2]		166	22		0	0	
Financial collateral		693	79	4	0	0	0
Collateral in assets							
Other collateral		509	73	13	0	-1	-6
Unsecured		49,853	1,093	30	-6	-11	-14
of which obligations		*237,894*	*4,967*	*104*	*-33*	*-78*	*0*
Residential property[3]		85,291	882	34	-8	-2	0
Other property		60,816	551	21	-3	-3	0
Sovereigns, municipalities and county councils[1]		23,632	5	3	0	0	0
Guarantees as for own debt[2]		2,555	35		0	-4	
Financial collateral		9,430	113		0	-1	
Collateral in assets		554	9		0	0	
Other collateral		5,721	604	22	-2	-18	0
Unsecured		49,895	2,768	24	-20	-50	0
Total		**292,278**	**6,282**	**159**	**-39**	**-90**	**-26**
Total on- and off-balance sheet items		**3,155,548**	**82,917**	**8,684**	**-252**	**-421**	**-1,097**

1) Refers to direct exposures to sovereigns and municipalities and government guarantees.
2) Does not include government guarantees.
3) Including housing co-operative apartments.

G2 cont.

On- and off-balance sheet items subject to impairment testing, breakdown by type of collateral 2023

		Gross			Provisions		
SEK m	Note	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Balance sheet items							
Cash and balances with central banks		**476,162**					
Sovereigns, municipalities and county councils[1]		476,162					
Other loans to central banks	*G15*	**32,145**					
Sovereigns, municipalities and county councils[1]		32,145					
Loans to other credit institutions	*G16*	**19,289**	**11**		**-1**	**-1**	
Sovereigns, municipalities and county councils[1]							
Guarantees as for own debt[2]							
Unsecured		19,289	11		-1	-1	
Loans to the public	*G17*	**2,292,700**	**136,848**	**7,064**	**-426**	**-819**	**-1,150**
Residential property[3]		1,711,455	87,744	4,001	-155	-313	-184
Other property		349,131	31,606	994	-109	-174	-134
Sovereigns, municipalities and county councils[1]		78,564	5,040	365	-2	-13	0
Guarantees as for own debt[2]		8,979	3,330	2	-5	-31	0
Financial collateral		12,252	829	2	-6	-5	0
Collateral in assets		17,165	1,158	64	-27	-43	-17
Other collateral		6,322	868	302	-15	-65	-231
Unsecured		108,832	6,273	1,334	-107	-175	-584
Interest-bearing securities eligible as collateral with central banks	*G18*						
Bonds and other interest-bearing securities	*G18*	**12,709**			**-2**		
Total		**2,833,004**	**136,859**	**7,064**	**-429**	**-820**	**-1,150**
Off-balance sheet items							
Contingent liabilities	*G44*	**284,693**	**11,262**	**164**	**-94**	**-203**	**-42**
of which contingent liabilities		*56,464*	*1,596*	*60*	*-11*	*-40*	*-22*
Residential property[3]		439	78	8	0	-3	-4
Other property		998	62	1	0	-1	0
Sovereigns, municipalities and county councils[1]		2,168	70	1	0	-1	0
Guarantees as for own debt[2]		147	80		0	-1	
Financial collateral		802	113	3	0	-1	0
Collateral in assets							
Other collateral		699	88	7	0	-3	0
Unsecured		51,211	1,105	40	-11	-30	-18
of which obligations		*228,229*	*9,666*	*104*	*-83*	*-163*	*-20*
Residential property[3]		69,911	1,207	46	-11	-6	-18
Other property		54,519	1,613	8	-7	-12	0
Sovereigns, municipalities and county councils[1]		24,955	86		0	0	
Guarantees as for own debt[2]		2,296	800		-1	-6	
Financial collateral		11,612	186	3	0	-1	0
Collateral in assets		353	21	2	0	-1	0
Other collateral		5,860	841	8	-8	-49	-1
Unsecured		58,723	4,912	37	-56	-88	-1
Total		**284,693**	**11,262**	**164**	**-94**	**-203**	**-42**
Total on- and off-balance sheet items		**3,117,697**	**148,121**	**7,228**	**-523**	**-1,023**	**-1,192**

1) Refers to direct exposures to sovereigns and municipalities and government guarantees.
2) Does not include government guarantees.
3) Including housing co-operative apartments.

The table above includes the disposal groups in Finland, which has been reclassified to Assets held for sale on the balance sheet, see note G14.

G2 cont.

Credit risk concentrations
Handelsbanken's branches focus strongly on establishing long-term relationships with customers of sound creditworthiness. If a branch identifies a good customer, it should be able to do business with this customer, irrespective of whether the Bank as a whole has a major exposure to the business sector that the customer represents. As a consequence, the Bank has relatively large concentrations in some individual sectors. However, the Bank monitors the performance and quality of the credit portfolio and calculates concentrations for various business sectors and geographic areas. The Bank also measures and monitors exposures to major individual counterparties. Special limits are applied to restrict the maximum credit exposure to individual counterparties, to augment the credit risk assessment. If the credit portfolio has a concentration in a particular sector or counterparty that can be assumed to increase risk, this concentration is monitored. Concentration risks are identified in the Bank's calculation of economic capital for credit risks and in the stress tests conducted in the internal capital adequacy assessment and as a part of the follow-up of the Bank's risk tolerance. The Swedish Financial Supervisory Authority also calculates a separate capital adequacy requirement under Pillar 2 for concentration risks in the credit portfolio. This ensures that Handelsbanken has sufficient capital, also taking into account concentration risks. If the concentration risks are judged to be excessive, the Bank has the opportunity and capacity to apply various risk mitigation measures.

In addition to mortgage loans and lending to housing co-operative associations, Handelsbanken has significant lending to property management of SEK 730 billion (732). Here, "property management" refers to all companies classified as "property companies" for risk assessment purposes. It is common for groups operating in other industries to have subsidiaries managing the properties in which the group conducts business, and such property companies are also considered here to belong to property management. However, the underlying credit risk in such cases is not solely property-related, because the counterparty's repayment capacity is determined by business operations other than property management. Also, private individuals with substantial property holdings are classified as property companies for risk-assessment purposes.

A very large part of property lending consists of property mortgages with low LTVs, which reduces the Bank's credit loss risk. In addition, a large proportion of property lending is to government-owned property companies,

Loans to the public subject to impairment testing, Property management 2024

	Gross			Provisions			
SEK m	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Net
Loans in Sweden							
State-owned property companies	11,200			0			11,200
Municipally owned property companies	8,378	132		0	0		8,510
Residential property companies	149,035	12,928	159	-7	-21	-20	162,074
of which mortgage loans	*140,174*	*12,436*	*155*	*-6*	*-21*	*-17*	*152,721*
Other property management	147,033	4,415	191	-5	-8	-32	151,594
of which mortgage loans	*84,124*	*2,301*	*65*	*-2*	*-4*	*-10*	*86,474*
Total	**315,646**	**17,475**	**350**	**-12**	**-29**	**-52**	**333,378**
Loans outside Sweden							
UK	147,258	8,151	1,567	-70	-58	-3	156,845
Norway	124,504	3,073	500	-15	-8	-33	128,021
Finland	32,794	7,318	148	-1	-17	-20	40,222
The Netherlands	68,898	1,139		-1	-1		70,035
Other countries	1,019			0			1,019
Total	**374,473**	**19,681**	**2,215**	**-87**	**-84**	**-56**	**396,142**
Total property management within loans to the public	**690,119**	**37,156**	**2,565**	**-99**	**-113**	**-108**	**729,520**

Loans to the public subject to impairment testing, Property management 2023

	Gross			Provisions			
SEK m	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Net
Loans in Sweden							
State-owned property companies	11,306			0			11,306
Municipally owned property companies	7,311	515		0	0		7,826
Residential property companies	129,563	30,200	64	-7	-68	-13	159,739
of which mortgage loans	*121,606*	*28,574*	*56*	*-6*	*-64*	*-7*	*150,159*
Other property management	131,093	20,222	164	-11	-30	-52	151,386
of which mortgage loans	*72,794*	*10,836*	*63*	*-3*	*-17*	*-21*	*83,652*
Total	**279,273**	**50,937**	**228**	**-18**	**-98**	**-65**	**330,257**
Loans outside Sweden							
UK	129,672	13,876	1,132	-87	-129	-26	144,438
Norway	133,310	6,364	91	-22	-12	-28	139,703
Finland	44,389	5,249	522	-2	-9	-35	50,114
The Netherlands	61,056	5,408		-1	-1		66,462
Other countries	988		11	0		-5	994
Total	**369,415**	**30,897**	**1,756**	**-112**	**-151**	**-94**	**401,711**
Total property management within loans to the public	**648,688**	**81,834**	**1,984**	**-130**	**-249**	**-159**	**731,968**

The table above includes the disposal groups in Finland, which has been reclassified to Assets held for sale on the balance sheet, see note G14.

G2 cont.

municipal housing companies and other housing-related operations where the borrowers consistently have strong, stable cash flows and thus very high creditworthiness. Thus a large part of lending to the property sector is to companies with a very low probability of encountering financial difficulties. The Bank's exposure to the property sector is specified in the tables below.

The proportion of exposures to property counterparties (property companies and housing co-operative associations) with a lower rating than the Bank's risk class 5 (normal risk) is low. 94.6% (93.8) of total property lending in Sweden is in risk class 5 or better. The equivalent figure for property lending in Norway is 98.6% (97.9) and in Finland is 96.2% (97.3). The capital requirement for the UK and the Netherlands is calculated using the standardised approach with prescribed risk weights – meaning that the risk classes are irrelevant to the calculation of the capital requirement. For counterparties in lower risk classes than normal, the majority are in risk classes 6 and 7 with only low volumes in the higher risk classes 8 and 9. For information about Handelsbanken's risk ratings, see the section Calculation of capital requirements for credit risks in note G2.

Handelsbanken's lending to property companies declined over the past year. In local currencies, the portfolios in Sweden, UK and the Netherlands have grown, while the portfolios in Norway and Finland have shrunk. Handelsbanken applies the same strict requirements on repayment capacity, LTVs and collateral quality in all markets.

Loans to the public, Property management, type of collateral and country (gross)

	2024					2023				
SEK m	Loans	Sovereigns and municipalities[1]	Residential property	Commercial property and other collateral	Unsecured	Loans	Sovereigns and municipalities[1]	Residential property	Commercial property and other collateral	Unsecured
Sweden	333,471	20,219	182,053	124,229	6,972	330,438	19,667	182,787	118,746	9,238
UK	156,976	3	81,792	72,696	2,485	144,680	6	80,478	63,178	1,018
Norway	128,077	23	18,454	102,125	7,475	139,765	24	19,345	111,245	9,151
Finland	40,260	28,962	5,204	6,071	23	50,160	30,360	7,598	11,683	519
The Netherlands	70,037		47,527	22,428	82	66,464		47,829	18,594	41
Other countries	1,019		445	574		999		431	557	11
Total	**729,840**	**49,207**	**335,475**	**328,123**	**17,037**	**732,506**	**50,057**	**338,468**	**324,003**	**19,978**

1) Companies owned by sovereigns and municipalities/property lending guaranteed by sovereigns and municipalities.

The table above includes the disposal groups in Finland, which has been reclassified to Assets held for sale on the balance sheet, see note G14.

Loans to the public, Property management, risk class and country 2024

SEK m	Sweden	UK	Norway	Finland	The Netherlands	Other countries	Total	%
Risk class								
1	11,282		601	7,978			19,861	2.72
2	72,529		10,041	4,391			86,961	11.92
3	121,031		70,408	12,424			203,863	27.93
4	72,310		33,565	5,683			111,558	15.29
5	38,125		11,704	8,241			58,070	7.96
6	16,035		944	679			17,658	2.42
7	1,132		297	77			1,506	0.21
8	176		2	95			273	0.04
9	336		9	543			888	0.12
Defaults	350		500	148			998	0.14
Standardised approach[1]	165	156,976	6	1	70,037	1,019	228,204	31.27
Total	**333,471**	**156,976**	**128,077**	**40,260**	**70,037**	**1,019**	**729,840**	**100**

Loans to the public, Property management, risk class and country 2023

SEK m	Sweden	UK	Norway	Finland	The Netherlands	Other countries	Total	%
Risk class								
1	10,967		637	11,895			23,499	3.21
2	71,060		16,990	5,590			93,640	12.78
3	108,232		71,103	14,488			193,823	26.46
4	78,149		39,482	11,985			129,616	17.69
5	41,524		8,554	4,760			54,838	7.49
6	16,619		2,571	510			19,700	2.69
7	3,137		299	176			3,612	0.49
8	129		2	145			276	0.04
9	390		9	20			419	0.06
Defaults	228		91	522			841	0.11
Standardised approach[1]	3	144,680	27	69	66,464	999	212,242	28.97
Total	**330,438**	**144,680**	**139,765**	**50,160**	**66,464**	**999**	**732,506**	**100**

1) The standardised approach uses predetermined risk weights, for which reason risk classes are not relevant.

The table above includes the disposal groups in Finland, which has been reclassified to Assets held for sale on the balance sheet, see note G14.

G2 cont.

Loans to the public, Property management, risk class and collateral 2024

SEK m	Loans	Collateral				
		Residential property	Commercial property	Sovereigns and municipalities[1)]	Other collateral	Unsecured
Risk class						
1	19,861	5,388	3,076	9,959	680	758
2	86,961	43,464	23,159	17,683	101	2,554
3	203,863	66,445	118,702	10,464	1,345	6,906
4	111,558	47,466	57,610	4,227	184	2,071
5	58,070	28,188	22,547	5,924	726	688
6	17,658	12,918	3,039	500	24	1,177
7	1,506	989	404		7	106
8	273	87	123	47	2	14
9	888	419	57	400	3	9
Defaults	998	345	633		1	19
Standardised approach[1)]	228,204	129,766	95,382	3	318	2,735
Total	**729,840**	**335,475**	**324,732**	**49,207**	**3,391**	**17,037**

Loans to the public, Property management, risk class and collateral 2023

SEK m	Loans	Collateral				
		Residential property	Commercial property	Sovereigns and municipalities[1)]	Other collateral	Unsecured
Risk class						
1	23,499	6,349	4,293	11,704	369	784
2	93,640	43,522	29,089	18,782	140	2,107
3	193,823	68,451	107,695	8,984	464	8,229
4	129,616	49,143	67,137	7,120	811	5,405
5	54,838	27,943	21,952	2,577	662	1,704
6	19,700	11,414	7,424	376	13	473
7	3,612	2,230	1,257	54	8	63
8	276	87	68	118		3
9	419	350	51		5	13
Defaults	841	228	240	336	3	34
Standardised approach[1)]	212,242	128,751	81,861	6	461	1,163
Total	**732,506**	**338,468**	**321,067**	**50,057**	**2,936**	**19,978**

1) The standardised approach uses predetermined risk weights, for which reason risk classes are not relevant.

The table above includes the disposal groups in Finland, which has been reclassified to Assets held for sale on the balance sheet, see note G14.

Calculation of capital requirements for credit risks

Risk rating system

The capital requirement for credit risk is calculated according to the standardised approach and the IRB approach in accordance with regulation (EU) No 575/2013 (CRR). The standardised approach means that the risk weights used when calculating the capital requirement for credit risk are specified in the regulations. The IRB approach entails that the institution, in its calculation of capital requirement for credit risk, estimates risk parameters through the use of its own IRB models (internal risk rating systems). When applying the IRB approach, there are two different methods: the foundation IRB approach and the advanced IRB approach. In the foundation IRB approach, probability of default (PD) is calculated using the Bank's own IRB models, while the figures for loss given default (LGD) and credit conversion factor (CCF) are specified in the regulations. CCF is used when calculating the exposure amount for off-balance sheet commitments. In the advanced IRB approach, PD, LGD and CCF are each calculated using the Bank's own IRB models. Handelsbanken's internal risk rating system (or the IRB approach) comprises a number of different systems, methods, processes and procedures to support the Bank's classification and quantification of credit risk.

When performing a credit assessment of a customer, the customer is assigned a rating. This rating, together with other risk rating criteria, determines how exposures are assessed with regard to the IRB approach's division into risk classes. Sustainability is taken into account in the rating process for corporates.

The two dimensions of the rating are risk of financial strain (A) and the counterparty's financial powers of resistance in the case of such strain (B). The rating is based on a five-point scale from very low risk to very high risk.

The rating is converted to an internal risk class for the application of the IRB approach (A+B-1) for corporates and exposures to institutions, as well as for exposures to sovereigns and central banks (sovereign exposures). However, for government agencies and municipalities, the risk class is set as the lower of (A+B) or 9. Accordingly, a municipality with the same rating as a sovereign is assigned a risk class lower than the sovereign. This is to take into account the fact that the risk for government agencies and municipalities is higher than for sovereign exposures.

The rating for retail exposures comprises a number on a scale of one to five, and is not converted directly into a risk class as for corporate exposures; instead, the different exposures are sorted into a number of smaller groups on the basis of certain factors. Such factors include the type of credit, the counter-party's debt-servicing record and whether there are one or more borrowers. An average default rate is calculated for each of the smaller groups, and on the basis of this, the groups are sorted into one of the ten risk classes. Different models are used for exposures to private individuals and SMEs (that are also classified as retail exposures), but the principle is the same.

G2 cont.

The risk classes applied in the IRB approach are thus distributed over several scales of 1 to 10.

A clear majority of the Bank's exposures are in risk classes 1–4, which means that the average risk level in the credit portfolio is significantly lower than the level which is assessed as normal risk. Risk class 5 corresponds to normal risk and risk class 10 is for counterparties in default.

Exposure classes

The number of exposure classes depends on the method used to calculate the credit risk. Exposures to be calculated according to the standardised approach can be allocated to 17 different exposure classes, while there are seven exposure classes in the IRB approach.

The overall division into exposure classes in the IRB approach comprises sovereign, institutional, corporate, retail and equity exposures, as well as positions in securitisations. In addition there are also non-credit-obligation assets, which do not require any performance by the counterparty, such as property, plant and equipment.

Exposures to sovereigns, central banks, government agencies and municipalities are classed as sovereign exposures. Exposures to institutions refer to exposures to counterparties defined as banks and other credit institutions, and certain investment firms.

Retail exposures include both exposures to private individuals and to SMEs, where the total exposure within the Group does not exceed SEK 5 million (excluding mortgage loans). Retail exposures are divided into two sub-groups: property loans and other retail exposures.

Corporate exposures refer to exposures to non-financial undertakings, consisting of legal entities with a total exposure within the Group in excess of SEK 5 million (excluding housing financing) or where the company's turnover is more than SEK 50 million, and SMEs with a total exposure within the Group in excess of SEK 5 million. Apart from ordinary non-financial undertakings, the exposure class includes insurance companies, housing co-operative associations and exposure in the form of "specialised lending".

Equity exposures refer to the Bank's holdings of shares that are not in the trading book.

For division into exposure classes according to the standardised approach, the Bank's volumes are put into the following exposure classes: multilateral development banks, international organisations, institutions, corporations, retail, exposures with collateral in property, exposures in default, other items and equities.

Credit exposures by risk class 2024

	Balance sheet items						Off-balance sheet items		
SEK m	Loans to the public	Loans to other credit institutions	Cash and balances with central banks	Other loans to central banks	Derivative instruments	Interest-bearing securities	Contingent liabilities	Obligations	Total
Risk class									
1	482,720	4,337	404,232	12,547	19,948	164,741	8,605	54,529	1,151,659
2	545,789	4,967			16,974	52,362	16,836	109,889	746,817
3	560,238	218			5,673	909	16,783	117,450	701,271
4	235,433	2			1,385		7,006	45,701	289,527
5	107,202	57			287		3,787	18,985	130,318
6	26,641				40		103	6,304	33,088
7	29,152				50		927	7,226	37,355
8	931						33	5,207	6,171
9	8,185						6	2,795	10,986
Defaults	4,109						37	58	4,204
Standardised approach[1]	371,686	9,342	125,771		2,712	2,102	1,631	74,370	587,614
Total	**2,372,086**	**18,923**	**530,003**	**12,547**	**47,069**	**220,114**	**55,754**	**442,514**	**3,699,010**

Credit exposures by risk class 2023

	Balance sheet items						Off-balance sheet items		
SEK m	Loans to the public	Loans to other credit institutions	Cash and balances with central banks	Other loans to central banks	Derivative instruments	Interest-bearing securities	Contingent liabilities	Obligations	Total
Risk class									
1	541,178	97	362,536	31,014	5,988	193,697	5,333	54,492	1,194,335
2	555,325	17,131			13,612	54,399	20,548	105,764	766,779
3	548,122	1,803			5,160	1,119	20,053	110,167	686,424
4	268,250	1			1,830		8,440	51,496	330,017
5	80,479	3			257		1,612	21,136	103,487
6	35,688	2			61		161	6,463	42,375
7	36,405				120		690	5,928	43,143
8	1,490						43	3,368	4,901
9	8,656						13	2,422	11,091
Defaults	3,398						28	127	3,553
Standardised approach[1]	355,226	260	113,645	1,131	3,082		1,199	66,502	541,045
Total	**2,434,217**	**19,297**	**476,181**	**32,145**	**30,110**	**249,215**	**58,120**	**427,865**	**3,727,150**

1) The standardised approach uses predetermined risk weights, for which reason risk classes are not relevant.

The table above includes the disposal groups in Finland, which has been reclassified to Assets held for sale on the balance sheet, see note G14.

G2 cont.

Risk rating methods
In order to quantify the Bank's credit risks, calculations are made of PD, EAD and LGD. Default is considered to have occurred when the borrower is more than 90 days past due with a significant payment, or when the Bank deems it unlikely that the borrower will be able to fulfil its commitments to the Bank. The PD value is expressed as a percentage where, for example, a PD value of 0.5% means that one borrower of 200 with the same PD value is expected to default within one year.

Corporate exposures are divided into four counterparty types and sovereign exposures into two counterparty types based on the business evaluation template used for the counterparty. PD is calculated individually for each risk class and counterparty type. For exposures that are subject to a capital requirement according to the foundation IRB approach, prescribed values are applied for LGD. The prescribed value that may be used is determined by the collateral provided for each exposure.

For retail exposures as well, an average default rate is calculated for each of the risk classes. Different models are used for exposures to private individuals and SMEs (that are also classified as retail exposures), but the principle is the same.

For retail exposures and for corporate exposures such as medium-sized enterprises, property companies and housing co-operative associations, the LGD is determined using the Bank's own loss history. For exposures to large corporates that are subject to a capital requirement using the advanced IRB approach, the LGD is determined on the basis of historical losses and external observations. For retail exposures secured by property in Sweden and for real estate exposures to medium-sized enterprises, property companies and housing co-operative associations (corporate), different LGD values are applied depending on the LTV of the collateral. For other exposures, the LGD value is determined by factors that may depend on the existence and valuation of collateral the product type and similar factors.

For each exposure class, the PD is calculated for each of the risk classes that refer to non-defaulted counterparties or agreements. PD is based on calculations of the historical percentage of defaults for different types of exposures. The average default rate is then adjusted by various margins of conservatism.

When establishing LGD, the risk measure must reflect the loss rates during economically unfavourable circumstances, known as downturn LGD. For corporate exposures in the IRB approach with own estimates of LGD and CCF, the LGD is adjusted for downturns so that the Bank's observed losses in the crisis years of 1991–1996 are taken into account. The LGD is, in many cases, estimated on the basis of the property's LTV. Given that the value of properties, and thereby also the LTV, usually varies in line with the business cycle, this means that the capital requirement will also demonstrate a certain correlation with the business cycle. For other collateral relating to retail exposures, observed LGD is adjusted for downturns by a factor which depends on the PD and type of product.

Balance sheet items subject to impairment testing, breakdown by risk class 2024

	Gross			Provisions		
SEK m	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Risk class						
1	821,158	1,815		-2	-2	
2	643,271	2,834		-9	-3	
3	556,715	6,345		-15	-6	
4	229,582	5,883		-24	-6	
5	91,880	15,748		-29	-55	
6	17,336	9,382		-13	-27	
7	17,930	11,326		-2	-52	
8	222	723		0	-14	
9	335	7,889		-1	-38	
Defaults			4,842			-733
Standardised approach[1]	484,841	14,690	3,683	-118	-128	-338
Total	**2,863,270**	**76,635**	**8,525**	**-213**	**-331**	**-1,071**

Balance sheet items subject to impairment testing, breakdown by risk class 2023

	Gross			Provisions		
SEK m	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Risk class						
1	885,295	1,982		-5	-3	
2	604,664	4,633		-19	-6	
3	546,591	8,169		-42	-14	
4	246,184	23,991		-78	-16	
5	61,640	32,578		-35	-151	
6	17,908	17,968		-23	-101	
7	24,235	12,481		-7	-184	
8	220	1,306		-1	-35	
9	303	8,428		-1	-73	
Defaults			4,240			-839
Standardised approach[1]	445,964	25,323	2,824	-218	-237	-311
Total	**2,833,004**	**136,859**	**7,064**	**-429**	**-820**	**-1,150**

1) The standardised approach uses predetermined risk weights, for which reason risk classes are not relevant.

The table above includes the disposal groups in Finland, which has been reclassified to Assets held for sale on the balance sheet, see note G14.

G2 cont.

When the exposure amount (EAD) is to be calculated, certain adjustments are made to the carrying amount. Examples of this are revolving credits, where the Bank agrees with the customer that the customer may borrow up to a certain amount in the future. This type of commitment constitutes a credit risk that must also be covered by adequate capital. Normally, this means that the credit granted is adjusted using a certain credit conversion factor for the part of the credit that is unutilised at the time of reporting. For certain product categories for corporate exposures and exposures to institutions, the credit conversion factors are determined by the regulatory code, while for retail exposures and certain product categories for large corporates, medium-sized enterprises, property companies and housing co-operative associations, the Bank uses its own calculated conversion factors. Which conversion factor is used is primarily governed by the product referred to, but the utilisation level may also be of relevance.

The capital requirements for equity exposures in the IRB approach are calculated according to the simple risk weight approach.

In addition to the capital adequacy calculation, the risk parameters (PD, EAD, LGD) are used to calculate the cost of capital in each individual transaction and to calculate economic capital (EC).

Regarding the Bank's IRB models, which use historical data to generate risk estimates, the Bank does not currently have sufficient historical data to include sustainability risks as a risk driver. However, sustainability risks are addressed for corporates by setting the internal rating that forms the basis of the PD risk class. Work is being undertaken with the aim of including sustainability risks as a risk driver in future IRB models when sufficient historical data is available.

Quality assurance of the credit risk model
The Bank performs an annual review of its risk rating systems. The review checks that the internal ratings on which the Bank's risk ratings are based are applied in a consistent, correct and fit-for-purpose manner (evaluation) and also that the models used measure risk in a satisfactory manner (validation).

Calculation of expected credit losses

The impairment rules presented in IFRS 9 apply to financial assets at amortised cost, financial assets at fair value through other comprehensive income, as well as financial guarantees and irrevocable commitments. This section provides descriptions of the processes and methods applied in Handelsbanken's model-based calculations of provisions for expected credit losses (ECL).

Estimations of expected credit losses are made at agreement level, whereby the characteristics of the agreement and the counterparty govern the classification and quantification of the provision requirement. The estimation is

Loans to the public subject to impairment testing, breakdown by risk class 2024

	Gross			Provisions		
SEK m	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Risk class						
1	480,909	1,815		-2	-2	
2	542,966	2,833		-7	-3	
3	553,914	6,345		-15	-6	
4	229,581	5,882		-24	-6	
5	91,590	15,695		-28	-55	
6	17,296	9,382		-13	-24	
7	17,880	11,326		-2	-52	
8	222	723		0	-14	
9	335	7,889		-1	-38	
Defaults			4,842			-733
Standardised approach[1)]	353,897	14,690	3,683	-118	-128	-338
Total	**2,288,590**	**76,580**	**8,525**	**-210**	**-328**	**-1,071**

Loans to the public subject to impairment testing, breakdown by risk class 2023

	Gross			Provisions		
SEK m	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Risk class						
1	539,204	1,982		-5	-3	
2	550,714	4,633		-16	-6	
3	540,009	8,169		-42	-14	
4	244,353	23,991		-78	-16	
5	48,097	32,567		-35	-150	
6	17,844	17,968		-23	-101	
7	24,115	12,481		-7	-184	
8	220	1,306		-1	-35	
9	302	8,428		-1	-73	
Defaults			4,237			-839
Standardised approach[1)]	327,842	25,323	2,827	-218	-237	-311
Total	**2,292,700**	**136,848**	**7,064**	**-426**	**-819**	**-1,150**

1) The standardised approach uses predetermined risk weights, for which reason risk classes are not relevant.

The table above includes the disposal groups in Finland, which has been reclassified to Assets held for sale on the balance sheet, see note G14.

G2 cont.

made using either a model-based or manual calculation, with the choice of method mainly dependent on whether the agreement is deemed to be credit impaired.

For information pertaining to the recognition and measurement of expected credit losses and for definitions, see note G1, section 6, Credit losses.

Model-based calculations for agreements in Stage 1 and Stage 2

Handelsbanken's Group-wide, central process for model-based calculations of expected credit losses incorporates a number of different processes and methods which support the quantification of the provision requirement in Stage 1 and Stage 2.

The model-based calculations factor in historical, current and forward-looking data. Historical data forms the basis for the construction of the model and parameters applied, current data comprises the prevailing balances on the reporting date (as included in the calculation requirements) and forward-looking data refers to the macroeconomic scenarios used to calculate future risk parameters and exposures.

The models use the same historical risk data as the IRB models, meaning that the accounting of provisions and calculations of capital requirements are based on the same basic loss history. Similar to how the risk rating system affects capital adequacy calculations, the internal rating (from which the risk rating derives) is a significant part of the models for calculating expected credit losses. The calculations are primarily affected by the risk parameters known as PD, EAD and LGD. The expected credit loss in a future period is obtained by multiplying the present value of the EAD by the PD and by the LGD. In contrast to the calculation of credit losses in the Capital Requirements Regulation, which also uses the risk parameters PD, EAD and LGD, the estimation of expected credit losses pursuant to IFRS 9 is based on current forward-looking assessments. As the regulations have different purposes, the calculation models differ in terms of how the risk parameters are set and in how they are constructed. The main differences between IFRS 9 and the IRB approach are presented in table Differences between IFRS 9 and the IRB approach.

Macroeconomic information

The calculations regarding model-based assessments of significant increases in credit risk and expected credit losses are made with the application of models for the respective risk parameters (PD, EAD and LGD). In order to ensure that the calculations take into account non-linear aspects, three forward-looking macroeconomic scenarios are used in the models (one base case, one downturn and one upturn) for exposures outside the UK. For exposures in the UK, four scenarios are used (one base case, two downturn and one upturn). Each scenario includes significant macroeconomic risk factors, such as unemployment, GDP, property prices, key/central bank rates and inflation, by country. The significant macroeconomic risk factors have been

Off-balance sheet items that are subject to impairment testing, breakdown by risk class 2024

	Gross			Provisions		
SEK m	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Risk class						
1	33,043	52		0	0	
2	58,035	204		-4	0	
3	47,901	266		-5	-1	
4	42,364	351		-7	-1	
5	16,483	1,329		-11	-29	
6	6,060	346		-2	-8	
7	5,686	2,466		-1	-21	
8	5,063	176		-2	-2	
9	2,647	153		-1	-4	
Defaults			94			-26
Standardised approach[1)]	74,996	939	65	-6	-24	0
Total	**292,278**	**6,282**	**159**	**-39**	**-90**	**-26**

Off-balance sheet items that are subject to impairment testing, breakdown by risk class 2023

	Gross			Provisions		
SEK m	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Risk class						
1	31,681	76		0	0	
2	64,466	152		-10	0	
3	66,056	468		-16	-1	
4	31,261	989		-23	-2	
5	8,668	5,754		-8	-73	
6	6,015	528		-3	-17	
7	5,199	1,379		-3	-58	
8	3,034	295		-1	-16	
9	2,149	199		-2	-12	
Defaults			96			-41
Standardised approach[1)]	66,164	1,422	68	-28	-24	-1
Total	**284,693**	**11,262**	**164**	**-94**	**-203**	**-42**

1) The standardised approach uses predetermined risk weights, for which reason risk classes are not relevant.

The table above includes the disposal groups in Finland, which has been reclassified to Assets held for sale on the balance sheet, see note G14.

G2 cont.

identified from an assessment of the Bank's historical data and the relation to the risk parameters is estimated using the same historical material. The various scenarios are used to adjust the risk parameters in question. Each macroeconomic scenario represents a probability determined by the Bank. These probabilities are currently set at 70% (70) for the base case scenario, 15% (15) for the upturn scenario and 15% (15) for the downturn scenario. For exposures in the UK, the weightings are 60% (60) for the base case scenario, 5% (5) for the upturn and 20% (20) for the downturn, with 15% (15) assigned to the severe downturn scenario. Expected credit losses are recognised as a probability-weighted average of the expected credit losses for the respective scenarios.

All of the macroeconomic scenarios have been produced by the Bank's economic research unit, which is responsible for all economic analysis delivered by Handelsbanken, whether for internal or external use. These macroeconomic scenarios comprise region-specific, 30-year forecasts for Sweden, Norway, Finland, the UK, the Eurozone and the USA, together with a global forecast. The Bank does not apply any specific scenarios related to sustainability risks in the expected credit loss calculations, but the impact of this type of risk, primarily climate-related risks, is partly included in the macroeconomic scenarios applied. A change in the macroeconomic scenarios, or in the probability weights applied, affects both the assessment of significant increases in credit risk and the estimated expected credit losses. The scenarios are updated on a quarterly basis by the Bank's economic research unit and are presented for approval to the relevant decision-makers before being applied in the ECL calculations.

Portfolio segmenting

Statistical models are used in the model-based assessment. These have been developed for different segments in the portfolio, with each segment being comprised of similar risk exposures, and the risk parameters can be estimated on the basis of a common set of risk factors. For retail exposures the portfolio segmenting is based on product type and for other exposures it is based on counterparty type. The segments have been identified on the basis of statistical analysis and expert assessment. For retail exposures the portfolio has the following nine segments: exposures with residential property as collateral for private individuals, revolving credits including credit card exposures for private individuals and for SMEs, other exposures for private individuals and for SMEs, card credits for retail financial services for private individuals and for SMEs, and hire purchase for retail financial services for private individuals and for SMEs. Other exposures are split into the following six segments: property companies, housing co-operative associations, other large non-financial undertakings, other non-financial undertakings, sovereigns as well as financial companies and banks.

Within the respective portfolio segments, the agreements are further categorised into different states, based on risk factors such as internal rating, payment history, country affiliation, collateral type and LTV. These states have been determined on the basis of statistical analysis of historical outcomes. For every state, statistical models are used for migrations between states in order to calculate the forward-looking probabilities for the risk parameters PD, LGD and EAD. One important risk factor for the states is the counterparty's internal rating, which is set in conjunction with the credit decision and which is updated at least annually, or whenever there are indications that the counterparty's repayment capacity has changed. Climate-related risks, and certain other environmental risks, are assessed in the credit process and affect the internal rating at counterparty level. There are states for "not in default", "in default" and "early repayment" exposures. Retail exposures are divided into nine different states and other exposures into 12 states.

Significant increase in credit risk

A significant increase in credit risk reflects the risk of default and is a measurement by which the agreement's relative change in credit risk since initial recognition is measured. For calculating significant increases in credit risks, the same underlying model is used in Handelsbanken as is used for the calculation of expected credit losses, with consideration given to historical, current and future-oriented information. Collateral is not taken into account in the assessment. At each reporting date, the Group-wide, central, model-based process begins for all agreements with an assessment of whether there has been a significant increase in the credit risk since initial recognition (start date of the agreement). This assessment then determines whether the expected credit loss is assessed over a 12-month horizon after the reporting date (Stage 1) or during the agreement's remaining lifetime (Stage 2). An important aspect which affects the size of the provision for credit losses is therefore which factors and thresholds are defined as triggers for the transfer of assets from Stage 1 to Stage 2. The Bank's definition of a significant increase in credit risk, which is decisive in the transfer of agreements to Stage 2, is based on both qualitative and quantitative factors.

The quantitative indicator which is primarily used to assess the change in credit risk is the relative change, between the instrument's initial recognition and up to the most recent reporting date, in the PD during the agreement's remaining lifetime. In cases where an unreasonable expense or exertion was required to establish the PD in conjunction with the initial recognition of an instrument, changes in the counterparty's or the agreement's internal rating or risk rating since initial recognition have been used to assess the significant change in the credit risk. For agreements recognised initially on or after 1 January 2018, the forecasts regarding the risk of default are based on three scenarios. For agreements recognised before 1 January 2018, the same criteria are applied but using a scenario based on the Bank's most recently published economic analysis at the time of initial recognition.

The primary criterion when assessing whether an agreement is deemed to have incurred a significant increase in credit risk and is thus transferred to Stage 2 is, as defined by Handelsbanken, that the estimated remaining PD on the reporting date is greater than a multiple of 2.5 times the corresponding probability of default upon initial recognition. The threshold value of 2.5 is based on statistical analysis of the Bank's historical data and compares the increase in the remaining risk that the counterparty will default with the corresponding estimated risk upon the initial recognition of the agreement. In addition, there are other qualitative factors which the Bank has assessed as entailing a significant increase in credit risk, such as the agreement having payments that are more than 30 days overdue, or that counterparty having been granted concessions as the result of a deteriorated credit rating.

If a significant increase in credit risk has arisen since initial recognition, a provision is recognised which corresponds to the expected credit losses for the entirety of the remaining lifetime of the asset and the financial instrument is transferred to Stage 2. The model is symmetrical, meaning that, if the financial instrument's credit risk decreases and there is therefore no longer a significant increase in credit risk since initial recognition, the financial asset is transferred back to Stage 1.

Models for risk parameters and expected lifetime

The risk parameters PD, LGD and EAD are calculated for every agreement and future point in time, based on statistical models. These models are, as far as possible, founded on the relationships between the significant risk factors and relevant risk outcomes identifiable in the Bank's own loss history. The majority of risk parameters which are quantified are based on approximately ten years of internal data. In cases where the Bank lacks sufficient

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Differences between IFRS 9 and the IRB approach

Risk parameter	IRB	IFRS 9
PD, probability of default	Average risk of default within 12 months over one business cycle, including statistical margins of conservatism and regulatory floors.	Business cycle-dependent ("point-in-time") risk of default within 12 months. "Lifetime PD" refers to the risk of default during the agreement's expected remaining lifetime.
LGD, loss given default	The maximum value of expected loss rate on exposure at default within 12 months in the long term and in conjunction with an economic downturn, including statistical margins of conservatism and regulatory floors. The quantification of loss for corporate exposures is based on recoveries within 12 months and remaining reserves (24 months for retail exposures).	Business cycle-dependent expected loss rate on exposure at default. LGD is adjusted on the basis of forward-looking macroeconomic scenarios.
EAD, exposure at default	The maximum value of expected exposure at default within 12 months in the long term and in conjunction with an economic downturn, including statistical margins of conservatism and regulatory floors.	Business cycle-dependent expected exposure at default within 12 months. EAD is adjusted on the basis of contractual terms and conditions and forward-looking macroeconomic scenarios, and is updated for each future 12-month period.
Term	The agreement's contractual maturity, with consideration given to the customer's option to extend.	Expected lifetime. The agreement's contractual maturity, with consideration given to the probability of early repayment.
Forecast horizon	12 months.	Up to 12 months for agreements in stage 1 or the remaining lifetime for agreements in Stage 2–3.
Discounting	Forecast losses are not discounted to the reporting date. When quantifying the recovery rate, observed recoveries are discounted to the date of default using the average cost of capital.	Forecast losses are discounted to the reporting date using the agreement's contractual interest rate on the reporting date.

information due to, for example, too few defaults, the data is complemented with external information. The historical outcomes are analysed with regard to the covariation in agreement-specific, counterparty-specific and region-specific risk factors, such as product type, internal rating, length of customer relationship, collateral type, LTV, unemployment, interest rates and GDP growth. The risk factors identified as significant for a specific risk parameter are included in the model and the historical correlation is quantified.

Probability of default (PD)
PD refers to the probability that a customer or an agreement will go into default at a given point in time during the asset's remaining lifetime. 12-month PD refers to the probability of default during the coming 12-month period. Lifetime PD refers to the probability of default during the asset's remaining lifetime (up to a maximum of 30 years). The future PDs are forecast on the reporting date, using forward-looking macroeconomic scenarios and current agreement and counterparty information. The forecast risk of default takes into account the development of scenarios and the probability of migrations between different states over time. The models calculate annual migration and default probabilities, whereby the migration model presents a probability that the agreement will belong to a particular state with a given risk of default in the future. The agreement's expected PD for a given year is calculated as the probability-weighted PD over all conceivable states and scenarios. Expected PD for the remaining lifetime is based on the annual expected default forecasts and the probability that the agreement will be subject to early repayment. The degradation of an economic outlook based on forecast macroeconomic risk factors for each scenario, or an increase in the probability that the downturn scenario will be realised, normally results in a higher PD.

Exposure at default (EAD)
EAD refers to the expected credit exposure at default. On the reporting date, future exposure at default is forecast on the basis of current repayment plans, the probability of early repayment and the expected utilisation of, for example, credit facilities, financial guarantees and loan commitments. EAD is forecast on an annual basis and comprises the amount at which losses and recoveries take place in conjunction with future defaults.

Expected lifetime
An instrument's expected lifetime is relevant to both the assessment of significant increase in credit risk, which takes into account changes in PD during the expected remaining lifetime, and the measurement of expected credit losses for the asset's expected remaining lifetime. The expected lifetime is considered when calculating the remaining PD by weighing the forecast annual PD values during the agreement's contractual duration against the probability that the agreement will not be subject to early repayment before defaulting.

The probability of the agreement being subject to early repayment is based on statistical analysis and on the Bank's internal history for approximately the past ten years, and is included as a component of the model for EAD. Potential risk factors in the form of agreement, counterparty and macroeconomic risk factors have been assessed in the analysis. The risk factors identified as significant are included in the model.

For revolving credits with no maturity date, such as credit cards, a 30-year maturity from the reporting date is applied. The same 30-year maturity from the reporting date is also applied to mortgage loans with interest-rate fixing periods of a maximum of three months. On these maturities probability of early repayment according to the above is applied.

Loss given default (LGD)
LGD reflects the financial loss which the Bank expects to incur in the event of default. The most important risk factors when calculating LGD are the value and type of collateral, and the characteristics of the counterparty. Forward-looking macroeconomic risk factors are reflected in the LGD calculations through their impact on the value of collateral and the LTV. The quantification of the loss is divided between a probability that the counterparty recovers without causing the Bank any financial loss, and a recovery rate if the counterparty does not recover. The recovery rate is affected by the LTV, in that a higher LTV is associated with a lower recovery rate. The collateral value of properties, and thus the LTV and the recovery rate, is affected by the price trend for the property, whereby an expected decline in real estate values pushes up the LTV and the expected loss given default.

G2 cont.

Differences between IFRS 9 and the IRB approach
Handelsbanken's IFRS 9 models are based on the same historical data and the same overall model-based approach as the Bank's IRB models, which use the risk parameters PD, LGD and EAD. As the regulations have different purposes, the calculation models differ in terms of how the risk parameters are set and in how they are constructed and in certain cases separate models have been implemented to fulfil the requirements of IFRS 9. The main differences between IFRS 9 and the IRB approach are presented in the table Differences between IFRS 9 and the IRB approach.

Validation of IFRS 9 models and model-based calculations
The models and the risk parameters used in them are regularly validated by Handelsbanken Risk Control according to established principles, independently of the units responsible for developing the models. The purpose of the validations is to ensure that at several aggregation levels the model-based calculations demonstrate a good forecasting accuracy, without any unexpected deviations between forecasts and the most recent outcomes. The inputs used in the calculations are also verified to ensure that they are of high quality and that the design of the models is fit for purpose. The results of the validation are reported to the Chief Credit Officer, the CRO and the CFO. No significant deviations with a material effect on the Bank's provisions were identified in the most recent validation that was conducted in 2023.

Manual calculations for agreements in Stage 3

Assets in Stage 3 are tested for impairment at the individual level using a manual calculation (with the exception of a small portfolio of homogeneous claims which have a model-calculated provision in Stage 3). This testing is performed on a regular basis and in conjunction with every reporting date by the local branch with business responsibility (unit with customer and credit responsibility) and is decided at county level and by the national Credit committee or Handelsbanken Credit.

Impairment testing is carried out when there are objective circumstances which indicate that the counterparty will not be able to fulfil its contractual obligations, according to the definition of default. Such objective circumstances could be, for example, late or non-payment or an indication of unlikely payment.

Impairment testing involves an estimation of the future cash flows and the value of the collateral (including guarantees). Consideration is normally given to at least two forward-looking scenarios for expected cash flows, based on both the customer's repayment capacity and the value of the collateral. The outcome of these scenarios is probability-weighted and discounted with the loan's original effective interest rate. The scenarios used can take into account both macroeconomic and agreement-specific factors, depending on what is deemed to affect the individual counterparty's repayment capacity and the value of the collateral. The assessment takes into account the specific characteristics of the individual counterparty. An impairment loss is recognised if the estimated recoverable amount is less than the carrying amount.

Governance and internal control

For calculating the expected credit losses on agreements in Stage 1 and Stage 2, Handelsbanken has a Group-wide, central process using internally developed statistical models (model-based calculation). Manual calculation is used for agreements in Stage 3. The description below primarily refers to the model-calculated provisions for expected credit losses. This process is covered by a number of internal controls, which are described below. The various stages of the process also entail different approvals/adoptions, creating a governance structure, which is also described below.

Verification of input data in reports
On each reporting date, the information which constitutes the basis for the calculations of expected credit losses is checked for correctness and completeness. This is carried out in the form of automatic reconciliation of loaded data from delivery sources. Furthermore, a reasonability assessment is undertaken, whereby system balances are compared with the balances recorded on the previous reporting date. The balances which are ultimately used are then reconciled against the volumes recorded in the general ledger.

Models
Before a new quantitative model is included in the overall model system, it is subject to validation and must be approved for use by the Chief Credit Officer.

The quantitative models which form the basis for the calculations of expected credit losses involve several assumptions and assessments. Examples include the assumption that the quantifiable aspects of relationships between macroeconomic risk factors and risk parameters in historical data are representative for future events, and the assumption that an agreement's expected lifetime can be based on historical behavioural data. Whether these historical relationships and their representativeness of the future are affected by climate-related risks is assessed in the modelling process. As of the reporting date, no such climate-related factors have been specifically included in the models, but the matter is subject to continuous assessment. A selection of the most significant macroeconomic risk factors is made on the basis of the macroeconomic risk factors' explanatory power in relation to individual risk parameters. The selection of the macroeconomic risk factors and specification of the model are made to achieve a balance between simplicity, demonstrative ability and stability. All assumptions and discretionary decisions are presented to the Chief Credit Officer for approval.

Any expert-assessed changes to provisions in model-calculated agreements in Stage 1 and Stage 2 require the approval of the CFO and are decided on by the Chief Credit Officer before they are applied.

Macroeconomic scenarios
The macroeconomic scenarios have been produced by the Bank's economic research unit, based on instructions issued by the Chief Credit Officer. These instructions specify the desired macroeconomic risk factors, geographical areas to be included, and the number of scenarios and probability-weighting between them.

Before every reporting date, the current macroeconomic scenarios are presented to the Chief Credit Officer and the CFO, who approve the scenarios for use in the reporting process.

Size of the provisions
The total estimated provisions in Stage 1 and Stage 2 require the approval of the CFO and are decided on by the Chief Credit Officer. Estimated provisions in Stage 3 are proposed by the Bank branch with business responsibility (unit with customer and credit responsibility) and are approved at the county level and by the national Credit committee or a central unit, depending on the size of the provision. Of the credit provisions in Stage 3 which are approved locally, a selection is subsequently reviewed/quality assured by Handelsbanken Credit. In addition, Handelsbanken Risk Control submits an independent review on every reporting date of a selection of the credit provisions in Stage 3 which are approved centrally.

G2 cont.

The role of the control functions
Handelsbanken Risk Control determines the validation principles and ensures that models are validated. An independent review is conducted on every reporting date of a selection of the credit provisions in Stage 3 which are approved centrally. Handelsbanken Risk Control is described in more detail on pages 43 and 49. Handelsbanken Internal Audit reviews the estimations of expected credit losses as part of its assignment to independently examine internal governance and control, and to evaluate the reliability of the Group's financial reporting. Handelsbanken Internal Audit is described in more detail on pages 43 and 49.

Counterparty risk

Counterparty risk arises when the Bank has entered into derivative contracts or contracts with a counterparty regarding loans of securities. In addition to derivatives, the capital adequacy regulations therefore treat both repurchase transactions and equity loans as counterparty risks.

In calculating both the capital requirement and EC, counterparty exposures are taken into account based on the exposure amounts stipulated by the capital adequacy regulations. Handelsbanken applies the standardised approach for counterparty risk (SA-CCR) to calculate exposure amounts on derivative contracts for capital adequacy purposes. Counterparty risk is regarded as a credit risk where the market value of the contract determines the size of the exposure. If the contract has a positive value, the default of the counterparty means a potential loss for the Bank.

Reduction of counterparty risk
Counterparty risk arises from the trade date until the date of delivery, whereby the Bank could be charged a termination fee if the counterparty is unable to meet its commitments. This risk exists in all derivative transactions and in securities transactions where the Bank has not secured payment in advance.

The size of counterparty exposures is restricted by setting credit limits in the regular credit process. The size of the exposures may vary substantially due to fluctuations in the price of the underlying asset. In order to take account of the risk that the exposure may increase, supplements are added to the value of the exposure when setting credit limits. The exposures are calculated and followed up daily.

The counterparty risk in derivatives is reduced through close-out netting agreements, which involve setting off positive values against negative values in all derivative transactions with the same counterparty. Netting agreements are supplemented with agreements for issuing collateral for the net exposure (credit support annex, CSA), which further reduce the credit risk. The collateral for these transactions is mainly cash, but government securities are also used. Due to the high proportion of cash, the concentration risks in the collateral are limited.

The majority of Handelsbanken's agreements include close-out netting, and the agreements with the largest exposures, which are to financial institutions, also include CSAs.

Derivatives which are cleared via central counterparties also give rise to capital requirements. Central counterparties are clearing houses which act as the counterparty for both the buyer and seller in various transactions, and thus assume the responsibility for fulfilling the parties' obligations. All parties which use a central counterparty must provide collateral for all transactions. In most cases, the risk weight for centrally cleared derivatives is considerably lower than for other types of derivatives.

G2 cont.

Market risk

The risks arise from price and volatility changes in the financial markets. Market risks are divided into interest rate risk, equity price risk, foreign exchange risk and commodity price risk.

Financial markets were affected by a number of macroeconomic factors during the year, such as the efforts of central banks to tackle inflation and the rate of recovery in the global economy. In August, the Bank of Japan's decision to raise its policy rate caused significant volatility in global markets. Although this volatility stabilised shortly thereafter, it remained at a higher level than in the first half of 2024. Indications of a hard or soft landing in the global economy occasionally led to higher market volatility during the year. The outcome of the US presidential election was the focus of the autumn. The tense geopolitical situation also contributed to continued uncertainty. The Bank's risk utilisation remained low during the year, in line with the risk tolerance, and the impact on the business was thus limited.

Market risks arise in Handelsbanken's operations in the non-trading book primarily as a result of interest rate and currency positions, which arise in the Bank's funding and lending activities. Market risk arises in cases when these positions cannot be perfectly matched. In addition to customer-driven positions, market risks may also originate from positions required for conducting banking operations, such as Handelsbanken Treasury's liquidity portfolio.

Market risks in the trading book arise primarily within Handelsbanken Markets, to meet customers' demand for financial instruments with exposure to the fixed-income, currency, equities or commodity markets. Furthermore, market risks may also arise in connection with the Bank's market maker function.

In addition to the above, market risks also arise as a part of Handelsbanken Liv's operations. The market risks in Handelsbanken Liv are described in a separate section of this note. Consequently, the information on market risks given in this section refers to risks excluding Handelsbanken Liv.

Market risk strategy

Handelsbanken has a restrictive view of market risks. Market risks in the banking operations are primarily taken as part of meeting customers' investment and risk management needs. Market risks must be limited by matching cash flows and interest rate adjustment periods, hedging open positions and taking other actions to limit risk.

Market risks at Handelsbanken are thus very low. As a result of the Bank's market risk strategy, only a small fraction of the Bank's earnings comes from net gains/losses on financial transactions.

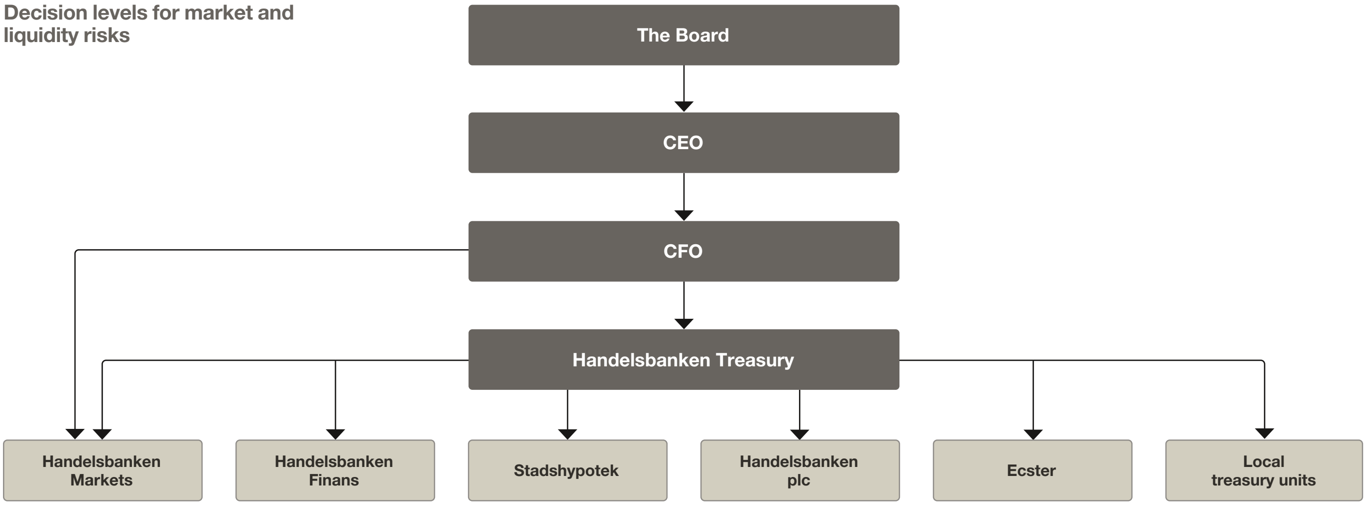
Organisational structure

Handelsbanken's Board has overall responsibility for the Bank's management of market risks and establishes policy documents for this. Guidelines from the CEO and instructions from the CFO concretise these policies. Within this framework, each part of the business operations bears the responsibility for its own business activities and its management of all risks. The risks that arise in conjunction with funding and liquidity management are, however, centralised to Handelsbanken Treasury under the CFO, and Handelsbanken Markets manages the majority of the risks in the trading book. The control functions monitor that the business operations are conducted within the Bank's risk tolerance, and report on the risks to the Board and Executive Team.

The Bank's limit system restricts the size of the exposure to market risks. Measurement methods and limits are established by the Board. The CFO has the functional responsibility for liquidity and funding, while the Head of Handelsbanken Treasury, who reports to the CFO, is responsible for the Group's liquidity and funding. This responsibility includes managing the Group's interest rate, foreign exchange and liquidity risks in its banking operations. The limits for interest rate, foreign exchange and liquidity risk are allocated by the CEO and the CFO to the Head of Handelsbanken Treasury, who in turn allocates these to the business-operating units. Limits for equity price risk and commodity price risk are allocated directly to Handelsbanken Markets by the CFO.

The CEO and the CFO also decide on supplementary risk measures, intraday limits and detailed guidelines. The supplementary limit measures aim to reduce the Bank's sensitivity to volatility changes in the financial markets, and to limit the risks of specific holdings and the liquidity risk per currency. These measures also limit the risks from a maturity perspective. The Board, CEO and CFO regularly receive reports on the market risks and utilisation of the limits.

Decision levels for market and liquidity risks



G2 cont.

Market risks at Handelsbanken

Market risks are measured using several different methods. The sensitivity measures used show which changes in value would occur in the event of predefined changes in prices and volatilities. Position-related risk measures and probability-based Value at Risk (VaR) models are also used.

VaR
VaR is calculated for the portfolios at Handelsbanken Markets and Treasury which are classified as trading book. VaR is a probability-based measure and expresses the losses in Swedish kronor from risk positions that cannot be expected to be exceeded due to movements in the underlying markets over a specified holding period and for a given confidence level. VaR is calculated using historical simulation and is determined for individual risk factors, risk classes and at portfolio level with a 99% confidence level and a one-day holding period. This means that the Bank would be expected to make a loss exceeding the VaR outcome on one out of every 100 trading days. The model means that different risk classes can be handled in a uniform way so that they can be compared and aggregated into a total market risk. The overall risk in the portfolios which are classified as trading book was SEK 5 million (12) at year-end. VaR is reported on a regular basis to the Board, CEO and CFO. The VaR model uses historically observed outcomes and thus does not cover all potential outcomes, such as in the case of extreme, rapid market movements. The calculations are therefore supplemented with stress tests where the portfolios are tested against scenarios based on events in the financial markets since 1994. The outcome of these stress tests was SEK 61 million (52) at year-end. The results of these stress tests are also reported to the Board, CEO and CFO.

Value at Risk for trading book – Handelsbanken Markets and Treasury[1)]

	Total		Equities		Interest rate		Currency		Commodities	
SEK m	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Average	9	14	0	1	10	14	1	2	0	0
Maximum	15	22	2	5	16	23	3	7	0	0
Minimum	5	8	0	0	5	8	0	1	0	0
Year-end	5	12	0	0	5	13	1	1	0	0

1) Portfolios classified as trading book are subject to special instructions and guidelines.

Worst outcome in stress test for trading book – Handelsbanken Markets and Treasury

SEK m	2024	2023
Average	61	51
Maximum	217	139
Minimum	16	15
Year-end	61	52

Interest rate risk
Interest rate risk is measured in several ways at the Bank. General interest rate risk is measured daily, and limits are set as the absolute sum of the least favourable changes in fair value per currency in the case of instantaneous upward or downward parallel shifts of 1 percentage point for all interest rates. At year-end, the Bank's total general interest rate risk was SEK 1,274 million (1,069). Interest rate adjustment periods for non-maturity deposits are established according to an internal method. The starting point for such deposits is the estimated interest-fixing period, whereby the longer interest rate adjustment period is applied to the part that can be regarded as stable and insensitive to interest-rate movements based on historical observations. The risk measure includes interest-bearing items measured at market value as well as items not measured at market value and is therefore not appropriate when assessing the impact on the balance sheet and income statement. Instead, supplementary measures and limits capture this for the respective business types.

Specific interest rate risk is measured and limited by using sensitivity to changes in credit spreads, that is, the difference between the interest on the current holding and the yield on a government bond with the same maturity. This risk arises at Handelsbanken Markets and in Treasury's liquidity portfolio. The risk is measured and limits are set on the basis of different rating classes and is calculated as the least favourable change in market value in the case of an upward or downward shift of one basis point in all credit spreads. This is performed for each individual counterparty and the outcomes are summed as an absolute total. Total specific interest rate risk at year-end was SEK 5 million (6).

Changes in the risks in the case of hypothetical changes in various interest rate curves, such as steepening, flattening and basis risk, are measured and followed up on a regular basis.

Interest rate risk in the trading book
The trading book comprises Handelsbanken Markets' portfolios and one portfolio at Handelsbanken Treasury classified as trading book. At year-end, the general interest rate risk in the trading book was SEK 34 million (46) and the specific interest rate risk was SEK 1 million (2). The non-linear interest rate risk, for example, part of the risk in interest rate options, is measured and a limit set with pre-defined stress scenarios expressed in matrices. This means that the risk is measured as changes in underlying market interest rates and volatilities. VaR and other risk measures are also used for the trading book, supplemented by various stress scenarios.

G2 cont.

Interest rate risk in the non-trading book
Interest rate risk arises as a result of the lending partly having different interest rate adjustment periods than the funding. Interest rate risk is mainly managed by means of interest rate swaps. Interest rate risk also arises in Handelsbanken Treasury's liquidity portfolio, and is managed via bond futures and interest rate swaps. At year-end, the general interest rate risk in the non-trading book was SEK 1,291 million (1,061) and the specific interest rate risk was SEK 4 million (4).

To estimate the effect of interest rate changes on the income statement, the net interest income risk is also measured. The net interest income risk is measured as the least favourable change in net interest income over a 12-month period in the case of a 1 percentage point increase or decrease in market rates. This effect reflects the differences in interest rate adjustment periods and volume composition between assets, liabilities and derivatives outside the trading book, assuming that the size of the balance sheet is constant. In this calculation, interest rate adjustment periods for non-maturity deposits are established according to an internal method. This model is based on historical observations and only adjusting the portion that is stable and insensitive to interest-rate movements. The net interest income risk at year-end was SEK 2,141 million (3,808)[1].

1) The risk for 2023 differs from previously reported amounts due to a change in method.

General interest rate risk in the non-trading book (change in fair value as the worst outcome in the case of a 1 percentage point parallel shift of all interest rates)

SEK m	2024	2023[1]
SEK	670	392
EUR	124	285
NOK	94	12
USD	161	290
GBP	236	68
Other currencies	6	13
Total	**1,291**	**1,061**

1) From 2024, DKK is included in Other currencies. This is the reason for the difference compared with the figure for Other currencies in 2023.

Interest rate adjustment periods for assets and liabilities 2024
The table shows the interest rate adjustment periods for interest-rate related assets and liabilities as at 31 December 2024.

SEK m	Up to 3 mths	3–6 mths	6–12 mths	1–5 yrs	Over 5 yrs	Total
Cash and balances with central banks	542,556					542,556
Bonds and other interest-bearing securities	147,668	2,424	930	62,898	6,195	220,115
Loans to credit institutions	18,921	1	1			18,923
Loans to the public	1,638,434	104,460	146,645	426,091	56,456	2,372,086
Other assets	385,493					385,493
Total assets	**2,733,071**	**106,886**	**147,575**	**488,989**	**62,651**	**3,539,173**
Due to credit institutions	53,893	28,596	1,110	659	270	84,528
Deposits and borrowing from the public	1,099,711	64,466	57,425	91,305	7,573	1,320,481
Issued securities	459,018	157,583	222,691	662,642	85,146	1,587,081
Other liabilities	547,083					547,083
Total liabilities	**2,159,706**	**250,645**	**281,226**	**754,606**	**92,989**	**3,539,173**
Off-balance sheet items	-380,326	3,823	26,343	355,666	35,859	41,366

Interest rate adjustment periods for assets and liabilities 2023

SEK m	Up to 3 mths	3–6 mths	6–12 mths	1–5 yrs	Over 5 yrs	Total
Cash and balances with central banks	508,326					508,326
Bonds and other interest-bearing securities	182,277	1,011	1,609	58,374	5,944	249,215
Loans to credit institutions	19,297					19,297
Loans to the public	1,623,097	110,023	165,208	474,768	61,121	2,434,217
Other assets	326,737					326,737
Total assets	**2,659,735**	**111,034**	**166,817**	**533,141**	**67,064**	**3,537,792**
Due to credit institutions	83,062	3,416	3,125	326	1,195	91,124
Deposits and borrowing from the public	1,072,730	65,816	38,907	172,535	49	1,350,037
Issued securities	439,292	182,444	224,314	615,376	105,173	1,566,599
Other liabilities	530,033					530,033
Total liabilities	**2,125,116**	**251,676**	**266,346**	**788,237**	**106,416**	**3,537,792**
Off-balance sheet items	-347,183	17,665	48,978	260,653	54,713	34,827

Assets and liabilities in the table above include the disposal groups in Finland, which have been reclassified to Assets held for sale and Liabilities held for sale on the balance sheet, respectively (see note G14).

G2 cont.

Equity price risk
The Bank's equity price risk mainly arises at Handelsbanken Markets through customer trading and in the Bank's own equity portfolio.

The risk is measured as the market value change in the Bank's total equity positions in the case of an instantaneous change in equity prices of +/-10% and in volatilities of +/-25%. At year-end, the Bank's worst case outcome for this risk was SEK 66 million (40). The largest exposure in equities comes from the UK market.

Equity price risk in the trading book
The equity price risk at Handelsbanken Markets arises in customer-driven transactions. Handelsbanken has market maker commitments in securities, equity derivatives and exchange-traded funds (ETFs). Equity price risk arises primarily from these commitments.

The Bank limits and measures the equity price risk at Handelsbanken Markets using matrices. The advantage of this method is that it effectively identifies equity price risk including the non-linear risk. VaR is used, together with other risk measures and stress scenarios, as a complement when measuring the equity price risk. At year-end, the Bank's VaR for equity price risk in the trading book was SEK 0 million (0).

Equity price risk outside the trading book
The Group's holdings of equities outside the trading book include level 3 shares, mainly consisting of various types of Bank-wide operations related to the Bank's core business. The holdings are classified as measured at fair value through other comprehensive income and are measured at fair value on the balance sheet. In general, such holdings are valued at the Bank's share of the company's net asset value, or alternatively at the price of the last completed transaction. The equity price risk is low.

Equity price risk

Change in equity price	Change in volatility					
	2024			2023		
SEK m	-25%	0%	25%	-25%	0%	25%
10%	70	69	67	55	58	60
-10%	-66	-64	-62	-40	-37	-35

Equity exposures outside the trading book

SEK m	2024	2023
Holdings classified as measured at fair value through other comprehensive income	804	601
of which Levels 1 and 2	*642*	*445*
of which Level 3	*162*	*156*
Holdings classified as measured at fair value through other comprehensive income	804	601
of which business-related	*271*	*256*
of which other holdings	*533*	*345*
Fair value reserve at beginning of year	273	221
Unrealised market value change during the year for retained and new holdings	170	52
Realised due to sales and settlements during the period	-3	0
Fair value reserve at end of year	**440**	**273**
Included in tier 2 capital	0	0

G2 cont.

Foreign exchange risk
As the Bank has lending in several different currencies, foreign exchange exposure of a structural nature arises, because the Group's accounts are presented in Swedish kronor. This structural risk is managed by considering the trade-off between the respective impacts of foreign exchange movements on either capital ratios or equity. The Board has established the maximum impact on equity which the structural foreign exchange position is permitted to give rise to in the hedging of the common equity tier 1 ratio, and the maximum permitted position and sensitivity in the common equity tier 1 ratio due to fluctuations in exchange rates. The other foreign exchange movements that affect the Bank's equity are shown in the table Statement of changes in equity, Group, on page 65.

The Bank's direct foreign exchange exposure arises as a consequence of customer-driven, intra-day trading in the international foreign exchange markets. This trading is conducted at Handelsbanken Markets. The Board, CEO and CFO have set VaR limits for this foreign exchange risk.

Some foreign exchange exposure also arises in the normal banking operations as part of managing customer payment flows and in funding operations at Handelsbanken Treasury. The Board, CEO and CFO have set position limits for these risks. At year-end, the aggregate net position amounted to SEK 162 million (337), not including the structural currency position. This foreign exchange risk does not depend on trends for an individual currency or group of currencies, because the positions are very short and arise in management of customer-driven flows. The total foreign exchange risk in the non-trading book was SEK 12 million (20), measured as the impact of an instantaneous 5% change in the Swedish krona on the Bank's reported profit.

Exchange rate sensitivity in the non-trading book (Worst outcome +/-5% change in SEK against the respective currency)

SEK m	2024	2023[1)]
EUR	8	18
NOK	3	2
USD	0	2
GBP	3	2
Other currencies	3	4

1) The risk for 2023 differs from previously reported amounts due to a change in method.

Commodity price risk
Trading in commodities is conducted exclusively at Handelsbanken Markets. Exposure in commodity-related instruments only occurs as a result of customer-driven trading in the international commodity markets. Commodity price risk, both linear and non-linear, is measured as the absolute total of risk for all commodities to which the Bank is exposed. At year-end, the commodity price risk was SEK 1 million (0), measured as the maximum loss on price changes up to 20% in underlying commodities and changes in volatility up to 35%. At year-end, the Bank's VaR for commodity price risk was SEK 0 million (0).

Other market risks
Market risk also arises in the Bank's pension system (pension risk). The risk comprises the risk of changes in the value of the pension assets securing the Bank's pension obligations, together with changes in discount rates that affect the present value of the pension obligations.

Fair value measurement
The business operations are responsible for the correct valuation of financial instruments, and these valuations are then verified by Handelsbanken Risk Control. This validation responsibility includes ensuring the checking of market data upon which the valuation is based and ensuring that this check is independent of the risk-taking parties.

Sources of market data are independent of the business operations. When market data has been obtained from the business operations, documented controls are performed against external sources to assess whether the data is reasonable. Market prices and market data for models must be verified at least once a month but are also essentially verified daily. Valuation models are validated by Handelsbanken risk control which is independent of the developer of the model. The Valuation committee, whose purpose is to coordinate valuation matters in the Handelsbanken Group, fulfils an important function in ensuring that each valuation is correct and adheres to current market practices.

The valuation of financial instruments measured at fair value is performed in accordance with IFRS 13. See note G42 for more information about the assets and liabilities measured at fair value and for additional information on the Bank's valuation process.

Prudent valuation
In accordance with the valuation rules in the CRR, Handelsbanken makes a quarterly adjustment to own funds relating to uncertainty in the valuation of positions at fair value. This adjustment aims to assess the minimum value of own funds to the Bank with 90% accuracy in the event of a sale or the closing of the positions. The adjustment is calculated as the difference between a prudent valuation and the carrying amount representing the most probable value. The adjustments are based on various factors, including assessments of uncertainty in market data, concentrated positions and model risks.

G2 cont.

Funding and liquidity risk

The risk that the Bank will not be able to meet its payment obligations when they fall due without being affected by unacceptable costs or losses.

Funding strategy

Handelsbanken has a low tolerance of liquidity risks, both at aggregate level and in each individual currency. The aim is to have good access to liquidity, low variation in results and a considerable capacity to meet customers' funding needs, even in difficult times. This is achieved by maintaining a good matching of incoming and outgoing cash flows over time in all currencies essential to the Bank and by maintaining large liquidity reserves of good quality. The Bank thus minimises the economic risks in funding and can thereby maintain stable and long-term funding for the business-operating units.

The Bank strives for a balanced usage of deposit and market funding. Furthermore, the Bank aims for breadth in its funding programmes and their use. This ensures that the Bank can keep its core business intact for a long period of time, even if there is extensive disruption in the financial markets.

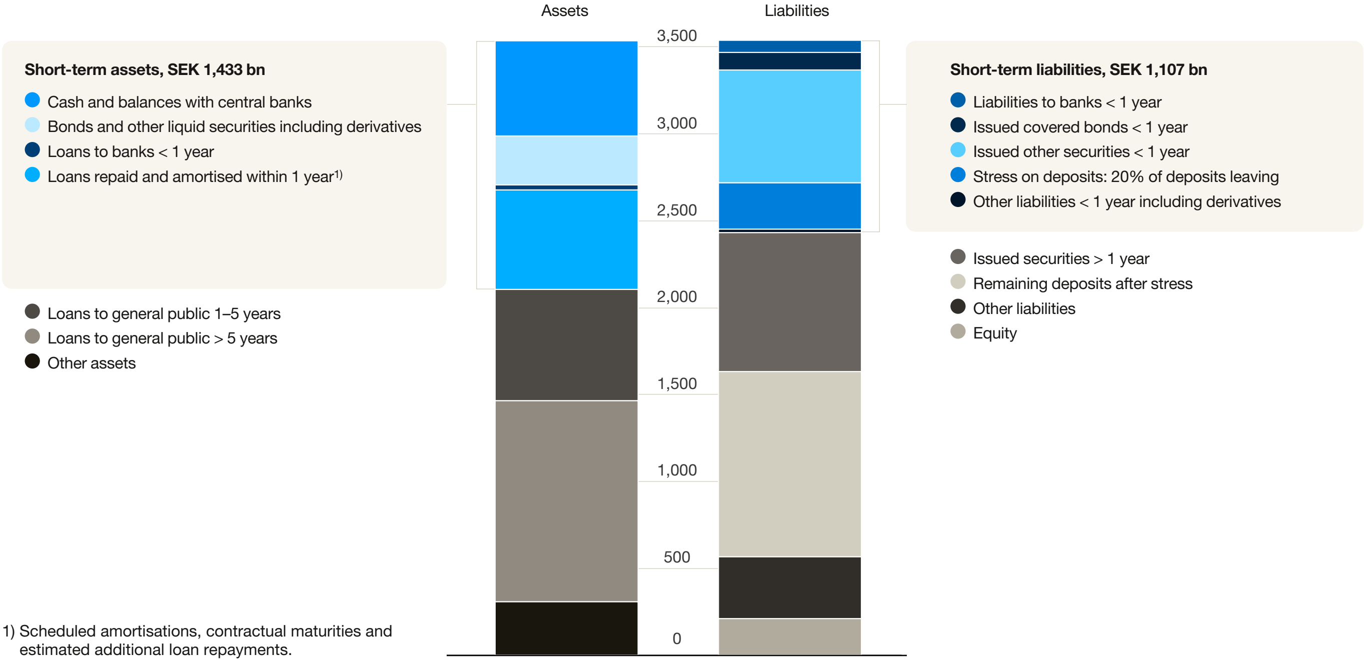
The result of this work is a well-matched balance sheet, where illiquid assets are financed using stable funding. The illiquid assets comprise credits to households and companies; these credits constitute the Bank's core business. The long-term stable funding of these assets consists of covered bonds issued by Stadshypotek, senior bonds issued by Handelsbanken, deposits from households and a certain amount of deposits from companies, subordinated liabilities and equity.

A balance sheet is a snapshot of assets and liabilities. To ensure that the Bank's obligations to customers and investors are fulfilled, it is important to adopt a forward looking perspective in funding and liquidity risk management. The balance sheet is therefore structured in such a way that the real economy participants in the form of companies and households and their needs for credit can be supported even during lengthy periods of stress in the financial markets. Short-term assets cover short-term liabilities by a good margin. The figure Composition of the balance sheet from a maturity perspective describes the balance sheet in a stressed scenario where 20% of deposits are assumed to disappear within one year and all access to new market funding disappears. Despite the stress, short-term assets are estimated to exceed short term liabilities by a considerable amount at year-end. A long-term crisis could result in a reduced balance sheet with retained core business, whereby the volume of short-term assets is gradually used to pay back maturing short-term liabilities. In the event of a more serious crisis, measures have been prepared to generate liquidity which will provide more support to the business operations.

The market has great confidence in Handelsbanken, and its assessment is that Handelsbanken has a low credit risk. The Bank stands out as one of the most stable banks in the world, as reflected in the fact that no other privately-owned bank in the world has a higher combined credit rating from the leading credit rating agencies. The high level of confidence is also reflected in the fact that the Bank has continued to have access to all of its preferred funding markets on reasonable terms compared to the Bank's competitors.

Good diversification between different types of funding sources in various markets, currencies and forms of funding instruments is a key component of the funding strategy. This reduces the significance of individual markets or sources of funding. Most of the long-term market funding comprises issues of covered bonds through Stadshypotek. This funding takes place in Swedish kronor, Norwegian kroner and euro. Handelsbanken's long-term senior international funding is geographically well diversified, and the Bank issued significant volumes of bonds in US dollars and euro during the year. The most important sources of funding are deposits from households and

Composition of the balance sheet from a maturity perspective, SEK bn



1) Scheduled amortisations, contractual maturities and estimated additional loan repayments.

G2 cont.

companies as well as covered and senior bonds. The short-term funding mainly comprises deposits from financial companies and institutions as well as issues of commercial papers and certificates of deposit. Handelsbanken Treasury has a number of different funding programmes for market funding at its disposal. Bonds, certificates and commercial papers are issued under these programmes in the Bank's, Stadshypotek's and Handelsbanken plc's names. The funding programmes ensure well-diversified access to funding in terms of different currencies, the number of investors, debt types and geographic breakdown.

Organisational structure

Handelsbanken has a decentralised business model, but all funding and liquidity management in the Group is centralised to Handelsbanken Treasury. No branch, county, district or country organisation is permitted to assume liquidity risk. Funding and liquidity management is governed by policies established by the Board, which also decides on limits. Instructions from the CFO concretise these policies. The instructions establish parameters such as limits, the composition of the funding, and benchmarks in the case of disruptions in the funding markets. Furthermore, all liquidity risk limits are channelled to the operations via Handelsbanken Treasury.

Handelsbanken Treasury is also responsible for the Bank's liquidity reserve, including the pledged assets that must be kept in different payment and clearing systems, and monitors liquidity flows during the day to ensure that the Bank has sufficient collateral in its payment systems at any given time to meet the Bank's payment obligations.

The size of collateral in the clearing systems is determined on the basis of what the Bank deems is required to fulfil its obligations, both in normal circumstances and in stressed situations. If these circumstances change, the size of collateral and liquidity is adjusted, and in times of crisis, collateral can also be redistributed and the liquidity reserve can be utilised. The operations also ensure marginal requirements from central and bilateral counterparties as regards derivative exposures. The Bank secures liquidity in its central bank and nostro accounts for expected payment and settlement undertakings through active liquidity planning and monitoring in all currencies.

Market funding – composition

During the year, Handelsbanken issued a total of SEK 157 billion (227) in long-term market funding in the Bank's most important funding currencies. An important component of the long-term market funding is issues of covered bonds. The breakdown by currency of the volume outstanding is presented in the table Market funding of covered bonds by currency. Short-term funding is mainly raised by issuing certificates of deposit and commercial papers in Europe and the USA. This funding is supplemented by fixed-term deposits from large corporates, both financial and non-financial. In connection with the funding operations, the Bank continued to meet investors to the same extent as previously, updated its funding programmes and also in other respects maintained the conditions for bond funding in all relevant global funding markets. This enabled the funding operations to continue as normal during the year.

Maturity profile of long-term market funding
Refers to issued securities as at 31 December 2024 with a long-term[1] original maturity.

SEK bn	2025	2026	2027	2028	2029	2030	2031	>2032
Covered bonds	100	114	178	134	112	39	2	3
Senior bonds	31	44	49	37	9	0	1	0
Senior non-preferred bonds (SNP)	0	20	6	11	11	11	9	10
Subordinated liabilities	0	0	0	0	0	0	0	0
Others	3	0	0	0	0	0	0	0

1) Long-term maturity refers to a maturity equal to or in excess of one year and one month.

Short-term market funding by currency 2024
Refers to breakdown by currency as at 31 December 2024 for issued securities with a short-term[2] original maturity.

SEK bn	%	Amount
SEK	0	0
EUR	32	202
USD	62	383
Others	6	35

2) Short-term maturity refers to a maturity of less than one year and one month.

Long-term market funding by currency 2024
Refers to breakdown by currency as at 31 December 2024 for issued securities with a long-term[3] original maturity.

SEK bn	%	Amount
SEK	60	561
EUR	27	249
USD	8	74
Others	5	50

3) Long-term maturity refers to a maturity equal to or in excess of one year and one month.

Long-term market funding by instrument 2024
Refers to breakdown by instrument as at 31 December 2024 for issued securities with a long-term[4] original maturity.

SEK bn	%	Amount
Covered bonds	73	683
Senior bonds	18	170
Senior non-preferred bonds	9	78
Others	0	3

4) Long-term maturity refers to a maturity equal to or in excess of one year and one month.

Market funding of covered bonds by currency 2024
Refers to the currency breakdown as at 31 December 2024 for issued covered bonds.

SEK bn	%	Amount
SEK	82	561
EUR	14	94
Others	4	28

G2 cont.

Encumbered assets and cover pools

Another important part of Handelsbanken's liquidity management consists of retaining significant volumes of unutilised collateral that can be used in the event of disruptions in the financial markets. One prerequisite for being able to pledge additional collateral is for the Bank to have unutilised collateral at its disposal from the outset. The Bank therefore retains substantial volumes of non-encumbered assets that could be used as collateral in the issue of covered bonds and liquid securities with very high credit ratings.

The Bank is restrictive about entering into agreements, such as CSA agreements, that stipulate that the Bank, according to certain criteria, may be forced to provide collateral to a counterparty. Such agreements are generally only signed with credit institutions. Cash collateral pledged under CSA agreements for outstanding derivatives totalled SEK 4,800 million (18,705). For more information about the Bank's encumbered assets, see the Assets pledged table in Handelsbanken's Fact Book. In addition to securing the Bank's liquidity, this restrictive approach contributes to limiting the extent to which the Bank's senior lenders have lower priority than lenders who invest in covered bonds, known as subordination.

To assess the degree of subordination between investors of unsecured funding and secured funding, the volume and credit quality of the non-encumbered assets are the relevant factors. Handelsbanken's restrictive approach to risk-taking means that the non-encumbered assets are of high quality. Since Handelsbanken aims to have a balanced utilisation of covered and senior bonds, there is a large volume of mortgage loans which are not encumbered.

The table Non-encumbered/non-pledged assets shows that the volume of non-encumbered assets for Handelsbanken is 252% (261) of the outstanding volume of unsecured funding.

The majority of the encumbered assets consist of Stadshypotek's cover pools, which comprise mortgage loans provided as collateral for outstanding covered bonds. The Bank also has voluntary OC (over-collateralisation) – extra assets in addition to those which are needed to cover the issued bonds, and in addition to the 2% statutory requirement of 8% which is included in the pool. These extra assets are in the pool in case the value of the mortgage loans were to fall to a level such that further assets are needed to match the volume of outstanding bonds.

When assessing the risk that it will be necessary to add further assets, the loan to value (LTV) of the mortgage loans in the cover pool is of fundamental importance. The lower the LTV, the lower the risk that more mortgage loans are required in the pool if prices fall in the property market. Handelsbanken's average volume-weighted LTV – LTV Max – was 54.3% (54.0) in the Swedish pool and 58.5% (58.4) in the Norwegian pool. This shows that the Bank can withstand substantial drops in prices of underlying property assets before further mortgage loans have to be added to the pools. The assets which the Bank has chosen to keep outside the cover pools are shown in the table Non-encumbered/non-pledged assets and can be used for issues of covered bonds if necessary.

Non-encumbered/non-pledged assets

	2024		2023	
SEK bn	NEA[1]	Accumulated share of non-encumbered funding, %[2]	NEA	Accumulated share of non-encumbered funding, %
Cash and balances with central banks	**538**	**57**	**505**	**55**
Liquid bonds in liquidity portfolio[3]	**239**	**82**	**258**	**83**
Household lending incl. derivatives	**439**		**466**	
of which mortgage loans	*302*	*114*	*325*	*118*
of which loans secured by collateral in property	*2*	*114*	*2*	*118*
of which other household lending	*135*	*128*	*139*	*133*
Corporate lending incl. derivatives	**1,166**		**1,168**	
of which mortgage loans	*493*	*180*	*455*	*182*
of which loans to housing co-operative associations excl. mortgage loans	*64*	*187*	*83*	*191*
of which loans to property companies excl. mortgage loans				
- risk class 1–3	*256*	*214*	*250*	*219*
- risk class 4–5	*190*	*234*	*192*	*239*
- of which risk class > 5	*10*	*235*	*16*	*241*
of which other corporate lending				
- risk class 1–3	*95*	*245*	*100*	*252*
- risk class 4–5	*49*	*250*	*61*	*259*
- risk class > 5	*9*	*251*	*11*	*260*
Loans to credit institutions incl. derivatives	**3**		**5**	
- risk class 1–3	*2*	*252*	*4*	*260*
- risk class > 3	*1*	*252*	*1*	*260*
Other lending	**0**	**252**	**5**	**261**
Other assets	**0**	**252**	**0**	**261**
Total	**2,385**	**252**	**2,407**	**261**
Encumbered assets without underlying liabilities[4]	**69**		**70**	
Encumbered assets with underlying liabilities	1,085		1,062	
Total assets, Group	**3,539**		**3,538**	

1) NEA: Non-encumbered assets.
2) Issued short and long non-secured funding and liabilities due to credit institutions.
3) Relates to eligible as collateral value in central banks.
4) Over-collateralisation (OC) in cover pool and assets to cover Operational Continuity in Resolution requirement in the UK (as of 2021).

G2 cont.

Cover pool data

SEK m	Sweden 2024	Sweden 2023	Norway 2024	Norway 2023
Stadshypotek total lending, public	1,407,203	1,394,877	146,185	125,975
Available assets for cover pool	1,298,858	1,281,717	137,562	117,137
Utilised assets in cover pool	671,531	692,099	78,979	73,414
Substitute assets, cash on a blocked account	500	300	500	120
Maximum LTV %, weighted average ASCB definition[1]	54.32	54.02	58.55	58.43
LTV, breakdown				
0–10%	22.0	22.6	21.6	21.5
10–20%	20.0	19.9	19.4	19.4
20–30%	17.5	17.2	17.0	16.9
30–40%	14.7	14.4	14.4	14.3
40–50%	11.3	11.2	11.6	11.6
50–60%	7.8	7.9	8.5	8.7
60–70%	5.0	5.1	5.6	5.7
70–75%	1.6	1.7	1.9	1.9
Loan amount, weighted average, SEK	809,200	820,600	3,035,345	2,822,572
Loan term, weighted average, no. of months[2]	80.0	76.0	26.0	29.0
Interest rate adjustment periods, breakdown				
Floating rate, %	61.1	51.2	91.9	95.0
Fixed rate, %	38.9	48.8	8.1	5.0

1) Association of Swedish Covered Bond issuers.
2) Calculated from the date on which the loan is granted.

Liquidity risk

The Bank handles a large number of incoming and outgoing cash flows as part of its operations. In order to limit risk in liquidity management, the Bank has a robust risk tolerance framework including both limits and qualitative targets for liquidity risk. Handelsbanken Risk Control is responsible for measuring risks and reports risk utilisation daily to the CEO and the CFO, and on a regular basis to the Board.

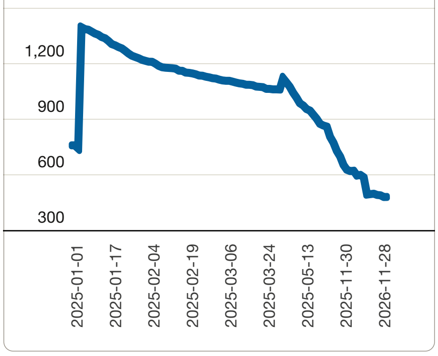
Liquidity planning is based on an analysis of cash flows for the respective currency. As a general rule, a larger exposure is permitted in currencies with high liquidity than in currencies where the liquidity is low. The funding strategy is that illiquid assets are financed in a stable and long-term manner, and that a positive liquidity position (cash flows plus liquid assets) must be maintained – even in stressed conditions.

The governance of the Bank's liquidity situation is therefore based on stress tests, which are performed at an aggregate level and also individually for the currencies that are essential to the Bank. The stress tests ensure that the Bank has sufficient liquidity, from both a short-term and long-term perspective, in various stressed scenarios and with various liquidity-generating measures. The stress tests are carried out with the application of both market-wide and idiosyncratic stress on a daily basis. These are also supplemented with scenario analyses which consider substantial falls in housing prices. In these stress tests, it is assumed that the Bank does not have access to market funding, at the same time as some deposits from households and companies gradually disappear in the first month. It is further assumed that the Bank will continue to conduct its core business by renewing loans to households and companies at maturity and that customers will partly utilise issued commitments and credit facilities.

The stress tests assume that the cash assets in the liquidity reserve are used and that securities can immediately supply liquidity if provided as collateral, primarily in the market and as a last resort in central banks.

In addition, the Bank can generate liquidity through the unutilised issue amount for covered bonds and by implementing other liquidity-generating measures to gradually provide the Bank with liquidity. The volume and quality of unutilised collateral must be such that in a crisis situation it can provide the Bank with the necessary liquidity. With these conditions, the Bank will be liquid for more than three years.

Stress test of liquidity, including liquidity-generating measures – accumulated liquidity position
SEK bn



Thus, the Bank has major powers of resistance to serious, long-term stress.

The table Maturity analysis for financial assets and liabilities shows undiscounted cash flows for the contracted payment obligations, including interest flows, due for payment at the latest within the stated time intervals. The table shows holdings of bonds and other interest-bearing securities in the time intervals in which they can be converted to liquidity if they are pledged as collateral or sold. Furthermore,

G2 cont.

assets, liabilities and interest flows that mature are shown in the time intervals corresponding to the contractual maturity dates. Financial guarantees, loan commitments and unutilised overdraft facilities are reported in their entirety in the time interval up to 30 days. The total outstanding amount of these commitments does not necessarily represent future funding requirements. For derivative instruments, cash flows are reported on a net basis. Cash flows on a gross basis are reported in the separate table Derivatives.

The liquidity coverage ratio (LCR) states the ratio between the Bank's liquidity buffer and net cash flows in a very stressed scenario during a 30-day period. The requirement applies to LCR at aggregate level and the ratio must be at least 100%. The Swedish Financial Supervisory Authority also stipulates LCR in individual currencies within the framework of the supervisory review and evaluation process in Pillar 2. At year-end, the Group's aggregated LCR was 207% (210), which shows that the Bank has a high level of resistance to short-term disruptions in the funding markets.

The minimum requirement for the structural liquidity measure, the net stable funding ratio (NSFR) – the ratio between available stable funding and required stable funding – requires the Bank to have sufficient stable funding to cover its funding needs under both normal and stressed circumstances during lengthy periods. The minimum requirement applies at aggregate level and the ratio must be at least 100%. At year-end 2024, NSFR was 124% (120) at Group level.

Pricing of liquidity risk

An important part of liquidity risk management is that deposits and lending are priced internally, taking into account the liquidity risks that they give rise to. When the Bank grants a loan with a long maturity, this creates the need to obtain additional long-term funding – which is normally more expensive than short-term funding. This is because investors who purchase the Bank's long-term bonds normally demand higher compensation for the maturity. This is taken into account in the Bank's internal pricing, which takes place based on the price that internal units in the Bank have to pay for the funding they receive from Handelsbanken Treasury. The internal pricing is important in order to create the right incentive and to avoid unsound risk-taking. The Bank has applied maturity-based internal interest rates for a long time which ensures that the price at contract level takes into account the funding cost and liquidity risk that the agreement has given rise to.

Liquidity coverage ratio (LCR) – subcomponents

SEK m	2024	2023
High-quality liquidity assets	**772,623**	**758,587**
Cash outflows	**419,464**	**424,831**
Retail deposits and deposits from small business customers	59,319	55,996
Unsecured wholesale funding	278,914	255,923
Secured wholesale funding	2,452	4,266
Other cash outflows	78,779	108,646
Cash inflows	**45,871**	**63,449**
Inflows from fully performing exposures	33,911	40,108
Other cash inflows	11,960	23,341
Liquidity coverage ratio (LCR), %	**207**	**210**

The subcomponents are defined as stated in Commission Delegated Regulation (EU) 2015/61.

Net stable funding ratio (NSFR) – subcomponents

SEK m	2024	2023
Available stable funding	**2,143,849**	**2,101,503**
Capital items and instruments	219,139	208,436
Retail deposits	708,715	709,447
Wholesale funding	1,212,274	1,179,688
Other liabilities	3,722	3,931
Required stable funding	**1,734,333**	**1,758,065**
Total high-quality liquid assets	7,019	6,063
Assets encumbered for a residual maturity of one year or more in a cover pool	499,810	487,444
Performing loans and securities	1,136,619	1,178,603
Other assets	68,494	63,915
Off-balance sheet items	22,391	22,040
Net stable funding ratio (NSFR), %	**124**	**120**

G2 cont.

For deposit volumes, the column “Unspecified maturity” refers to deposits payable on demand. The table contains interest flows, which means that the balance sheet items are not reconcilable with the Group’s balance sheet. Maturity tables without interest flows, including maturity tables in foreign currencies, can be found in the Fact Book at handelsbanken.com/ir.

Maturity analysis for financial assets and liabilities 2024

SEK m	Up to 30 days	31 days– 6 mths	6–12 mths	1–2 yrs	2–5 yrs	Over 5 yrs	Unspecified maturity	Total
Cash and balances with central banks	542,808							542,808
Interest-bearing securities eligible as collateral with central banks[1]	172,606							172,606
Bonds and other interest-bearing securities[2]	47,508							47,508
Loans to credit institutions	16,704	163	161	588	793	865		19,274
of which reverse repos	*11,291*							*11,291*
Loans to the public	76,230	327,674	238,805	299,417	462,128	1,293,888		2,698,142
of which reverse repos	*17,995*							*17,995*
Other	20,056						365,437	385,493
of which shares and participating interests	*14,746*							*14,746*
of which assets from unsettled trades	*5,310*							*5,310*
Total assets	**875,911**	**327,837**	**238,966**	**300,005**	**462,921**	**1,294,754**	**365,437**	**3,865,831**
Due to credit institutions	38,239	33,459	1,462	120	904	349	11,192	85,726
of which repos								
of which deposits from central banks		*12,943*					*247*	*13,190*
Deposits and borrowing from the public	88,382	163,368	8,871	2,064	1,203	179	1,059,731	1,323,798
of which repos								
Issued securities[3]	91,156	383,727	303,623	194,999	578,061	78,764		1,630,331
of which covered bonds	*377*	*13,204*	*100,840*	*126,656*	*449,922*	*45,219*		*736,218*
of which certificates of deposit (CDs) with original maturity of less than one year	*41,693*	*172,414*	*56,211*					*270,318*
of which commercial paper (CPs) with original maturity of less than one year	*48,020*	*158,976*	*142,232*					*349,227*
of which certificates of deposit (CDs) and commercial paper (CPs) with original maturity of over one year		*2,876*	*718*					*3,594*
of which senior non-preferred bonds		*918*	*729*	*20,937*	*31,425*	*32,600*		*86,609*
of which senior bonds and other securities with original maturity of over one year	*429*	*32,818*	*2,327*	*47,990*	*99,678*	*1,120*		*184,363*
Subordinated liabilities		849	799	1,647	29,918	11,707		44,920
Other	4,039	219	329	626	1,258	572	540,040	547,083
of which short positions	*1,007*							*1,007*
of which liabilities from unsettled trades	*2,865*							*2,865*
Total liabilities	**221,816**	**581,622**	**315,084**	**199,456**	**611,345**	**91,571**	**1,610,963**	**3,631,858**
Off-balance sheet items								
Financial guarantees and unutilised loan commitments	442,514							

Derivatives 2024

SEK m	Up to 30 days	31 days– 6 mths	6–12 mths	1–2 yrs	2–5 yrs	Over 5 yrs	Total
Total derivatives inflow	234,647	488,324	107,772	155,359	253,407	82,081	1,321,590
Total derivatives outflow	232,617	477,157	106,862	147,381	242,625	75,086	1,281,728
Net	**2,030**	**11,167**	**910**	**7,978**	**10,782**	**6,995**	**39,862**

G2 cont.

Maturity analysis for financial assets and liabilities 2023

SEK m	Up to 30 days	31 days–6 mths	6–12 mths	1–2 yrs	2–5 yrs	Over 5 yrs	Unspecified maturity	Total
Cash and balances with central banks	508,710							508,710
Interest-bearing securities eligible as collateral with central banks[1]	199,274							199,274
Bonds and other interest-bearing securities[2]	50,435							50,435
Loans to credit institutions	17,401	521	788	1,304	3,129	2,306		25,448
of which reverse repos	*9,623*							*9,623*
Loans to the public	92,630	327,172	258,418	279,380	465,330	1,227,112		2,650,042
of which reverse repos	*17,404*							*17,404*
Other	17,847						308,890	326,737
of which shares and participating interests	*12,218*							*12,218*
of which assets from unsettled trades	*5,629*							*5,629*
Total assets	**886,297**	**327,693**	**259,207**	**280,683**	**468,458**	**1,229,417**	**308,890**	**3,760,646**
Due to credit institutions	39,546	35,766	1,783	703	381	1,001	13,115	92,295
of which repos								
of which deposits from central banks	*11,741*	*20,288*						*32,029*
Deposits and borrowing from the public	72,616	188,060	33,509	4,994	1,623	157	1,049,740	1,350,699
of which repos								
Issued securities[3]	73,317	437,143	271,904	145,936	569,336	94,931		1,592,568
of which covered bonds	*336*	*54,466*	*76,896*	*104,626*	*390,687*	*55,744*		*682,756*
of which certificates of deposit (CDs) with original maturity of less than one year	*28,975*	*127,206*	*46,503*					*202,684*
of which commercial paper (CPs) with original maturity of less than one year	*47,841*	*225,686*	*136,389*					*409,916*
of which certificates of deposit (CDs) and commercial paper (CPs) with original maturity of over one year	*99*	*19,024*	*14,117*					*33,240*
of which senior non-preferred bonds		*557*	*414*	*970*	*37,871*	*25,674*		*65,486*
of which senior bonds and other securities with original maturity of over one year	*109*	*27,489*	*2,886*	*35,008*	*121,494*	*11,500*		*198,487*
Subordinated liabilities		14,022	565	1,353	20,192	14,367		50,499
Other	7,750	220	377	654	1,383	638	519,013	530,035
of which short positions	*2,366*							*2,366*
of which liabilities from unsettled trades	*5,210*							*5,210*
Total liabilities	**193,229**	**675,212**	**308,139**	**153,640**	**592,916**	**111,093**	**1,581,867**	**3,616,096**
Off-balance sheet items								
Financial guarantees and unutilised loan commitments	427,865							

Derivatives 2023

SEK m	Up to 30 days	31 days–6 mths	6–12 mths	1–2 yrs	2–5 yrs	Over 5 yrs	Total
Total derivatives inflow	130,988	462,290	124,514	93,751	265,217	89,804	1,166,564
Total derivatives outflow	131,898	468,845	127,404	92,031	252,501	81,931	1,154,610
Net	**-910**	**-6,555**	**-2,890**	**1,720**	**12,716**	**7,873**	**11,954**

1) SEK 138,235 million (169,372) of the amount (excl. interest) has a time to maturity of less than one year.
2) SEK 6,865 million (3,334) of the amount (excl. interest) has a time to maturity of less than one year.
3) SEK 750,403 million (758,321) of the amount (excl. interest) has a time to maturity of less than one year.

Assets and liabilities in the table above include the disposal groups in Finland, which have been reclassified to Assets held for sale and Liabilities held for sale on the balance sheet, respectively (see note G14).

G2 cont.

Liquidity reserve

To ensure sufficient liquidity to support its core business in stressed financial conditions, the Bank holds large liquidity reserves in all currencies of relevance to the Bank. The liquidity reserve which is independent of funding and foreign exchange markets can provide liquidity to the Bank at any time.

The liquidity reserve comprises several different parts. Cash, balances and other lending to central banks are components which can provide the Bank with immediate liquidity. The reserve also comprises liquid securities such as government bonds, covered bonds and other securities of very high credit quality which are liquid and eligible as collateral with central banks. These can also provide the Bank with immediate liquidity. The remainder of the liquidity reserve comprises an unutilised issue amount for covered bonds and other liquidity-generating measures.

Holdings with central banks, and securities holdings in the liquidity reserve, market value 2024

SEK m	SEK	EUR	USD	Other	Total
Level 1 assets	**252,323**	**210,426**	**142,411**	**171,044**	**776,204**
Cash and balances with central banks	62,533	204,795	132,563	138,239	538,130
Securities issued or guaranteed by sovereigns, central banks, MDBs and international organisations	154,706	5,516	9,848	3,115	173,185
Securities issued by municipalities and PSEs	19				19
Extremely high-quality covered bonds	35,066	115		29,690	64,871
Level 2 assets	**912**	**163**		**121**	**1,196**
Level 2A assets	*909*			*121*	*1,030*
Securities issued or guaranteed by sovereigns, central banks, municipalities and PSEs				95	95
High-quality covered bonds	909			27	936
Corporate debt securities (lowest rating AA-)					
Level 2B assets	*2*	*163*			*165*
Asset-backed securities					
High-quality covered bonds					
Corporate debt securities (rated A+ to BBB-)	2	163			165
Shares (major stock index)					
Total liquid assets	**253,235**	**210,590**	**142,411**	**171,165**	**777,401**

Holdings with central banks, and securities holdings in the liquidity reserve, market value 2023

SEK m	SEK	EUR	USD	Other	Total
Level 1 assets	**282,713**	**162,484**	**165,828**	**151,125**	**762,150**
Cash and balances with central banks	66,978	157,868	160,806	119,288	504,940
Securities issued or guaranteed by sovereigns, central banks, MDBs and international organisations	181,594	4,556	5,022	1,758	192,930
Securities issued by municipalities and PSEs	209				209
Extremely high-quality covered bonds	33,932	60		30,079	64,071
Level 2 assets	**207**	**280**	**502**	**120**	**1,109**
Level 2A assets	*207*	*221*	*502*	*120*	*1,050*
Securities issued or guaranteed by sovereigns, central banks, municipalities and PSEs				36	36
High-quality covered bonds	207	221	502	84	1,014
Corporate debt securities (lowest rating AA-)					
Level 2B assets		*60*			*60*
Asset-backed securities					
High-quality covered bonds					
Corporate debt securities (rated A+ to BBB-)		60			60
Shares (major stock index)					
Total liquid assets	**282,920**	**162,764**	**166,330**	**151,245**	**763,259**

G2 cont.

Operational risk

Operational risk refers to the risk of loss due to inadequate or failed internal processes, human error, erroneous systems or external events. The definition includes legal risk, model risk, and information and communication technology (ICT) risk.

The Board establishes the Handelsbanken Group's tolerance of operational risk. Handelsbanken has a low tolerance for operational risk, although this risk is an inevitable component in all operations. As far as possible, Handelsbanken must endeavour to prevent these risks. Operational losses must be low. An operational risk which could have serious adverse consequences for the Bank, the Bank's customers or the financial system in the event of an incident must be reduced to a lower risk level. Risk mitigation measures must be taken so that the risk is made acceptable. Losses resulting from an operational risk event can be covered by insurance or other solutions. Risk assessments are conducted by assessing the impact and probability of events occurring, based on a scale from 1 to 5. The assessed impact, coupled with the assessed probability of the event, will determine the scope of the risk limitation measures required. If an action plan is missing or if Risk Control considers that the work is taking too long or not progressing according to plan, the risk is outside of the Bank's risk tolerance. The Chief Executive Officer decides on limits for operational risks.

In 2024, Handelsbanken's recognised operational losses, which comprise expected and recognised losses exceeding SEK 25,000, and any recoveries, totalled SEK 119 million (102).

Organisational structure

The responsibility for identifying, assessing and managing operational risk is an integral part of managerial responsibility at all levels in the Handelsbanken Group. The Bank's decentralised way of working and cost-consciousness promote good management of operational risk, which leads to vigilance against potential loss risks in daily procedures and events.

Operational risk is managed in the business operations, and this management is controlled by Risk Control. Specially appointed local coordinators for operational risk (local OpRisk coordinators) are in place to assist managers in their management of operational risk. The local OpRisk coordinators are responsible for supporting the business operations on operational risks, incident management, risk indicators, action plans, limits and reporting.

Handelsbanken Risk Control is responsible for regularly evaluating the various methods, processes and procedures used by the operations for identifying, assessing, managing and reporting operational risks, and for verifying that the operations monitor the implementation of the actions which have been decided. Handelsbanken Risk Control is also responsible for ensuring that risks are evaluated before decisions are made concerning new or materially changed products, services, markets, processes and IT systems or in the case of major changes in the Group's operations or organisational structure. In addition, Handelsbanken Risk Control is responsible for identifying, assessing, analysing, and reporting at the Group level all material operational risks and their development to management and the Board. The risk reports presented to management and the Board also contain information about material incidents and risk mitigation measures.

Methods for identifying, assessing and managing operational risk

The business operations are responsible for owning and managing risks associated with day-to-day operational activities within their units. The Bank monitors the development of operational risk according to different categories, including the following:
- execution, delivery and process management
- business disruptions and system failures
- clients, products and business practices
- external crime
- damage to physical assets
- employment practices and workplace safety
- internal fraud.

The Group-wide methods for identifying, assessing and managing operational risk are incident reporting, risk indicators and self-assessment of operational risk.

Incident reporting
Reporting of operational risk incidents which have resulted in direct financial losses in excess of SEK 25,000 is mandatory. Other incidents illustrating operational risk must also be reported, and risk facts must be collected.

Risk indicators
Risk indicators are monitored in order to warn of heightened operational risk. If a threshold for a risk indicator is exceeded, a risk assessment must be carried out to serve as a basis for assessing any risk management measures to be taken. For certain risk indicators, the threshold is determined by the CEO.

Self-assessment for operational risk
The Group-wide operational risk process supports a systematic risk inventory in the entities' areas of responsibility and is used to assess identified operational risks according to a

G2 cont.

Group-wide assessment scale, document in a risk register and report operational risks. All units regularly carry out this process. The risk assessment can also be event driven, and the procedure shall be performed in case of serious incidents, threshold or limit breaches or serious external events.

ORX
The Bank is a member of the Operational Riskdata eXchange Association (ORX). The main purpose of ORX is for participating banks to exchange anonymised data concerning incidents leading to operational losses. ORX also has an important function in standardising and ensuring the quality of data on operational risk. Extensive research is being done on methods regarding operational risk, and ORX is an important forum for the exchange of experiences.

Breakdown of loss amounts over SEK 25,000 by number, 2020–2024

	%
Execution, delivery and process management	55
Business disruptions and system failures	6
Clients, products and business practices	4
External crime	34
Damage to physical assets	0
Employment practices and workplace safety	1
Internal fraud	0

Breakdown of loss amounts over SEK 25,000, 2020–2024

	%
Execution, delivery and process management	45
Business disruptions and system failures	6
Clients, products and business practices	25
External crime	24
Damage to physical assets	0
Employment practices and workplace safety	0
Internal fraud	0

IT operations in the Handelsbanken Group

The Bank's operations are dependent on the availability and security of its IT services. The technological development and digitalisation of banking services mean that this area is increasing in significance. The CEO establishes guidelines relating to the overall goal and strategy of IT operations in the Handelsbanken Group. Operational risk in this area is managed according to the same procedures as in other parts of the Bank, with the addition of special procedures for managing specific types of risk within the area. These include:

- monitoring IT systems in production
- management of IT incidents
- management of new or changed IT systems
- management of cyber risk
- implementation of security tests
- implementation of risk analyses of IT systems
- reviewing outsourcing agreements and other supplier arrangements in terms of IT and security
- continuity management of IT systems.

Security and data protection

Security work at Handelsbanken aims to safeguard the safety, security and privacy of both employees and customers, and to protect customers' and the Bank's assets, and the good name and reputation of the Group. In its operations, a bank continuously processes sensitive information about customers and customer relationships. The overall aim of Handelsbanken's information security and data protection efforts is to protect this information based on its availability, accuracy, confidentiality and traceability. Information and business systems must be available based on the business requirements of the operations. The CEO establishes guidelines for security and data protection at Handelsbanken. All employees of the Bank are responsible for compliance with the rules for protection of information, and all managers are responsible for compliance with the rules on security and data protection in their own area of responsibility. The Bank engages in systematic data protection and security work that meets requirements and heads off possible threats and risks, and there are procedures for managing changes in the IT and physical environment that could have a negative impact. In the case of deficient management, or if information were to be leaked by mistake, the consequences could be serious, including weakened confidence in the Bank or financial losses. Within the framework of the systematic work, structured development is under way to increase the level of awareness among employees and customers concerning the threats and risks in security, through presentations, training programmes and information initiatives. Security and data protection cover administrative solutions such as rules and instructions, technical security solutions, physical protection, and protection of sensitive activities and classified information.

Security and data protection activities are conducted based on an information security management system that follows international standards, such as ISO 27001. Handelsbanken's information security work is certified according to ISO 27001.

The Bank's management system for information security is based on ISO 27001 together with the Standard of Good Practice developed by the Information Security Forum (ISF), an organisation which counts many of the largest companies in the world as members, as standard providers. The work with data protection, information and IT security is pursued systematically, and the Bank works with this from a process perspective, where risk analysis plays a central role. Risk analyses employ the various methods from ISF's Information Risk Analysis Methodology (IRAM2) and the Privacy Impact Analysis (PIA).

The Handelsbanken Group's physical safety measures include protection against fire, processes and procedures concerning threats to employees and employee protection, travel safety, perimeter protection, the Bank's liability and property insurance cover, as well as external environment monitoring and instructions.

Instructions within the Group for managing risks related to physical safety require, among other things, that a fire evacuation review be carried out at least annually and be followed up via the annual work environment survey.

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Financial crime

The Bank works constantly to minimise the risk of the Bank's customers, products or services being exploited for financial crime. Financial crime includes money laundering, terrorist financing, tax evasion, corruption, fraud and breaches of international sanctions. The work is managed by a central department that reported to the Bank's specially appointed executive with Group-wide responsibility for the work to prevent financial crime in accordance with the Swedish Act on Measures against Money Laundering and Terrorist Financing. Starting points for these efforts to combat financial crime are the Bank's low tolerance of risk and the body of external regulations addressing financial crime in the countries where the Bank operates. The Bank also has a separate compliance department for financial crime, which also has Group-wide responsibility and monitors and acts in an advisory capacity in the Bank's work to prevent financial crime. The department is headed up by the Bank's central function owner. For further information on the Bank's work to combat financial crime, refer to Handelsbanken's Corporate Governance Report on pages 40–58.

Change management

The change management area covers new or materially changed products, services, markets, processes and IT systems, or when there are material changes in the Group's operations or organisational structure. The activities and actors involved in the process are described in the Bank's instructions and approval process for change management, which also describe how and when to involve the control functions. The process also includes requirements that risk analyses are carried out and that these consider, for example, areas such as financial crime, environment and climate, information security and data quality. Decisions related to changes must also be documented.

Essential processes

Essential processes refer to processes which are of material importance for providing support to the Bank's critical business operations. The Bank's essential processes are reviewed for relevance each year and in conjunction with material changes, and are updated where necessary, as well as being subject to a risk assessment.

The identification of essential processes is fundamental to the scope of the Bank's continuity planning, i.e. which parts of the operations are to be prioritised in the event of disruptions or stoppages.

Continuity planning and crisis management

The purpose of the Bank's continuity planning and crisis management is to ensure that the Bank is well prepared to continue its business operations in the event of an unpredictable situation. This means that preparatory measures must be taken to mitigate the effects of a serious disruption on the business operations, such that these can continue at an acceptable level for the duration of the disruption. The CEO's guidelines for continuity planning and crisis management and supplementary instructions state that consequence analyses are to be performed each year, in order to ascertain which operations and IT systems are of such critical importance that they require continuity plans.

The continuity plans include planning the maintenance of operations during the disruption and recovery to normal operations. For essential processes, the plans must include the longest permitted duration of a stoppage. There is a Central Crisis Team for the entire Group. In addition, crisis teams are to be established in some subsidiaries and units. Work in the crisis functions is to be undertaken according to special crisis manuals.

Continuity plans and crisis manuals must be revised on an annual basis at a minimum. The plans must be tested each year, at a minimum, and crisis drills are carried out by the units required to have crisis functions. The work is evaluated annually and reported to the Board, which is also informed of the Bank's strategy for continuity management.

Handelsbanken also participates in the voluntary work organised by the Swedish financial sector's private-public partnership organisation (FSPOS) to strengthen the sector's capacity to manage disruptions and stoppages. No FSPOS exercise was carried out in 2024.

Supplier arrangements

The Bank has a designated process for managing supplier arrangements, including outsourcing agreements, within the Group. As the starting point, the Bank applies a risk-based working method, taking into account the Bank's low risk tolerance, in assessments prior to decisions on supplier arrangements and their administration. The CEO has issued guidelines that set out the conditions and requirements for outsourcing agreements concerning operations of material significance. The guidelines apply throughout the Handelsbanken Group and also cover the subsidiaries in the Group.

Reputation risk, conduct risk and training

Reputation risk is the risk of losses due to a deterioration of confidence in the Bank. This may occur for reasons such as deficiencies in ethical standards, inappropriate actions, poor information or badly planned development of new or changed products. Handelsbanken manages and minimises reputation risk in its operations through proactive business intelligence and accompanying, relevant corrective action when needed, and by conducting operations to a high ethical standard. In 2024, three training programmes were mandatory for all employees in the Group: Financial Crime, GDPR, and Security Training – Cybersecurity. In addition, the Bank's different units have other locally adapted mandatory training courses.

Handelsbanken's low risk tolerance is also reflected in its approach to employee benefits. The Bank regards fixed remuneration as contributing to sound operations, so this is applied as a fundamental rule.

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Compliance risk

Compliance risk refers to risks associated with non-compliance.

Compliance refers to the observation of and compliance with external and internal rules and regulations, accepted market practice and relevant standards that are together applicable to the Bank's licensed operations. Compliance risk is the risk associated with the Bank's failure to comply with this framework, and the consequences that this could have for the Bank in the form of sanctions, material financial loss or loss of reputation. Handelsbanken has a low tolerance for compliance risks and must prevent these risks as far as possible and prioritise the work that needs to be carried out to quickly address any risks which have been identified. A compliance risk is beyond risk tolerance if the Compliance function deems that the risk is major or critical, and is of the view that there is no adequate action plan, or that there are material deviations from the existing action plan.

Organisational structure

The responsibility for compliance in the operations is an integral part of managerial responsibility at all levels of the Group, and is allocated at unit/department level. Function managers and product managers have a special responsibility for ensuring that work in each area of responsibility throughout the Group is carried out in accordance with internal and external rules and regulations, including the responsibility to follow up compliance with the Group-wide instructions that they issue within their areas. Handelsbanken Legal is responsible for providing legal support to the business, and for carrying out the requisite legal assessments, including definitive interpretations of regulations, on behalf of other units. It is also responsible for coordinating work involving legal support and legal assessments at the central and local levels. Within the Handelsbanken Group, managers and employees must have a sound awareness and understanding of the requirements imposed through internal and external rules, as well as the risks associated with non-compliance, and must seek support from Handelsbanken Legal or a local legal function for the requisite legal assessments.

The Compliance function is the control function responsible for identifying, monitoring, controlling and reporting on compliance risks in relation to the Bank's licensed operations. The function is headed by a Chief Compliance Officer and organisationally divided into Handelsbanken Compliance, which generally also includes local compliance units, and into local units in certain subsidiaries. Handelsbanken Compliance also includes specifically defined roles such as the Appointed Officer for Controlling and Reporting Obligations according to the applicable money laundering and terrorist financing regulations, and the Data Protection Officer (DPO) according to the applicable regulations on data protection and personal data processing.

Risk-based work

The Compliance function applies a risk-based approach to its work. In practice, this means that the function performs an annual overall risk assessment aimed at identifying the areas on which the function is to focus its activities. The Chief Compliance Officer reports on the current risk situation in the Group to the Chief Executive Officer, the Risk committee and the Board every quarter. This includes the report from the Appointed Officer, as well as the DPO.

Risk in the remuneration system

Remuneration risk is the risk of loss or other damage arising due to the remuneration system.

The remuneration system

At Handelsbanken, remuneration is established individually when an employee takes up a new position and in local salary reviews. Remuneration takes into account the collective bargaining agreements that are binding for Handelsbanken or corresponding local standardised contracts or agreements. It is based on the Bank's model for setting salaries and the salary-setting factors it specifies: the nature and level of difficulty of the work, competency and skills, work performance and results achieved, leadership, the market, and being a cultural ambassador for the Bank. These principles have been applied for many years. They mean that managers at all levels participate regularly in salary processes, and take responsibility for the Bank's salary policy and the growth in their own unit's staff costs.

To ensure that Handelsbanken has a well-designed remuneration system, risks in the remuneration system are managed as a separate risk class, with the risk management following the same allocation of responsibilities as other types of risk. Handelsbanken has low tolerance of remuneration risks and actively strives to keep them at a low level. Performance-based variable remuneration must be applied with great caution and is not offered to employees who, in their professional roles, can have a material impact on the Bank's risk profile.

In 2024, a provision of SEK 49 million (49) was made for performance-based variable remuneration.

Performance-based variable remuneration

	2024	2023
Earned performance-based variable remuneration[1], SEK m	49	49
Salaries and fees, SEK m	11,375	10,168
No. of persons able to earn performance-based variable remuneration[2]	137	132
Average number of employees	12,703	12,216
Earned performance-based variable remuneration, as a proportion of total salaries and fees, %	0.4	0.5
Earned performance-based variable remuneration, as a proportion of common equity tier 1 capital, %	0.03	0.03
No. of persons able to earn performance-based variable remuneration as a proportion of average number of employees, %	1.1	1.1

1) The amounts are excluding social security costs. The amounts are determined after the Annual Report is published.
2) The number of persons who are allocated performance-based variable remuneration is determined after the Annual Report is published. Of the 132 persons who were able to earn performance-based variable remuneration in 2023, 110 received an allocation.

Organisational structure and responsibility

The principles for the Bank's remuneration system are stipulated in the remuneration policy decided on by the Board. More detailed guidelines and implementation directives are decided by the Chief Executive Officer. Handelsbanken Compliance reviews these steering documents to ensure observance of the regulations applying in this area. The responsibility for identifying and managing remuneration risks rests with every responsible manager in the operations. Handelsbanken Risk Control ensures that the remuneration system and its application are evaluated every year from a risk

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perspective. This evaluation must also include an analysis of the impact of the remuneration system on the Bank's risk, capital and liquidity situation.

Risks in the remuneration system

Handelsbanken's remuneration policy and remuneration system are deemed to generate low risks, align with the Bank's low tolerance of risks and support the Bank's long-term interests. The remuneration system has a low impact on the Bank's financial risk, capital and liquidity situation. The total amount reserved for performance-based variable remuneration to employees in the Handelsbanken Group must not exceed 0.4% of the Handelsbanken Group's common equity tier 1 capital during any given year. The data for the calculation of performance-based variable remuneration is risk-adjusted based on an assessment of present and future risks. There are rules about deferring the disbursement of variable remuneration and for completely or partly reducing the allocated deferred variable remuneration.

For more detailed information and statistics about the Bank's remuneration system, see the Corporate Governance Report and note G8 in the Annual Report.

Risk in the insurance operations

The risks in the insurance operations mainly comprise market risks and insurance risks.

Handelsbanken conducts life insurance operations in its subsidiary Handelsbanken Liv. Handelsbanken Liv's contracts are comprised of unit-linked insurance and portfolio bond insurance, risk insurance contracts (primarily in the form of health insurance, waiver of premium insurance and death insurance), as well as traditional life insurance contracts.

Handelsbanken Liv has a low risk tolerance and follows the Bank's risk management principles. The risks in the insurance business primarily comprise market risks and insurance risks. For a description of the Bank's risk management, risk organisation and reporting and monitoring of risk, see the introduction to this note and the relevant risk sections of this note.

Handelsbanken Liv's risk policy sets out the risks to which the company is exposed, defines the Board's tolerance regarding these risks and stipulates the principles and internal rules for risk management. The principles for identifying, measuring, taking action on and reporting risks are also regulated in the policy.

Handelsbanken Liv's investment policy restricts exposure to financial risks and provides overall instructions on the management of assets given the obligations to its policyholders and statutory requirements. It also provides instructions on how governance and control of the investments are to be implemented, and how the total risk level in the assets is to be managed. Assets are to be invested in a prudent manner so that risks can be identified, measured, analysed, and reported.

The risks in the insurance operations are reported to the board and CEO of Handelsbanken Liv, the Board and CEO of the Bank and Handelsbanken Risk Control.

Market risk

Market risk refers to the combined risk that changes in risk factors in financial markets – such as changes in interest rates, equity prices, or exchange rates – will result in changes in the value of the company's investment assets and/or its commitments. Market risk primarily arises in traditional life insurance and indirectly from unit-linked insurance and portfolio bond insurance contracts under which the policyholders bear the risk of change in value but for which the Bank's fee and commission income is impacted by the value of the assets managed.

For a description of material market risks arising in traditional life insurance and risk insurance reported in accordance with IFRS 17, see note G34.

Credit risk

Credit risk primarily arises in traditional life insurance. For a description of credit risks arising in traditional life insurance reported in accordance with IFRS 17, see note G34.

Liquidity risk

Liquidity risk primarily arises in traditional life insurance. For a description of liquidity risks arising in traditional life insurance reported in accordance with IFRS 17, see note G34.

Insurance risk

Insurance risk refers to risk other than financial risk that is transferred from the policyholder to Handelsbanken Liv. Insurance risks primarily arise in traditional life insurance and risk insurance. For a description of material insurance risks arising in traditional life insurance and risk insurance reported in accordance with IFRS 17, see note G34.

External capital requirements

Handelsbanken Liv applies the Solvency 2 regulations, which is a risk-based framework, to establish own funds and capital requirements in order to ensure that the insurance company has adequate capital for meeting its obligations to policyholders even when unforeseen negative events occur. Handelsbanken Liv applies the regulatory standard formula for its entire insurance portfolio. The ratio between own funds and the capital requirement is to exceed 1 by a healthy margin at any time. The solvency capital requirement amounted to SEK 12,849 million (11,559) as at 31 December 2024, and own funds amounted to SEK 28,431 million (26,174), which resulted in a solvency ratio of 2.21 (2.26). The minimum capital requirement amounted to SEK 3,212 million (2,890) as at 31 December 2024. Handelsbanken Liv carries out an own risk and solvency assessment (ORSA) at least once a year to forecast future capital requirements based on given scenarios and stress tests.

Sustainability risks

The risk of financial loss or a tarnished reputation due to factors related to the environment and climate, social responsibility including human rights and labour, as well as governance issues.

Sustainability risks arise from the impact of sustainability-related risk factors on the traditional risk classes, such as (1) environment and climate including physical climate change, transition to a sustainable economy and biodiversity, (2) social responsibility including human rights, labour, gender equality and information security of personal data, and (3) governance including anti-corruption and combating bribery. The Bank's sustainability risks mainly arise indirectly through the Bank's business, such as granting credit and investments.

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Sustainability risk strategy

The Board stipulates in Handelsbanken's policy for sustainability that responsible actions are essential to long-term value creation at Handelsbanken and for maintaining confidence in the Bank. Integrating a sustainability perspective throughout the operations ensures that the Group conducts operations that are financially sound, environmentally and socially sustainable, and that contribute to sustainable development. Sustainability risks are to be managed in line with Handelsbanken's generally low risk tolerance and comply with the risk tolerance for the risk classes in which sustainability risks are an integral part of the risk assessment.

The Board's policy forms the basis for a number of guidelines issued by the Chief Executive Officer that regulate in more detail how the Handelsbanken Group is to act in relation to environment and climate change, forestry and agriculture, human rights and labour, the weapons and defence industry, the tobacco industry, financial crime, supplier arrangements, tax management, and security and data protection.

Handelsbanken's primary operations are granting credit, and sustainability aspects are a vital part of the Bank's credit policy. The policy clarifies that sustainability risks related to environmental, climate, social and governance factors are to be an integral part of the credit risk assessment. The credit policy also states that lending must be responsible and meet high ethical standards.

Handelsbanken shall enable and create the conditions for customers to make sustainable choices through the Bank's products, services and advisory services.

Various types of sustainability risks
Handelsbanken takes sustainability risks into account when assessing all traditional risk classes. An illustrative description of how sustainability risks could potentially negatively impact the Bank's operations and customers is presented below. The Bank's overall assessment is that sustainability risks have the greatest potential impact on credit risks. Accordingly, sustainability risks are described in note G2 only under the credit risk section and not under the sections for other risk classes.

- **Credit risk**

Sustainability-related risks and events may, depending on the extent to which they can be preventively managed, result in a weakening of a customer's financial position and the value of the collateral for the credit. Physical climate risks could cause damage to real property and transition risk from new regulations could result in adjustment costs. Deficiencies in terms of environmental, social and legal matters among the Bank's customers may result in higher credit risks.

- **Liquidity risk**

An increased level of sustainability-related risks to the Bank's assets could risk impairing the Bank's funding capabilities or increasing the cost of funding. Restoration following acute physical climate risk events or other types of events linked to sustainability factors could led to unusually strong lending growth and thus greater funding requirements for the Bank.

- **Market risk**

Major sustainability-related risks could lead to a negative change in the value of financial assets, such as shares and bonds in the pension scheme. The Bank's management of market risks could be affected by weaker market liquidity and increased volatility due to uncertainty about the future. At the national level, interest rates and exchange rates may be affected by how the country is expected to suffer from acute and chronic climate events and the assessment of the country's willingness and capacity to transition.

- **Operational risks including reputation risk**

Operational losses may arise due to events resulting from, for example, shortcomings in information security regarding personal data or weather-related business disruptions. The risk of impaired reputation and decreased customer satisfaction could increase if the Bank or those customers receiving financing are deficient from a sustainability perspective. This could be the case if the Bank is perceived to be guilty of greenwashing its products and sustainability targets.

- **Compliance risk**

Non-compliance regarding sustainability could lead to sanctions or loss of reputation for the Bank.

Organisational structure

The Board and the Chief Executive Officer set out the basic principles and frameworks for the Group's sustainability activities. The Chief Executive Officer has delegated the functional responsibility for sustainability in the Handelsbanken Group to the Bank's Chief Sustainability and Climate Officer (CSO), who is a member of the Bank's Executive Team. The CSO heads Handelsbanken Sustainability, a Group-wide specialist function that coordinates sustainability activities and supports the business in integrating sustainability into its operations and in identifying significant sustainability risks.

Handelsbanken's sustainability work is decentralised and carried out wherever the Bank's business and operational decisions are made. The responsibility for identifying and managing relevant sustainability risks is therefore an integral part of managerial responsibility at all levels in the Handelsbanken Group. Coordination between the Bank's units takes place through such forums as Handelsbanken's Sustainability committee, which is chaired by the Bank's CSO and includes executives from the business operations and central departments. The scope of the Sustainability committee's work includes proactively identifying and addressing business opportunities as well as sustainability risks and other potential issues.

Every quarter, the Bank's CSO monitors and reports to the Chief Executive Officer and the Board on the Bank's overall sustainability performance. The Group's sustainability risks are also reported in the Chief Executive Officer's Risk and Compliance Committee at least every six months.

Management of sustainability risks at Handelsbanken

Managing sustainability risks follows the Bank's decentralised model, and the Bank's business operations assume the primary responsibility for identifying sustainability risks and managing them under the framework of established risk management processes. By including sustainability risks in the Bank's change process, material sustainability risks can be prevented from entering and negatively impacting the Bank.

In lending, sustainability aspects, including physical climate risks and transition risks, form an integral part of the Bank's decision-making process. The assessment is to evaluate the customer's sustainability activities and the sustainability risks that may be associated with the customer's operations or the purpose of

G2 cont.

the credit, including the risk associated with the customer's reputation. Additional support for procuring information and assessments of sustainability risks was introduced during the year. A credit will be denied if any of the persons preparing or deciding on the credit is uncertain or has any doubts, see page 83–84 for a description of the credit process.

A high proportion of the Bank's lending is collateralised with real estate. Physical climate risk can cause damage to and reduce the value of properties, increase repair and insurance costs or reduce the income generated from properties used for rentals or in other operations. Similarly, transition risk can result in adjustment costs for energy-efficiency measures or reduce the value of the property if investments are not made. By supporting customers, for example, through providing funding and advisory services, the Bank can work together with them to address climate risks.

The Bank's financial resilience to climate risks is analysed based on scenario analyses, among other things, including stress tests for exposures collateralised with real estate. For physical climate risks, exposure to mainly flood risk from watercourses and sea-level rise was examined. The analysis indicated limited exposure to these risks. There is generally a higher risk of flooding in the UK than in the other home markets. For transition risk, the changed credit risk for the Bank's customers was examined due to the fact that the EU Energy Performance of Buildings Directive (EPBD) sets requirements for energy efficiency improvements in buildings. The analysis of the potential impact of the regulations on the value of the collateral showed a low risk of credit losses. Furthermore, stress tests analyse the impact of a transition to a net-zero macroeconomy on the credit risk of the Bank's customers. This analysis also indicated low credit losses. For a more detailed description of the scenario analyses and their results, see section ESRS 2 IRO-1 E1 on page 274–276 of the Sustainability Report. More information about sustainability risks is also available in the ESG Prudential disclosures section of the Bank's Pillar 3 report.

Economic capital

Handelsbanken's model for calculating economic capital (EC) identifies in one measurement the Group's overall risks and indicates the capital which, with very high probability, will cover unexpected losses or decreases in value.

Handelsbanken Risk Control is responsible for comprehensive monitoring of the Group's various risks. The Bank's model for EC is an instrument in this monitoring. It is also part of the Bank's assessment of the internal capital requirement which is reported quarterly to the Board. This assessment is intended to ensure that the Group has sufficient capital at all times in relation to all risks in the Group. The Group perspective means that economic capital also includes risks in the insurance operations and risks in the Bank's pension obligations.

Economic capital is calculated with a time horizon of one year and a confidence level that reflects an acceptable level of risk and desired rating. The Board has determined that the calculation of economic capital must be made with a 99.97% confidence level, which captures an event which is extremely unfavourable for the Bank. EC is the difference between the outcome in an average year – with positive results and good growth in the value of the Bank's assets – and the outcome at a 99.97% confidence level.

Diversification effects between the different risk classes are taken into account when calculating EC. Since the risks are partly independent of each other, the capital requirement for all risks is lower than the sum of the economic capital for each individual risk.

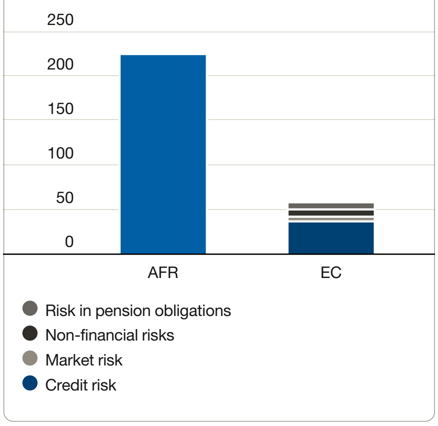
The capital and other financial resources which form a buffer that can absorb negative outcomes are called available financial resources (AFR). AFR is Handelsbanken's equity with the addition of other financial values on and off the balance sheet, available to cover losses with a one-year time horizon.

In risk and the capital situation, the Group applies a shareholder perspective. The economic capital model provides an overall view of the Group which makes it possible to optimise the risk and capital situation from the shareholder's perspective. The outcome of the calculations plays an important role when new transactions or structural changes are considered.

Credit risk is calculated using simulated outcomes of default for all the Group's counterparties and exposures.

Total of AFR and EC including diversification 2024

SEK bn



Market risks comprise the risk in the assets classified as the trading book, the interest rate risk in the non-trading book, market risks in the insurance operations, and the risk in shareholdings in the non-trading book.

The risk in the pension obligations mainly consists of the risk of a decrease in the assets that exist for securing the Bank's defined benefit pensions, and the fact that the values of these obligations are sensitive to interest rates. Most of the pension obligations are in Sweden and are secured there in a pension foundation and an occupational pension association.

The other risks are operational risk, business risk, property risk and insurance risk. Business risk is related to unexpected changes in financial performance in each business area. For example, these may arise due to demand or competition changing unexpectedly, thus resulting in lower volumes and squeezed margins. Property risk captures the risk of a fall in the value of the properties which the Bank owns.

At year-end, EC was SEK 58.9 billion (65.5), of which credit risks accounted for the main part of the total risk. The Board stipulates that the AFR/EC ratio should be at least 120%. The ratio was 383% (366) at year-end, which illustrates that the Bank is well-capitalised in relation to its overall risks. The Swedish Financial Supervisory Authority has come to the same conclusion in its overall capital assessment of the Bank.

The risk and capital situation reported is a snapshot picture, even though the risk calculations include margins of conservatism for business cycle fluctuations. To perform a final assessment of the Group's capital adequacy requirements, consideration must also be given to the stress and scenario analysis carried out as part of the Bank's capital planning.

G2 cont.

Capital planning

Handelsbanken's capital planning aims to ensure that the Group has the right amount of financial resources available at all times.

The capital requirement is a function of the Group's risks, expected development, the regulations and target ratios, Handelsbanken's model for EC and stress tests. The Bank's capital requirement is reported weekly to the CFO and the CEO and at least quarterly to the Board.

As part of proactive capital planning, there is a contingency and action plan with specific measures that can be taken if the Bank needs to improve its capital position. The purpose of the contingency and action planning is to ensure that there is a warning system that identifies potential threats at an early stage and that the Group is prepared to take rapid action, if necessary.

At least annually, a long-term capital plan is drawn up, which is designed to give a comprehensive overview of the Group's current capital situation, a forecast of expected capital performance, and the outcome in various scenarios. These scenarios are designed to substantially differ from expected events and thus harmonise with the Group's low risk tolerance. The capital plan also contains proposals for how to maintain the capital situation at a satisfactory level in a strongly negative business environment, from both a regulatory and shareholder perspective.

The capital planning is divided into short-term and mid- to long-term forecasting. The part of capital planning that comprises short-term forecasts up to two years ahead principally focuses on assessing existing performance and the development of the capital requirement. This forecasting is necessary to enable continual adaptation of the size and composition of own funds.

Capital planning is performed through ongoing analysis of changes in volume, risk and performance, and by monitoring events that may affect the capital requirements and capital level. Short-term forecasting includes all subcomponents that make up the Group's own funds and, in addition to the regulatory minimum requirements and buffers, the capital requirement includes a Pillar 2 requirement, the leverage ratio requirement and the minimum requirement for own funds and eligible liabilities (MREL). The forecasting work also includes conducting various sensitivity analyses, with a short-term perspective, of the expected change in the capital adequacy requirement and own funds. The Bank can thus be prepared to alter the size and composition of its own funds if required – for example, through market operations.

The result of the short-term analysis forms the basis of any capital operations performed and is reported weekly to the CFO and the CEO and, if necessary, to the Board. The analysis is based on a baseline scenario, with decision points in the near future for how existing earnings capacity can cope with various changes in volume, as well as other effects that are expected to impact the capital situation. The weekly reporting also includes sensitivity analyses based on various market factors that could impact the baseline forecast.

The part of capital planning that comprises mid- to long-term forecasts aims to ensure compliance with statutory capital adequacy requirements and that the Group's available financial resources (AFR) at all times cover by a good margin all risks calculated according to the EC model.

The long-term forecast also includes an assessment of the trend for the Bank's overall capital over the period: the minimum requirements, the combined buffer requirements, the Pillar 2 requirement, the leverage ratio requirement and the MREL requirement. The objective is to forecast the expected performance and judge whether the Bank's resilience is satisfactory in various scenarios. The planning horizon is at least five years and takes account of the Group's overall business performance trend.

A baseline scenario forms the foundation of the long-term capital forecast. This scenario is obtained from expected performance in the next five years regarding profit, volume growth, financial assumptions such as credit losses, and performance of the equity, property and fixed-income markets. The baseline scenario is then compared to the outcomes in a number of business cycle and crisis scenarios. The stress scenarios have been established following analysis of the historical links between the impacts of different macroeconomic variables on the financial markets and have been selected by using the scenarios expected to have the most severe impact on Handelsbanken. The prevailing macroeconomic situation, which is a combination of geopolitical risks, higher interest rates, weak consumption, a cooler business climate and a weaker Swedish labour market are factors included the Bank's forecasts and are analysed from the Bank's perspective.

At the end of 2024, the common equity tier 1 ratio was 18.8% (18.8). The ratio between AFR and EC was 383% (366) at the same date. Thus, AFR exceeds the assessed internal capital requirement (EC) by a very good margin.

The Bank's strong position is further emphasised by the result of the various forward-looking stress scenarios which are carried out, showing that Handelsbanken's long-term capital situation is very stable from both a financial and regulatory perspective.

Capital planning also monitors regulatory developments and assesses the impact and needs arising due to additional new requirements.

The Group's regulatory capital targets

The Board continuously sets the targets for the Bank's capitalisation. A cornerstone of the internal capital requirement assessment of the regulatory capital situation is stress and scenario analysis of the Bank's situation, both long-term and short-term. The scenarios used are principally based on the Bank's internal risk tolerance and the direct requirements resulting from the regulations and other requirements from public authorities. In addition to the internal assessment of the capital requirement, the Swedish Financial Supervisory Authority has communicated that the target figures of Swedish banks must not be lower than the total assessed capital requirement calculated by the Supervisory Authority, regardless of the banks' internal calculations. The Bank has taken this into account when setting the target figures for the regulatory capitalisation.

The Board has decided that the common equity tier 1 ratio, which is the most relevant measure for the governance of the Bank under the current regulatory framework, under normal circumstances must be between 1 and 3 percentage points above the total common equity tier 1 capital requirement communicated to the Bank by the Swedish Financial Supervisory Authority. The other capital tiers (the tier 1 ratio and the total capital ratio) must be at least 1 percentage point above the total capital assessment communicated to the Bank by the Swedish Financial Supervisory Authority for the respective capital tiers. The leverage ratio must be at least 0.6 percentage points above the total capital requirement communicated to the Bank by the Swedish Financial Supervisory Authority. In addition, the Bank must fulfil all other capital requirements imposed by public authorities. Moreover, the Board has decided that "the dividend level must not lead to the capital ratios falling below a level of 1 percentage point above the requirements communicated by the Swedish Financial Supervisory Authority".

In the Bank's assessment, the Swedish Financial Supervisory Authority's common equity tier 1 capital requirement at the end of the fourth quarter was 14.9%.

G3 Net interest income

SEK m	2024	2023
Interest income		
Loans to credit institutions and central banks	34,514	29,262
Loans to the public	104,409	91,518
Interest-bearing securities eligible as collateral with central banks	8,491	8,110
Bonds and other interest-bearing securities	2,362	2,076
Derivative instruments	23,545	32,227
Other interest income	354	853
Total	**173,675**	**164,046**
Deduction of interest income reported in net gains/losses on financial transactions	-2,550	-4,242
Total interest income	**171,125**	**159,805**
of which interest income according to effective interest method and interest on derivatives in hedge accounting	*150,587*	*133,602*
Interest expenses		
Due to credit institutions and central banks	-3,362	-3,768
Deposits and borrowing from the public	-42,684	-35,195
Issued securities	-53,716	-45,983
Derivative instruments	-25,760	-28,562
Subordinated liabilities	-1,611	-1,615
Deposit guarantee fees	-236	-246
Other interest expenses	-505	-513
Total	**-127,874**	**-115,881**
Deduction of interest expenses reported in net gains/losses on financial transactions	3,591	3,654
Total interest expenses	**-124,284**	**-112,227**
of which interest expenses according to the effective interest method and interest on derivatives in hedge accounting	*-115,886*	*-100,238*
Net interest income	**46,841**	**47,578**

The derivative instrument rows include net interest income related to hedged assets and liabilities. These may have both a positive and a negative impact on interest income and interest expenses.

G4 Net fee and commission income

SEK m	2024	2023
Brokerage and other securities commissions	449	420
Mutual funds	5,980	5,534
Custody and other asset management fees	1,171	997
Advisory services	208	236
Insurance	776	673
Payments	2,879	2,811
Loans and deposits	1,017	1,156
Guarantees	191	196
Other fee and commission income	582	536
Total fee and commission income	**13,252**	**12,559**
Securities	-318	-243
Payments	-1,077	-1,053
Other fee and commission expenses	-131	-124
Total fee and commission expenses	**-1,526**	**-1,421**
Net fee and commission income	**11,726**	**11,139**

G4 cont.

Fee and commission income by segment 2024

SEK m	Sweden	UK	Norway	The Netherlands	Capital Markets	Other	Adjustments and eliminations	Total
Brokerage and other securities commissions	164	9	13	15	254	11	-17	449
Mutual funds	5,211	345	226	74		181	-57	5,980
Custody and other asset management fees	870	40	131	103	1	26		1,171
Advisory services		50	1		179	8	-30	208
Insurance	756	1	19			1	-1	776
Payments	2,262	332	283	1		1		2,879
Loans and deposits	636	151	120	10	3	100	-3	1,017
Guarantees	98	14	36	1		43	-1	191
Other fee and commission income	559	4	4	1	314	2	-302	582
Total fee and commission income	**10,557**	**945**	**832**	**207**	**752**	**373**	**-413**	**13,252**

Fee and commission income by segment 2023

SEK m	Sweden	UK	Norway	The Netherlands	Capital Markets	Other	Adjustments and eliminations	Total
Brokerage and other securities commissions	154	5	11	11	244	15	-20	420
Mutual funds	4,747	336	231	92		193	-65	5,534
Custody and other asset management fees	725	42	110	95		26	-1	997
Advisory services		50	1		184	2	-1	236
Insurance	670		3			1	-1	673
Payments	2,209	326	270	1		5		2,811
Loans and deposits	726	143	114	9	2	165	-2	1,156
Guarantees	100	13	40	1		41	1	196
Other fee and commission income	521	4	4	1	292	1	-287	536
Total fee and commission income	**9,853**	**919**	**784**	**209**	**721**	**450**	**-376**	**12,559**

Fee and commission income refers to income from contracts with customers. Income from Brokerage and other securities commissions, Advisory services, Payments and Loans and deposits is generally recognised in conjunction with the rendering of the service, i.e. at a specific point in time. Income from Mutual funds, Custody and other asset management fees, Insurance and Guarantees is generally recognised as the services are rendered, i.e. on a straight-line basis over time.

Assets under management

SEK bn	2024	2023
Mutual funds, excl. PPM and unit-linked insurance	788	668
PPM	93	79
Unit-linked insurance	227	204
less external funds	*-1*	*-2*
Total mutual funds	**1,107**	**949**
Structured products	3	3
Portfolio bond insurance	62	52
less Handelsbanken mutual funds and structured products	*-35*	*-27*
Traditional insurance	6	6
less Handelsbanken mutual funds and structured products	*-6*	*-6*
Discretionary and Institutional assets, excl. insurance	398	349
less Handelsbanken mutual funds and structured products	*-343*	*-298*
Total assets under management, excl. securities in custody accounts	**1,192**	**1,028**
Securities in custody accounts, excl. mutual funds	810	712
Securities in custody accounts, excl. mutual funds, for foundations associated with Handelsbanken	36	35

G5 Net gains/losses on financial transactions

SEK m	2024	2023
Amortised cost	605	668
of which loans	*169*	*95*
of which interest-bearing securities		*0*
of which issued securities	*435*	*573*
Fair value through other comprehensive income	0	-1
of which interest-bearing securities – expected credit losses	*0*	*0*
of which interest-bearing securities – reclassified from other comprehensive income	*0*	*-1*
Fair value through profit or loss, fair value option	-112	670
of which interest-bearing securities	*-112*	*670*
Fair value through profit or loss, mandatory incl. foreign exchange effects	2,949	1,494
of which assets held on behalf of policyholders	*297*	*336*
Hedge accounting	-43	166
of which net gains/losses on fair value hedges	*-59*	*82*
of which cash flow hedge ineffectiveness	*15*	*83*
Total	**3,399**	**2,997**
Less return on assets held on behalf of policyholders	-297	-336
Net gains/losses on financial transactions	**3,103**	**2,661**

The accumulated value change due to changes in credit risk from initial recognition from financial assets which are classified at fair value through profit or loss, fair value option, amounted to SEK -5 million (113).

G6 Net insurance result

SEK m	2024	2023
Insurance revenue	1,186	1,169
Insurance service expenses[1)]	-992	-958
Insurance service result	**194**	**211**
Result from reinsurance contracts held	-1	-10
Financial income and expenses from insurance contracts	-67	-44
Insurance result	**126**	**157**
Return on assets held on behalf of policyholders	297	336
Net insurance result	**422**	**493**

1) Acquisition costs are recognised directly in the income statement and amounted to SEK -13 million (-13).

G7 Other income

SEK m	2024	2023
Rental income	16	14
Other operating income[1)]	193	311
Total	**209**	**325**

1) The repayment of VAT attributable to prior years was expensed in 2024, which had an impact of SEK 52 million on other operating income. The repayment of VAT attributable to the sale of the card acquiring business was expensed in 2023, which had an impact of SEK 141 million on other operating income. The remainder of other operating income consists of various minor items for each year.

G8 Staff costs

SEK m	2024	2023
Salaries and fees	-10,744	-9,532
Social security costs	-2,599	-2,343
Pension costs[1)]	-1,701	-1,112
Provision for the profit-sharing scheme	-96	-83
Other staff costs	-591	-572
Total	**-15,731**	**-13,642**

1) The components in the reported pension costs are shown in the Pension costs table.

Salaries and fees

SEK m	2024	2023
Executive officers[1)]	-141	-158
Others	-10,603	-9,374
Total	**-10,744**	**-9,532**

1) Executive officers and Board members in the parent company and CEOs, Executive Vice Presidents and Board members in subsidiaries (on average 51 people).

Staff costs attributable to the discontinued operations in Finland are presented in note G14.

Gender distribution

	2024		2023	
%	Men	Women	Men	Women
Executive officers excluding Boards	65	35	62	38
of which in parent company	*56*	*44*	*53*	*47*
of which in subsidiaries	*71*	*29*	*68*	*32*
Boards	62	38	59	41
of which in parent company	*54*	*46*	*46*	*54*
of which in subsidiaries	*64*	*36*	*62*	*38*

Average number of employees

	2024			2023		
	Total	Men	Women	Total	Men	Women
Sweden	7,462	3,639	3,823	7,285	3,530	3,755
UK	3,095	1,717	1,378	2,923	1,632	1,291
Norway	1,056	557	499	888	460	428
The Netherlands	458	292	166	415	265	150
USA	53	30	23	53	30	23
Luxembourg	53	29	24	51	27	24
Poland	14	3	11	16	4	12
Other countries	33	14	19	52	23	29
Total	**12,224**	**6,281**	**5,943**	**11,683**	**5,971**	**5,712**

The average numbers of employees attributable to the discontinued operations in Finland are presented in note G14.

Remuneration[1)] exceeding EUR 1 million

No. of persons	2024	2023
Range EUR 1.0–1.5m	5	1
Range EUR 1.5–2.0m	1	1
Total	**6**	**2**

1) Including earned pension and other salary benefits.

G8 cont.

Remuneration[1)] to risk-takers[2)], business segments

	2024		2023	
SEK m	Remuneration	No. of persons	Remuneration	No. of persons
Handelsbanken Sweden	441	288	440	295
Handelsbanken UK	413	187	391	192
Handelsbanken Norway	120	53	111	55
Handelsbanken the Netherlands	88	45	87	46
Handelsbanken Markets	69	17	104	24
Other	386	119	306	119
Discontinued operations[3)]	142	38	101	37
Total	**1,659**	**747**	**1,540**	**768**

1) Earned remuneration, including pensions and other salary benefits, has been recognised as an expense in its entirety.
2) Employees whose duties can have a material impact on the Bank's risk profile pursuant to the Commission Delegated Regulation (EU) 923/2021. There may be risk-takers or other specially regulated employees with variable remuneration in subsidiaries whose remuneration policy is subject to other EU regulations or regulations published by the Swedish Financial Supervisory Authority.
3) Discontinued operations in Finland.

Remuneration[1)] to risk-takers[2)]

	2024		2023	
	Executive Team[3)]	Other risk-takers	Executive Team[3)]	Other risk-takers
Earned fixed remuneration, SEK m	87	1,510	122	1,393
Earned performance-based variable remuneration, SEK m				
Earned other variable remuneration, SEK m	0	62	0	25
Total	**87**	**1,572**	**122**	**1,418**
No. of persons with fixed remuneration only		25	1	23
No. of persons who may receive both fixed and performance-based remuneration				
No. of persons with both fixed and variable remuneration	10	712	15	729
Total number of persons	**10**	**737**	**16**	**752**
Guaranteed variable remuneration recognised as an expense in connection with new employment, SEK m				
Contracted guaranteed variable remuneration recognised as an expense in connection with new employment, SEK m				

1) Earned remuneration, including pensions and other salary benefits, has been recognised as an expense in its entirety. Performance-based variable remuneration is allocated at an individual level during the financial year after it is earned and is disbursed or deferred in accordance with the Bank's policy for variable remuneration. No employees identified as risk-takers as a result of their duties earned performance-based variable remuneration in 2024. In addition to the above, one employee was identified as a risk-taker in 2024 due to their remuneration level, with remuneration amounting to SEK 4.9 million. The payment of earned performance-based variable remuneration for the earnings year 2024 will take place in spring 2025. In 2023, one employee was identified as a risk-taker due to their remuneration level, and was awarded performance-based variable remuneration totalling SEK 0.9 million, of which SEK 0.4 million was paid in 2024. All performance-based variable remuneration is paid in cash or in financial instruments. The amounts are excluding social security costs. The right of disposal of the deferred remuneration transfers to the employee at the time of disbursement. Other variable remuneration refers to disbursements from the Oktogonen profit-sharing scheme and contracted termination benefits. The disbursement of remuneration from the Oktogonen profit-sharing scheme amounted to SEK 12 million (21). The amount is excluding social security costs. Total contracted termination benefits during the year amounted to SEK 50 million (4), with the highest individual amount being SEK 7.2 million (1.4). During the year, SEK 28 million (11) in termination benefits was paid to 13 (6) risk-takers. No guaranteed variable remuneration is paid.
2) Employees whose duties can have a material impact on the Bank's risk profile pursuant to the Commission Delegated Regulation (EU) 923/2021. There may be risk-takers or other specially regulated employees with variable remuneration in subsidiaries whose remuneration policy is subject to other EU regulations or regulations published by the Swedish Financial Supervisory Authority.
3) According to the Swedish Financial Supervisory Authority's regulations FFFS 2011:1.

Employee benefits

Information about remuneration principles for all employees in the Handelsbanken Group is provided in more detail in the Corporate Governance Report on pages 49-50.

Pursuant to the Swedish Financial Supervisory Authority's regulation FFFS 2011:1 and the European Commission Delegated Regulations (EU) 575/2013 and (EU) 923/2021, banks must identify employees whose professional activities have a material impact on the bank's risk profile. Handelsbanken has identified 748 (769) employees who engage in such activities and has designated them as "risk-takers". The tables above present the Handelsbanken Group's remuneration to these risk-takers pursuant to the disclosure requirements in the aforementioned regulations. In 2024, the Handelsbanken Group had no employees whose duties have a material impact on the Bank's risk profile, who earned performance-based variable remuneration.

For the 2024 financial year, Handelsbanken has made a provision of SEK 96 million (83) for the Oktogonen profit-sharing scheme.

Oktogonen profit-sharing scheme
The Oktogonen profit-sharing scheme covers all employees in the Handelsbanken Group. The provision is classified as variable remuneration and is based on profitability metrics linked to Handelsbanken's corporate goals being met and the Board's overall assessment regarding the Bank's performance. Disbursements are mainly made in cash to the employees, or alternatively to a pension plan, savings plan or a combination of the two.

Share-based payment
All employees at Handelsbanken plc are covered by a Share Incentive Plan ("SIP"), in accordance with applicable UK law. Remuneration in the plan is settled in the form of shares in the parent company, Handelsbanken AB. A SIP requires that a UK-based trust is used to manage the share incentive plan on behalf of the company. A trust has thus been established, which is administrated by a SIP trustee. The trust acquires and allocates shares to the employees, and thereafter holds the allocated shares on behalf of the employees. The employees' allocated shares must be vested in the SIP for a minimum of five years to prevent tax consequences for the employees. Dividends received during the vesting period accrue to the employees.

The conditions for an allocation to the SIP and the earnings conditions are identical to

G8 cont.

Remuneration to the Chief Executive Officer, Executive Vice Presidents and Executive Team

	Fixed remuneration				Variable remuneration		Pension costs, defined benefit and defined contribution plans		Fixed and variable remuneration, including pension costs		Proportion fixed remuneration/total remuneration	
	Basic salary		Benefits									
SEK m	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Chief Executive Officer												
Michael Green[1)]	14.0		0.1		0.0		4.9		19.0		100%	
Carina Åkerström[2)]		14.5		0.6		0.0		5.1		20.2		100%
Executive Vice Presidents												
Carl Cederschiöld[3)]	8.4	7.8	0.2	0.2	0.0	0.0	2.3	2.0	10.9	10.0	100%	100%
Per Beckman[4)]	9.6	7.5	0.3	0.3	0.0	0.0	3.4	2.3	13.3	10.1	100%	100%
Other member of Executive Team[5)]	**34.5**	**61.4**	**2.2**	**4.9**	**0.1**	**0.3**	**7.8**	**14.1**	**44.6**	**80.7**	**100%**	**100%**
Average number of persons; CEO, Executive Vice Presidents, Executive Team	10	15										
Number of persons as at December; CEO, Executive Vice Presidents, Executive Team	9	15										

The pension cost refers to pension earned under defined benefit pension plans in accordance with IAS 19, or alternatively paid premiums for defined contribution pension plans. An accrued defined benefit pension is vested and secured in the Bank's pension foundation or assured in the Bank's pension fund. If service ceases before retirement age, the person receives a paid-up policy for the defined benefit and/or defined contribution pension earned. Payments of variable remuneration in the form of the Oktogonen profit-sharing scheme took place in 2024. Before local taxes and social security costs, the amount was SEK 20,499 (34,194) per employee.

1) Became Chief Executive Officer on 1 January 2024. Defined contribution pension of 35% of salary since becoming Chief Executive Officer. Previously earned defined benefit pension is placed in a paid-up policy.
2) Stepped down as Chief Executive Officer on 31 December 2023. Defined contribution pension of 35% of salary since becoming Chief Executive Officer. Previously earned defined benefit pension is placed in a paid-up policy.
3) Defined benefit pension according to the collective bargaining agreement, in combination with a defined contribution plan amounting to a maximum of 30% of salary above 30 income base amounts. The defined benefit pension is fully earned at the age of 65.
4) Defined contribution pension of 35% of salary from 18 October 2023, prior to that it was 30%. Previously earned defined benefit pension has been fully earned and is placed in a paid-up policy.
5) Other executive officers employed by the Bank receive a defined benefit or defined contribution pension according to collective bargaining agreements, in combination with a defined contribution plan amounting to a maximum of 35% of salary exceeding the income ceiling in the collective bargaining agreement. The defined benefit pension is fully earned at the age of 65. The amount for basic salary and pension is stated before any salary sacrifice. Among other members of the Executive Team, two employees have converted SEK 1.6 million from salary to pension.

those for the Oktogonen profit-sharing scheme. The earning period is thus the preceding financial year. See the Principles for remuneration at Handelsbanken section. Handelsbanken plc's Board of Directors decides on the final allocation to the share incentive plan.

During the 2024 financial year, share-based payments of SEK 54.7 million (78.6) have been charged to expenses for the 2023 earnings year, which has been recognised as an increase in equity. The Bank's expenses for share-based payment cannot subsequently be changed. The payment has been settled via the purchase of 531,263 shares (891,271) in Handelsbanken AB in the market by the trust, at an average market price of SEK 100.3 (91.8) per share, which have then been allocated to the employees. Within the Group, these acquisitions constitute hedges of share-based compensation, which have led to a reduction of equity. See the Statement of changes in equity.

Remuneration to executive officers

Executive officers in Handelsbanken are Board members, the Chief Executive Officer, Executive Vice Presidents, and other members of the Executive Team, see also the Corporate Governance Report on pages 54–57. The remuneration to executive officers of the parent company is in accordance with the guidelines for remuneration established by the 2024 Annual General Meeting. See also page 51.

Information regarding remuneration to, pension obligations for, credits to and deposits from executive officers of Handelsbanken is provided on these pages. This also applies to the subsidiaries' Chief Executive Officers, Executive Vice Presidents and Board members.

Remuneration to executive officers of the Handelsbanken Group is paid only in the form of fixed salary and pension provisions, as well as customary benefits such as a company car. Following a special Board decision, the Bank can provide housing as part of the remuneration. The executive officers in question are included in the Oktogonen profit-sharing scheme on the same terms as all employees of the Bank. No performance-based variable remuneration is paid. Executive officers who are employees of the Bank are entitled to convert salary to pension on the same conditions as all employees.

Board members who are not employees of the Bank or any of the Bank's subsidiaries have only received a fee according to the decision of the AGM.

Board members who are employees of the Bank or the Bank's subsidiaries receive remuneration and pension benefits by virtue of their employment. No further remuneration or pension benefits are paid for serving on the Board. Information regarding fees to Board members in the parent company is shown on pages 54–57 of the Corporate Governance Report.

The pension cost stated by the Bank in the remuneration information for executive officers below consists of the service cost relating to defined benefit pensions according to IAS 19, the agreed premiums for defined contribution pensions, and any pension premiums that have been converted from salary.

Fees for serving on the boards of other companies on behalf of the Bank have been paid to the Bank.

G8 cont.

Remuneration to executive officers at subsidiaries
Fees paid to the 21 board members (20) of subsidiaries who are not employees of the Bank or its subsidiaries totalled SEK 15.9 million (17.9).

In 2024, the Chief Executive Officers[1)] and Executive Vice Presidents in the subsidiaries, 13 individuals (15), received fixed salaries after conversion to pension amounting to SEK 45.6 million (48.3). Other salary benefits were SEK 7.7 million (6.2) and the Bank's pension cost was SEK 6.4 million (6.0). Before conversion to pension, the pension cost was SEK 4.9 million (4.6), corresponding to 10.4% of the salary (9.2). Variable remuneration in the form of the Oktogonen profit-sharing scheme amounted to SEK 0.2 million (0.4).

Remuneration is not paid to Chief Executive Officers and Executive Vice Presidents in subsidiaries who have other main work duties at Handelsbanken.

Pension obligations to executive officers

As at 31 December 2024, the pension obligation[2)] for the Chief Executive Officer Michael Green, earned before he took up the position of Chief Executive Officer and now placed in a paid-up policy, was SEK 64.5 million. The pension obligation for Executive Vice President Per Beckman was SEK 109.8 million (105.7) as at 31 December 2024, the pension obligation for Executive Vice President Carl Cederschiöld was SEK 10.8 million (10.0) as at 31 December 2024, and for the other executive officers in the parent company – six individuals (12) – pension obligations were SEK 54.1 million (121.2).

Pension obligations in the Handelsbanken Group for all current and former executive officers were SEK 2,667 million (2,649) as at 31 December 2024, of which pension obligations for all current and former executive officers in the parent company were SEK 2,466 million (2,458) as of the same date. The number of people covered by these obligations in the Group is 82 (87), of whom 66 (65) are pensioners. The corresponding number for the parent company is 66 (71), of whom 57 (56) are pensioners.

Credits to and deposits from executive officers

As at 31 December 2024, credits to executive officers were SEK 1.7 million (16.3) in the parent company and SEK 121.4 million (123.5) in the subsidiaries. Deposits in the parent company from these persons totalled SEK 537.7 million (474.2). In 2024, the Bank's interest income from these persons for credits totalled SEK 0.0 million (0.1) in the parent company and SEK 4.0 million (3.3) in the subsidiaries. Interest paid to these persons for deposits in the parent company was SEK 24.5 million (18.9).

As at 31 December 2024, credits to executive officers in the subsidiaries in the Handelsbanken Group were SEK 142.8 million (112.7).

Credit and deposit terms for executive officers employed in the Handelsbanken Group are in line with the principles applicable for all other employees of the Handelsbanken Group. All credits are subject to a credit assessment.

1) The Chief Executive Officer of Handelsbanken plc was also part of the Executive Team until 31 March 2024.
2) Pension obligations are amounts which, in accordance with IAS 19, the Bank reserves for payment of future defined benefit pensions. The size of the obligations depends on financial and demographic assumptions which may change from year to year.

Pensions

Net pension obligations

SEK m	2024	2023
Pension obligations	31,683	31,097
Fair value of plan assets	44,785	42,796
Net pensions	**13,102**	**11,699**

In addition to the pension obligation and plan assets in the above table, provisions have been made in the years 1989-2004 to Svenska Handelsbankens Pensionsstiftelse (pension foundation) for a special supplementary pension (SKP). This includes plan assets whose market value amounts to SEK 6,666 million (7,355). SKP entails a commitment by the Bank amounting to the same amount as the plan assets.

A part of this commitment, SEK 5,150 million (5,651), is conditional.

Pension costs

SEK m	2024	2023
Service cost[1)]	-510	-398
Past service cost		1
Interest on pension obligations	-1,099	-1,111
Interest on plan assets	1,535	1,678
Pension costs, defined benefit plans	**-74**	**170**
Pension costs, defined contribution plans[2)]	-1,236	-957
Social security costs, defined contribution plans[2)]	-391	-325
Total pension costs	**-1,701**	**-1,112**

1) In addition to the estimated service cost, this includes non-recurring items related to the Bank's restructuring process.
2) Pension costs attributable to the discontinued operations in Finland are presented in note 14.

G8 cont.

Pension obligations

SEK m	2024	2023
Opening balance	31,097	26,419
Service cost	476	433
Past service cost		-1
Interest on pension obligations	1,099	1,111
Paid benefits	-1,335	-1,248
Actuarial gains (-)/losses (+)	191	4,355
Foreign exchange effect	155	28
Closing balance[1)]	**31,683**	**31,097**

1) In the closing balance as at 31 December 2024, the hedging according to the inflation assumption has been included in the calculation of the Swedish pension obligation. In the closing balance as at 31 December 2023, the hedging for 2024 of 6.48% has been included in the calculation of the Swedish pension obligation. The effect of including the determined hedging increased pension liabilities by SEK 938 million as at 31 December 2023.

Plan assets

SEK m	2024	2023
Opening balance	42,796	39,294
Interest on plan assets	1,535	1,678
Funds contributed by the employer	1,005	924
Compensation to employer	-842	-786
Funds paid directly to employees	-417	-399
Actuarial gains (+)/losses (-)	535	2,129
Foreign exchange effect	173	-44
Closing balance	**44,785**	**42,796**

Return on plan assets

SEK m	2024	2023
Interest on plan assets	1,535	1,678
Actuarial gains (+)/losses (-)	535	2,129
Actual return	**2,070**	**3,807**

Allocation of plan assets

SEK m	2024	2023
Shares and mutual fund units on an active market[1)]	36,271	32,860
Shares not listed on an active market	1	2,179
Interest-bearing securities listed on an active market	7,178	6,991
Other plan assets	1,335	766
Total	**44,785**	**42,796**

1) The mutual fund units amount to SEK 27,068 million (24,568) of which fixed-income funds accounted for SEK 20,387 million (18,797).

No shares or bonds issued by Svenska Handelsbanken AB (publ) are included in the plan assets as of the balance sheet date.

Actuarial gains (-)/losses (+), pension obligations

SEK m	2024	2023
Changes in demographic assumptions	98	6
Changes in financial assumptions	-698	2,842
Experience-based adjustments	791	1,507
Total	**191**	**4,355**

G8 cont.

Future cash flows

SEK m	Outcome 2024	Forecast 2025
Paid benefits	-1,335	-1,218
Funds contributed by the employer	1,005	1,200

Defined benefit pensions are mainly paid to employees in Sweden. Of the total net pension obligation, the Swedish plan accounts for SEK 29,724 million (29,053) and the UK plan (closed for new earnings) for SEK 1,902 million (1,986). In addition, a smaller scale defined benefit plan remains in Norway. Considering their respective sizes, these are considered insignificant and are therefore not reported in further detail.

Of the total plan assets, the Swedish plan assets are SEK 42,708 million (40,721), while an amount of SEK 2,077 million (2,075) is attributable to the closed plan in the UK.

In Sweden, a retirement pension is paid from the age of 65 in accordance with the pension agreement between the Employers' Association of the Swedish Banking Institutions (BAO) and Finansförbundet/Swedish Confederation of Professional Associations (Saco). The amount is 10% of the annual salary up to 7.5 income base amounts. On the part of the salary between 7.5 and 20 income base amounts, the retirement pension is 65% and in the interval between 20 and 30 income base amounts, it is 32.5% of the annual salary. No retirement pension is paid on the portion of the salary in excess of 30 income base amounts.

As of 1 March 2020, all new employees and employees younger than 25 years of age at the time accrue pension in a defined contribution plan. Persons employed before 1 March 2020 are not affected and remain covered by the defined benefit pension plan.

The pension plans are funded externally, meaning plan assets are held by pension funds, trusts or similar legal entities. The trusts' (or equivalent) activities are regulated by national laws and practices, as is the relationship between the Group and the trust (or equivalent) managing the plan assets and the framework for how the plan assets may be invested. In Sweden, the Act on Safeguarding Pension Obligations and the Occupational Pension Undertakings Act are the main national laws and practices. National legislation pertaining to pensions and tax is applied in the UK.

Significant assumptions

	Sweden		UK	
	2024	2023	2024	2023
Discount rate, %	3.6	3.5	5.4	4.5
Expected salary increase, %	3.5	3.5		
Pension indexing, %	2.0	2.0	3.0	3.0
Income base amount, %	3.0	3.0		
Inflation, %	2.0	2.0	3.1	3.0
Staff turnover, %	4.5	5.0		
Remaining life expectancy at retirement age, years	22.8	22.8	24.0	24.0
Average duration (Macaulay), years	14.6	14.8	13.0	14.0

The assumptions on future salary increases, inflation, etc., are based on the anticipated long-term trend and the estimates are associated with uncertainty. The assumptions are set to reflect the long-term economic prospects and to be internally consistent. The calculation of pension obligations for employees in Sweden is based on DUS23, which are assumptions on longevity that are generally accepted in the market, based on statistics produced by Insurance Sweden.

Sensitivity analysis

		Effects on the pension obligation, SEK m			
		Increased pension obligation		Decreased pension obligation	
	Changes in assumptions	2024	2023	2024	2023
Discount rate, %	0.5	2,480	2,480	-2,206	-2,202
Expected salary increase, %	1.0	972	954	-824	-791
Pension indexing, %	0.5	1,574	1,552	-1,466	-1,444
Remaining life expectancy at retirement age, years	1.0	1,006	985	-1,010	-988

The above sensitivity analysis is based on a change in one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the pension obligation to significant actuarial assumptions, the same method has been applied as when calculating the pension obligation recognised within the statement of financial position. The method is described in the Bank's accounting policies (see note G1, section 12). Compared with the 2023 Annual Report, there have been no changes in the methods used when preparing the sensitivity analysis.

Through its defined benefit pension plans, the Bank is exposed to a number of risks. The most significant of these are described below:

Asset volatility: The pension obligations are calculated using a discount rate set with reference to corporate bond yields. If plan assets underperform this yield, the risk of a deficit arising is low because there is a surplus value in the plan assets. The plan assets include equities and equity funds which are expected to outperform corporate bonds in the long term while being associated with volatility and risk in the short term. The Bank believes that due to the long-term nature of the pension obligations, a substantial proportion of shares is an appropriate element of the Bank's long-term strategy to manage the plans efficiently.

Changes in bond yields: A decrease in corporate bond yields will increase pension obligations. However, this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risk: The pension obligations are linked to inflation. Higher inflation will lead to increased pension obligations. Valuation of the plan assets is not directly affected by inflation in a material way. This means that an increase in inflation will probably increase the deficit in the pension plans.

Life expectancy: The pension schemes are to provide benefits during the lifetime of the members. Increases in life expectancy will thus result in an increase in the pension obligation.

Asset-Liability matching (ALM): The composition of the plan assets is matched to the pension liabilities composition and expected development. The overall goal is to generate a return over the medium and long term, that at least corresponds to the development of the pension obligations. A proportion of the plan assets is invested in equities, but investments are also made in fixed income instruments and cash and cash equivalents. A substantial proportion of shares is deemed appropriate in order to manage the plans effectively.

Funding arrangements: Minimum funding requirements differ between plans but where such requirements are based on collective bargaining agreements or internal policies, the funding requirement is generally that the pension obligations measured according to local requirements shall be covered in full. Funding levels are monitored regularly. The Bank considers that the current contribution rate is appropriate.

G9 Other expenses

SEK m	2024	2023
Property and premises	-708	-686
IT-related expenses	-3,374	-3,379
Communication	-263	-284
Travel and marketing	-282	-299
Purchased services	-2,052	-2,355
Supplies	-146	-188
Other expenses	-648	-605
Total	**-7,474**	**-7,796**

Remuneration to auditors and audit companies[1)]

	PricewaterhouseCoopers AB		Deloitte AB	
SEK m	2024	2023	2024	2023
Audit assignment	-39	-40	-8	-8
Audit operations outside the audit assignment	-5	-5	-2	-2
Tax advice				
Other services	-3	-1		

1) The amounts in the table are exclusive of VAT.

G10 Credit losses

SEK m	2024	2023
Expected credit losses on balance sheet items		
The year's provision Stage 3	-377	-328
Reversed Stage 3 provision from previous years	111	209
Total expected credit losses in Stage 3	**-266**	**-119**
The year's net provision Stage 2	485	-112
The year's net provision Stage 1	218	39
Total expected credit losses in Stage 1 and Stage 2	**703**	**-72**
Total expected credit losses on balance sheet items	**438**	**-192**
Expected credit losses on off-balance sheet items		
The year's net provision Stage 3	1	8
The year's net provision Stage 2	111	-39
The year's net provision Stage 1	54	8
Total expected credit losses on off-balance sheet items	**166**	**-23**
Write-offs		
Actual credit losses for the year[1)]	-290	-260
Utilised share of previous provisions in Stage 3	213	185
Total write-offs	**-77**	**-75**
Recoveries	74	149
Net credit losses	**601**	**-141**
of which loans to the public	*435*	*-120*

1) Of the year's actual credit losses, SEK 114 million (99) is subject to enforcement activities.

G10 cont.

SEK m	2024	2023
1) Expected credit losses in Stage 3 on and off the balance sheet	**-264**	**-111**
Change in the model-based provision in Stage 1 and Stage 2:		
Updating of macroeconomic scenarios and risk factors	179	206
Transfer of exposures in exposed industries from Stage 1 to Stage 2[1)]	9	2
Change in risk of default in included portfolio (net rating changes)	-60	-483
Effect of changed exposure (existing, new and terminated exposures)	138	49
Other in Stage 1 and Stage 2	139	112
Less discontinued operations	8	-7
Model-based credit losses in Stage 1 and Stage 2	**413**	**-121**
Expert-based provision		
Expert-based provision	-149	-617
Less discontinued operations	0	13
Expert-based provision in continuing operations	-149	-604
Expert-based credit losses Stage 1 and Stage 2 (change in provision compared with the previous year)	**455**	**17**
2) Expected credit losses in Stage 1 and Stage 2 on and off the balance sheet	**868**	**-104**
3) Write-offs	**-77**	**-75**
4) Recoveries	**74**	**149**
Net credit losses (1+2+3+4)	**601**	**-141**

1) Expert-based assessment of significant increase in credit risk.

The provision requirement declined in 2024. Several factors contributed to the decrease in the model-calculated provision, the most important of which are the impact of the change in the values of the forward-looking macroeconomic risk factors and the decline in exposures. This was offset to a certain extent by negative rating migration in the customer base. In addition, a combination of a number of minor factors also contributed to the decline in the provision requirement during the year.

During the year, the Bank applied an expert-based provision based on elevated credit risks relating to uncertainty factors which were not deemed to be fully considered in the Bank's risk models. These uncertainty factors are mainly related to the macroeconomic climate and potential significant changes in the demand profile. Given the challenges at the end of the year in assessing how the uncertainty factors noted above affect the credit risk at individual company level, the Bank has analysed the need to apply an expert-based stress to the sectors at risk of a higher level of sensitivity, and reached a decision of an additional provision requirement of SEK 149 million (604) in the continuing operations and SEK 149 million (617) including discontinued operations.

The impairment testing process for agreements in Stage 3 has not been changed, and the customary procedure with individual assessment has continued.

G10 cont.

On- and off-balance sheet items that are subject to impairment testing 2024

	Gross			Provisions		
SEK m	Stage 1	Stage 2	Stage 3[1]	Stage 1	Stage 2	Stage 3
Balance sheet items						
Cash and balances with central banks	530,003					
Other loans to central banks	12,547					
Loans to other credit institutions	18,872	55		-1	-3	
Loans to the public	2,288,590	76,580	8,525	-210	-328	-1,071
Bonds and other interest-bearing securities	13,259			-2		
Total	**2,863,270**	**76,635**	**8,525**	**-213**	**-331**	**-1,071**
Off-balance sheet items						
Contingent liabilities	292,278	6,282	159	-39	-90	-26
of which contingent liabilities	*54,384*	*1,315*	*55*	*-6*	*-12*	*-26*
of which obligations	*237,894*	*4,967*	*104*	*-33*	*-78*	*0*
Total	**292,278**	**6,282**	**159**	**-39**	**-90**	**-26**

On- and off-balance sheet items that are subject to impairment testing 2023

	Gross			Provisions		
SEK m	Stage 1	Stage 2	Stage 3[1]	Stage 1	Stage 2	Stage 3
Balance sheet items						
Cash and balances with central banks	476,162					
Other loans to central banks	32,145					
Loans to other credit institutions	19,289	11		-1	-1	
Loans to the public	2,292,700	136,848	7,064	-426	-819	-1,150
Bonds and other interest-bearing securities	12,709			-2		
Total	**2,833,004**	**136,859**	**7,064**	**-430**	**-820**	**-1,150**
Off-balance sheet items						
Contingent liabilities	284,693	11,262	164	-94	-203	-42
of which contingent liabilities	*56,464*	*1,596*	*60*	*-11*	*-40*	*-22*
of which obligations	*228,229*	*9,666*	*104*	*-83*	*-163*	*-20*
Total	**284,693**	**11,262**	**164**	**-94**	**-203**	**-42**

1) Gross volume in Stage 3 for which no provision has been made, due to collateral received, amounts to SEK 6,016 million (4,781).

The information in this note includes the disposal groups in Finland, which have been reclassified to Assets held for sale on the balance sheet, respectively, and which constitutes discontinued operations, see note G14.

Key metrics, credit losses, %

Loans to the public	2024	2023
Credit loss ratio, acc.	-0.02	0.01
Total provision ratio	0.07	0.10
Provision ratio Stage 1	0.01	0.02
Provision ratio Stage 2	0.43	0.60
Provision ratio Stage 3	12.56	16.28
Proportion of loans in Stage 3	0.31	0.24

G10 cont.

Change analysis

Change in provision for expected credit losses, balance sheet items that are subject to impairment testing

	2024				2023			
SEK m	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Provision at beginning of year	-430	-820	-1,150	-2,400	-480	-723	-1,257	-2,459
Derecognised assets	63	114	125	303	37	89	211	337
Write-offs	0	1	263	264	0	1	213	214
Remeasurements due to changes in credit risk	-38	297	-68	191	-219	140	-96	-175
Changes due to update in the methodology for estimation					-32	-16		-48
Foreign exchange effect, etc.	-7	-15	-9	-32	2	2	1	5
Purchased or originated assets	-17	-8	-7	-33	-34	-33	-8	-75
Transfer to Stage 1	-27	63	1	37	-40	56	1	17
Transfer to Stage 2	49	-150	4	-96	169	-503	6	-328
Transfer to Stage 3	192	188	-229	151	167	166	-221	111
Provision at end of year	**-213**	**-331**	**-1,071**	**-1,614**	**-430**	**-820**	**-1,150**	**-2,400**

Change in provision for expected credit losses, loans to the public that are subject to impairment testing

	2024				2023			
SEK m	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Provision at beginning of year	-426	-819	-1,150	-2,395	-475	-722	-1,257	-2,454
Derecognised assets	63	114	125	302	36	89	211	337
Write-offs	0	1	263	264	0	1	213	214
Remeasurements due to changes in credit risk	-37	294	-68	189	-219	140	-96	-176
Changes due to update in the methodology for estimation					-32	-16		-48
Foreign exchange effect, etc.	-7	-15	-9	-32	2	2	1	5
Purchased or originated assets	-17	-8	-7	-32	-34	-33	-8	-75
Transfer to Stage 1	-27	63	1	37	-40	56	1	17
Transfer to Stage 2	49	-145	4	-93	169	-502	6	-326
Transfer to Stage 3	192	188	-229	151	167	166	-221	111
Provision at end of year	**-210**	**-328**	**-1,071**	**-1,608**	**-426**	**-819**	**-1,150**	**-2,395**

Provisions for expected credit losses in the tables above include the disposal groups in Finland, which have been reclassified to Assets held for sale on the balance sheet.

Change in the provision for expected credit losses, off-balance sheet items that are subject to impairment testing

	2024				2023			
SEK m	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Provision at beginning of year	-94	-203	-42	-340	-103	-169	-82	-353
Derecognised assets	17	21		38	17	28		44
Write-offs								
Remeasurements due to changes in credit risk	43	107	17	167	8	19	39	65
Changes due to update in the methodology for estimation					-6	-6		-13
Foreign exchange effect, etc.	1	-1		1	1	1		2
Purchased or originated assets	-10	-3		-13	-13	-7		-20
Transfer to Stage 1	-2	7		5	-8	9		2
Transfer to Stage 2	4	-25		-21	8	-82		-74
Transfer to Stage 3	2	6		8	3	4		7
Provision at end of year	**-39**	**-90**	**-26**	**-155**	**-94**	**-203**	**-42**	**-340**

The change analysis shows the net effect on the provision for the Stage in question for each explanatory item during the period. The effect of derecognitions and write-offs is calculated on the opening balance. The effect of revaluations due to changes in the methodology for estimation and foreign exchange effects, etc., is calculated before any transfer of the net amount between Stages. Purchased or originated assets and amounts transferred between Stages are recognised after the effects of other explanatory items are taken into account. The transfer rows present the effect on the provision for the stated Stage.

G10 cont.

Change in gross volume, balance sheet items that are subject to impairment testing

	2024				2023			
SEK m	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Volume at beginning of year	2,833,004	136,859	7,064	2,976,927	2,902,686	91,350	5,716	2,999,751
Derecognised assets	-199,493	-17,154	-1,596	-218,243	-502,323	-11,577	-1,035	-514,935
Write-offs	-22	-6	-318	-346	-15	-4	-275	-294
Remeasurements due to changes in credit risk	-47,420	-2,860	-321	-50,600	-6,008	-8,429	-558	-14,995
Foreign exchange effect, etc.	41,365	2,008	135	43,508	-13,018	-453	4	-13,467
Purchased or originated assets	193,925	3,187	72	197,184	513,644	7,138	84	520,866
Transfer to Stage 1	99,595	-99,432	-164		80,202	-80,136	-66	
Transfer to Stage 2	-55,756	56,648	-892		-140,432	140,793	-361	
Transfer to Stage 3	-1,929	-2,615	4,544		-1,731	-1,823	3,554	
Volume at end of year	**2,863,270**	**76,635**	**8,525**	**2,948,430**	**2,833,004**	**136,859**	**7,064**	**2,976,927**

Change in gross volume, loans to the public that are subject to impairment testing

	2024				2023			
SEK m	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Volume at beginning of year	2,292,700	136,848	7,064	2,436,612	2,374,713	91,349	5,716	2,471,778
Derecognised assets	-194,324	-17,154	-1,596	-213,075	-149,007	-11,317	-1,035	-161,359
Write-offs	-22	-6	-318	-346	-15	-4	-275	-294
Remeasurements due to changes in credit risk	-37,281	-557	-321	-38,159	-12,871	-9,463	-558	-22,892
Foreign exchange effect, etc.	-7,484	2,008	135	-5,341	-14,823	-394	4	-15,213
Purchased or originated assets	190,744	3,187	72	194,004	157,370	7,138	84	164,592
Transfer to Stage 1	99,590	-99,426	-164		79,336	-79,270	-66	
Transfer to Stage 2	-53,404	54,297	-892		-140,272	140,632	-361	
Transfer to Stage 3	-1,929	-2,615	4,544		-1,731	-1,823	3,554	
Volume at end of year	**2,288,590**	**76,580**	**8,525**	**2,373,695**	**2,292,700**	**136,848**	**7,064**	**2,436,612**

Balance sheet items in the table above include the disposal groups in Finland, which have been reclassified to Assets held for sale on the balance sheet.

Change in gross volume, off-balance sheet items that are subject to impairment testing

	2024				2023			
SEK m	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Volume at beginning of year	284,693	11,262	164	296,119	314,586	12,533	274	327,393
Derecognised assets	-43,837	-1,717	-24	-45,579	-48,128	-3,188	-138	-51,453
Write-offs	-1	0	1	0				
Remeasurements due to changes in credit risk	37,596	-1,931	-62	35,602	-24,479	2,095	-45	-22,428
Foreign exchange effect, etc.	-45,203	52	3	-45,148	-3,010	-59	-1	-3,070
Purchased or originated assets	57,369	355	0	57,724	43,406	2,270	2	45,678
Transfer to Stage 1	5,855	-5,851	-3		10,321	-10,319	-2	
Transfer to Stage 2	-4,164	4,174	-11		-7,962	7,971	-9	
Transfer to Stage 3	-29	-62	90		-41	-42	83	
Volume at end of year	**292,278**	**6,282**	**159**	**298,719**	**284,693**	**11,262**	**164**	**296,119**

Like the analysis for provisions, the change analysis for gross volumes shows the effect of selected explanatory items on the volumes for a stated Stage. The items showing transfers between Stages, and "Purchased or originated assets", present the amounts in the stated Stage at the end of the period. Other items present the effect in the Stage applying at the start of the period.

G10 cont.

Sensitivity analysis

Macroeconomic forecast in ECL calculations and sensitivity analysis

The calculation of expected credit losses applies forward-looking information in the form of macroeconomic scenarios. The expected credit loss is a probability-weighted average of the estimated forecasts over three scenarios. The forecast in the base case scenario is assigned a weight of 70% (70), while an upturn in the economy is assigned 15% (15), and a downturn 15% (15). For exposures in the UK. a fourth. more severe downturn scenario has been applied as of 2022. The probability weighting for severe downturn/downturn/base case/upturn scenarios for the UK is 15%/20%/60%/5% (15/20/60/5). These have formed the basis for the calculation of expected credit losses in Stage 1 and Stage 2 as at 31 December 2024.

	Downturn scenario			Neutral scenario			Upturn scenario		
Macroeconomic risk factors	2025	2026	2027	2025	2026	2027	2025	2026	2027
GDP growth									
Sweden	-2.75	0.80	2.81	2.11	2.71	2.16	3.85	3.60	1.96
UK	-3.58	-0.47	2.35	1.42	1.53	1.70	3.02	2.33	1.50
UK, severe downturn scenario	-6.08	-2.47	2.70						
Norway	-3.45	-0.34	2.25	1.55	1.66	1.60	3.15	2.46	1.40
Finland	-3.50	-0.40	2.05	1.50	1.60	1.40	3.10	2.40	1.20
Eurozone	-3.89	-0.58	2.15	1.11	1.42	1.50	2.71	2.22	1.30
USA	-2.83	0.01	2.45	2.17	2.01	1.80	3.77	2.81	1.60
Unemployment									
Sweden	10.02	10.32	10.54	8.32	7.92	7.54	7.62	6.92	6.84
UK	6.45	7.03	7.50	4.75	4.63	4.50	4.05	3.63	3.80
UK, severe downturn scenario	6.75	8.63	8.50						
Norway	3.90	4.60	5.30	2.20	2.20	2.30	1.50	1.20	1.60
Finland	9.70	9.90	10.00	8.00	7.50	7.00	7.30	6.50	6.30
Eurozone	8.38	8.93	9.50	6.68	6.53	6.50	5.98	5.53	5.80
USA	6.08	6.90	7.30	4.38	4.50	4.30	3.68	3.50	3.60
Policy interest rate									
Sweden	4.50	4.50	3.75	2.25	2.25	2.25	1.50	1.25	1.25
UK	6.00	6.00	4.75	3.75	3.75	3.25	3.00	2.75	2.25
UK, severe downturn scenario	0.50	0.50	0.50						
Norway	5.75	5.25	4.00	3.50	3.00	2.50	2.75	2.00	1.50
Finland	4.25	4.25	3.50	2.00	2.00	2.00	1.25	1.00	1.00
Eurozone	4.25	4.25	3.50	2.00	2.00	2.00	1.25	1.00	1.00
USA	5.88	5.38	4.25	3.63	3.13	2.75	2.88	2.13	1.75
Property price trend, residential real estate									
Sweden	-4.51	-4.44	4.14	3.24	3.25	3.53	7.06	7.40	4.99
UK	-4.90	-4.59	-1.41	0.30	1.02	1.61	4.48	5.29	5.28
UK, severe downturn scenario	-8.07	-8.41	-1.77						
Norway	-0.59	0.55	5.58	9.59	8.14	4.90	11.57	9.50	3.93
Finland	-4.08	-1.48	1.99	1.47	2.07	2.77	5.18	3.54	3.20
Eurozone	0.70	3.92	5.05	3.20	3.42	3.40	3.91	3.52	2.60
Property price trend, commercial real estate									
Sweden	-10.15	-3.37	4.19	1.45	3.88	4.51	8.42	10.22	6.28
UK	-11.89	-8.46	0.74	-1.02	-1.44	0.76	10.80	7.96	1.82
UK, severe downturn scenario	-15.91	-8.15	6.05						
Norway	-15.53	-8.28	1.08	-1.93	-1.03	0.65	3.73	4.09	2.00
Finland	-10.56	-5.14	2.13	-1.24	0.62	2.29	3.96	5.60	3.68
Eurozone	-13.40	-6.38	2.60	-0.68	0.67	2.54	4.62	5.85	4.15

Sensitivity analysis, macroeconomic scenarios

The table shows the percentage increase/decrease in the provision for expected credit losses in Stage 1 and Stage 2, as at 31 December, which arises when a probability of 100% is assigned to the downturn and upturn scenarios, respectively. The effect of assigning a probability of 100% to the severe downturn scenario for the UK is not included in the total.

	2024		2023	
%	Increase in the provision in a downturn scenario	Decrease in the provision in an upturn scenario	Increase in the provision in a downturn scenario	Decrease in the provision in an upturn scenario
Sweden	32.98	-14.39	27.45	-15.70
UK	32.43	-30.87	21.13	-29.56
UK, severe downturn scenario	37.19		29.99	
Norway	37.79	-14.98	33.68	-18.20
Finland	15.66	-6.40	8.52	-5.06
The Netherlands	47.07	-18.81	36.85	-22.53
USA	77.81	-28.43	57.50	-36.86
Other countries	25.02	-10.66	23.51	-12.04
Total	**31.81**	**-19.08**	**23.58**	**-18.51**

G10 cont.

Sensitivity analysis, significant increase in credit risk

The table below shows how the provision in Stage 1 and Stage 2 as at 31 December is affected if the threshold value applied for the ratio between residual credit risk calculated on the reporting date and on initial recognition were to be set 0.5 percentage points lower and higher, respectively, than the applied threshold value of 2.5. A reduction of 0.5 to the threshold value would increase the number of loans transferred from Stage 1 to Stage 2 and would also entail an increase in the provision for expected credit losses. An increase of 0.5 to the threshold value would have the opposite effect. The Bank uses both quantitative and qualitative indicators to assess significant increases in credit risk. Further information is provided in note G2 under the heading "Credit risk".

Change in the total provision in Stage 1 and Stage 2, %

Threshold value	2024	2023
2	4.35	3.50
2.5	0.00	0.00
3	-2.73	-1.93

Credit exposures that are subject to impairment testing, by PD range

Balance sheet items by PD range

	2024			2023		
	Gross volume, SEK m			Gross volume, SEK m		
PD value[1)]	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
0.00 to <0.15	2,455,914	12,858		2,427,046	33,598	
0.15 to <0.25	231,936	6,235		60,030	6,941	
0.25 to <0.50	98,830	9,222		262,839	20,169	
0.50 to <0.75	11,920	1,754		26,082	13,431	
0.75 to <2.50	56,774	21,807		47,566	20,675	
2.50 to <10.00	7,683	21,950		8,842	35,625	
10.00 to <100	214	2,808		599	6,421	
100 (default)			8,525			7,064
Total	**2,863,270**	**76,635**	**8,525**	**2,833,004**	**136,859**	**7,064**

Loans to the public by PD range

	2024			2023		
	Gross volume, SEK m			Gross volume, SEK m		
PD value[1)]	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
0.00 to <0.15	1,962,994	12,849		1,964,166	33,595	
0.15 to <0.25	185,384	6,231		48,581	6,940	
0.25 to <0.50	78,994	9,216		212,711	20,167	
0.50 to <0.75	9,527	1,753		21,108	13,430	
0.75 to <2.50	45,379	21,791		38,494	20,673	
2.50 to <10.00	6,141	21,934		7,156	35,622	
10.00 to <100	171	2,806		485	6,420	
100 (default)			8,525			7,064
Total	**2,288,590**	**76,580**	**8,525**	**2,292,700**	**136,848**	**7,064**

Off-balance sheet items by PD range

	2024			2023		
	Gross volume, SEK m			Gross volume, SEK m		
PD value[1)]	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
0.00 to <0.15	195,904	541		209,059	1,674	
0.15 to <0.25	24,404	188		15,570	166	
0.25 to <0.50	39,409	676		40,923	1,157	
0.50 to <0.75	21,092	433		7,365	3,623	
0.75 to <2.50	10,699	1,413		10,234	2,186	
2.50 to <10.00	589	2,757		1,437	1,933	
10.00 to <100	181	274		105	522	
100 (default)			159			164
Total	**292,278**	**6,282**	**159**	**284,693**	**11,262**	**164**

1) Refers to 12-month PD value as at the reporting date.

Assets repossessed for protection of claims

SEK m	2024	2023
Movable property	2	2
Carrying amount	**2**	**2**

Movable property mainly consists of repossessed lease assets. The valuation principles for assets and liabilities repossessed for protection of claims are described in note G1.

G11 Gains/losses on disposal of property, equipment and intangible assets

SEK m	2024	2023
Equipment	13	20
Total	**13**	**20**

G12 Regulatory fees

SEK m	2024	2023
Risk tax	-1,655	-1,644
Resolution fee	-1,031	-980
Bank of England Levy	-47	
Total	**-2,733**	**-2,624**

The risk tax amounted to 0.06% (0.06) of the tax base, which is based on the total liabilities of the credit institution at the beginning of the income year. The resolution fee amounted to 0.05% (0.05) of the fee base plus a risk adjustment factor. The fee base is based on the institution's liabilities two years before the fee year. The Bank of England Levy was introduced in 2024 to fund the costs of the Bank of England's monetary policy and financial stability operations. The Levy is based on the proportion of the Bank's total eligible liabilities among UK institutions who have are subject to the levy.

G13 Earnings per share

	2024	2023
Profit for the year attributable to shareholders in Svenska Handelsbanken AB, SEK m	27,451	29,107
Average number of shares converted during the year, millions		
Average holdings of own shares in trading book, millions		
Average number of outstanding shares, millions	1,980.0	1,980.0
Average dilution effect, number of shares, millions		
Average number of outstanding shares after dilution, millions	1,980.0	1,980.0
Earnings per share, total operations, SEK	**13.86**	**14.70**
after dilution	13.86	14.70
Earnings per share, continuing operations, SEK	**13.75**	**14.09**
after dilution	13.75	14.09
Earnings per share, discontinued operations, SEK	**0.12**	**0.61**
after dilution	0.12	0.61

Earnings per share after dilution is measured by taking the effects of conversion of outstanding convertible debt instruments into account. The implication of this is that the number of potential converted ordinary shares is added to the average number of outstanding shares and that profit for the year is adjusted for the year's interest expense on outstanding convertible debt instruments after tax.

G14 Assets and liabilities held for sale, and discontinued operations

Assets and liabilities in the Bank's operations in Finland constitute assets and liabilities held for sale in accordance with IFRS 5, which are attributable to two different disposal groups. During the third quarter of 2024 a partial divestment was carried out of the first disposal group to Oma Sparbank Abp, consisting of the Finnish SME operations. During the last quarter of 2024, the remaining portion of the first disposal group, consisting of private customers including asset management and investment services as well as life insurance operations, was divested to S-banken Abp and the insurance company Fennia Liv. The remaining operations in Finland comprise the second disposal group. The following units in Finland are included in the disposal groups and in the discontinued operations: Handelsbanken AB (publ) international branch in Finland and Handelsbanken Asuntoluottopankki, Stadshypotek AB (publ) international branch in Finland.

Assets and liabilities held for sale

SEK m	2024	2023
Assets		
Cash and balances with central banks	14	10
Other loans to central banks		25,863
Loans to other credit institutions	1	3
Loans to the public	74,209	142,409
of which households	*816*	*39,561*
of which corporates	*73,393*	*102,847*
Shares		2
Assets where the customer bears the value change risk		9,586
Intangible assets		123
Property and equipment		467
Other	282	128
Total	**74,506**	**178,590**
Liabilities		
Due to credit institutions	247	980
Deposits and borrowing from the public	9,742	51,556
of which households	*235*	*17,434*
of which corporates	*9,507*	*34,122*
Insurance liabilities		3
Liabilities where the customer bears the value change risk		9,586
Provisions	182	195
Other	451	1,401
Total	**10,623**	**63,721**

The translation reserve includes an amount totalling an accumulated SEK 749 million (1,022) attributable to the translation of assets and liabilities held for sale, which is included in the translation reserve presented in the Statement of changes in equity, Group. The purchase price remains in the selling entities and the disposals thus do not give rise to a reclassification of the translation reserve to the income statement.

The sale process is continuing, with a focus on the remaining operations for corporate lending. Finland previously comprised a separate operating segment.

G14 cont.

Income, expenses and profit, discontinued operations

SEK m	2024	2023
Net interest income	1,895	2,368
Net fee and commission income	376	406
Net gains/losses on financial transactions	-8	29
Net insurance result	15	17
Other income	5	9
Total income	**2,284**	**2,829**
Staff costs	-790	-841
Other expenses	-580	-464
Depreciation, amortisation and impairment of property, equipment and intangible assets		0
Total expenses	**-1,369**	**-1,306**
Net credit losses	53	41
Gains/losses on disposal of property, equipment and intangible assets	-1	-1
Regulatory fees	-131	-97
Profit for the year for Finland, before tax	**835**	**1,467**
Taxes[1]	-178	-200
Profit for the year for Finland, after tax	**657**	**1,267**
Other expenses attributable to discontinued operations[2]	-11	-73
Impairment attributable to discontinued operations[3]	-446	
Taxes[1]	92	15
Profit for the year from discontinued operations, including additional costs after tax	**291**	**1,209**
Capital gains on sale of disposal groups constituting discontinued operations		
Capital gain before tax	-71	
Taxes[1]	14	
Capital gain after tax	**-57**	
Profit for the year from discontinued operations, after tax	**234**	**1,209**
Material internal transactions with continuing operations, which are eliminated in the income statement above[4]:		
Income	36	100
Expenses	-113	-101

1) The tax lines include current tax amounting to SEK -107 million (-649).
2) Certain expenses arise in Sweden as a result of the divestment of the discontinued operations, deriving from requirements linked to the discontinuation of the operations. These include, for example, consultancy fees and legal costs.
3) Measuring each disposal group at the lowest of fair value, less costs to sell, and carrying amount resulted in impairment, which is attributable to non-current assets.
4) Only external income and expenses are included in profit for the year both from continuing and from discontinued operations. The discontinued operations have material internal transactions with the continuing operations, which are thus eliminated in the accounting. Eliminating internal transactions attributable to the net interest income between the discontinued operations in Finland and Treasury have been adjusted and internal interest income and internal interest expenses are thus presented in continuing and discontinued operations.

Fee and commission income by product, discontinued operations

SEK m	2024	2023
Brokerage and other securities commissions	4	9
Mutual funds	5	7
Custody and other asset management fees	28	41
Advisory services		
Insurance	73	77
Payments	264	213
Loans and deposits	38	85
Guarantees	13	19
Other fee and commission income	7	11
Total fee and commission income	**433**	**463**

G14 cont.

Staff costs, discontinued operations

SEK m	2024	2023
Salaries and fees[1)]	-631	-636
Social security costs	-15	-22
Pension costs	-102	-104
Other staff costs	-42	-79
Total	**-790**	**-841**

1) Of which SEK 2.2 million (5.5) to executive officers (President and Chief Executive Officers and boards in subsidiaries).

Average number of employees discontinued operations

	2024			2023		
	Total	Men	Women	Total	Men	Women
Finland	479	220	259	533	249	284
Total	**479**	**220**	**259**	**533**	**249**	**284**

Cash flows, discontinued operations

SEK m	2024	2023
Cash flow from operating activities	17,592	4,611
Cash flow from investing activities	17,152	-8
Cash flow for the year from discontinued operations	**34,744**	**4,604**

G15 Other loans to central banks

SEK m	2024	2023
Other loans to central banks in foreign currency	12,547	6,282
Provision for expected credit losses		
Total other loans to central banks	**12,547**	**6,282**

Average volumes

SEK m	2024	2023
Other loans to central banks in Swedish kronor	0	
Other loans to central banks in foreign currency	8,167	6,196
Total	**8,167**	**6,196**

G16 Loans to other credit institutions

SEK m	2024	2023
Loans in Swedish kronor		
Banks	1,176	263
Other credit institutions	757	-1
Total	**1,934**	**261**
Loans in foreign currency		
Banks	14,952	16,910
Other credit institutions	2,040	2,126
Total	**16,992**	**19,035**
Provision for expected credit losses	-4	-2
Total loans to other credit institutions	**18,922**	**19,294**
of which reverse repos	*11,274*	*9,623*
of which cash collateral pledged	*3,427*	*5,470*

Average volumes

SEK m	2024	2023
Loans to other credit institutions in Swedish kronor	1,764	1,212
Loans to other credit institutions in foreign currency	36,577	42,394
Total	**38,342**	**43,607**
of which reverse repos	*15,230*	*16,812*

G17 Loans to the public

SEK m	2024	2023
Loans in Swedish kronor		
Households	967,670	974,473
Corporates	599,142	599,233
National Debt Office	1,547	6,748
Total	**1,568,359**	**1,580,454**
Loans in foreign currency		
Households	274,056	250,008
Corporates	456,826	463,345
Total	**730,882**	**713,353**
Provision for expected credit losses	-1,363	-2,000
Total loans to the public	**2,297,878**	**2,291,808**
of which finance leases	*12,410*	*13,954*
of which reverse repos	*17,977*	*17,404*
of which cash collateral pledged	*1,751*	*13,395*

Average volumes, excl. National Debt Office

SEK m	2024	2023
Loans to the public in Swedish kronor	1,574,095	1,597,310
Loans to the public in foreign currency	731,157	738,482
Total	**2,305,252**	**2,335,792**
of which reverse repos	*25,480*	*23,110*

G18 Interest-bearing securities

SEK m	2024 Carrying amount	2024 Fair value	2024 Nominal amount	2023 Carrying amount	2023 Fair value	2023 Nominal amount
Interest-bearing securities eligible as collateral with central banks	172,606	172,606	168,407	199,128	199,128	197,474
Bonds and other interest-bearing securities[1]	47,508	47,508	31,524	50,087	50,087	36,442
Total	**220,114**	**220,114**	**199,931**	**249,215**	**249,215**	**233,916**

1) Bonds and other interest-bearing securities that are subject to impairment testing amounted to SEK 13,259 million (12,709). These are measured at fair value through other comprehensive income. Provision for expected credit losses recognised in the fair value reserve in equity amounted to SEK -2 million (-2).

Interest-bearing securities broken down by issuer

SEK m	2024 Carrying amount	2024 Fair value	2024 Nominal amount	2023 Carrying amount	2023 Fair value	2023 Nominal amount
Government	172,606	172,606	168,407	199,128	199,128	197,474
Credit institution	10,428	10,428	6,662	9,733	9,733	7,856
Mortgage institutions	31,653	31,653	20,728	34,378	34,378	24,446
Other	5,427	5,427	4,134	5,975	5,975	4,141
Total	**220,115**	**220,115**	**199,931**	**249,215**	**249,215**	**233,916**

Average volumes

SEK m	2024	2023
Interest-bearing securities eligible as collateral with central banks	257,685	258,785
Bonds and other interest-bearing securities	59,973	55,713
Total	**317,658**	**314,497**

G19 Shares

SEK m	2024	2023
Fair value through profit or loss, mandatory	13,942	11,615
Fair value through other comprehensive income	804	601
Total shares	**14,746**	**12,216**

Holdings at fair value through other comprehensive income

SEK m	2024	2023
Visa Inc	517	330
VIPPS A/S	58	60
Other holdings	229	211
Total	**804**	**601**

Handelsbanken classifies the shareholdings above as measured at fair value through other comprehensive income, as these holdings are not held for trading. The dividends on these shares amounted to SEK 16 million (3) and are recognised in the income statement under Other dividend income. During the year, the Bank divested 41 participations in SWIFT for a value of SEK 3 million (0).

For information about realised and unrealised gains/losses on equity instruments measured at fair value through other comprehensive income, refer to the Statement of changes in equity for the Group.

G20 Investments in associates and joint ventures

There are no individually significant investments in associates or joint ventures held by Handelsbanken. There are certain entities that are considered strategic to the banking operations of the Group through their provision of, for example, payment services. All investments are unlisted.

Investments in associates and joint ventures

SEK m	2024	2023
Carrying amount at beginning of year	657	561
Share of profit before tax for the year	33	89
Tax	-6	-37
Shareholders' contribution	175	53
Dividend		-8
Carrying amount at end of year	**860**	**657**

Income from associates and joint ventures

SEK m	2024	2023
Profit for the year	27	51
Other comprehensive income		
Total comprehensive income for the year	**27**	**51**

Associates

	Corporate identity number	Domicile	Number of shares	Voting power, %	Carrying amount, SEK m 2024	Carrying amount, SEK m 2023
Bankomat AB	556817-9716	Stockholm	150	20.00	88	96
BGC Holding AB	556607-0933	Stockholm	25,542	25.54	454	428
Dyson Group plc[1)]	00163096	Sheffield	74,733,672	24.01	3	8
Finansiell ID-teknik BID AB	556630-4928	Stockholm	12,735	28.30	106	25
Getswish AB	556913-7382	Stockholm	10,000	20.00	115	23
USE Intressenter AB	559161-9464	Stockholm	2,448	24.48	0	0
Total					**767**	**581**

1) Ownership share 27%.

Joint ventures

	Corporate identity number	Domicile	Number of shares	Voting power, %	Carrying amount, SEK m 2024	Carrying amount, SEK m 2023
P27 Nordic Payments Platform AB	559198-9610	Stockholm	12,500	20.84	87	71
Tibern AB	559384-3542	Stockholm	4,000	14.29	6	5
Total					**93**	**76**

G21 Assets where the customer bears the value change risk

SEK m	2024	2023
Unit-linked insurance assets	273,725	230,905
Equities	13,484	13,067
Other assets	774	921
Total	**287,984**	**244,893**

G22 Derivative instruments

	Nominal amount/maturity			Nominal amount		Positive market values		Negative market values	
SEK m	Up to 1 yr	Over 1 yr up to 5 yrs	Over 5 yrs	2024	2023	2024	2023	2024	2023
Derivatives held for trading									
Interest rate-related contracts									
Options	6,844	18,668	9,544	35,056	35,186	166	262	238	393
FRA/futures	752,147	19,300		771,447	397,991	347	255	310	237
Swaps	391,243	1,139,066	359,632	1,889,941	1,724,316	28,593	35,286	29,273	34,844
Currency-related contracts									
Options	19,498	233	16	19,747	25,693	58	158	89	237
Futures	64,075	5,523	55	69,653	62,370	1,058	1,196	619	1,146
Swaps	662,204	45,523	789	708,516	529,307	16,891	8,006	5,386	17,177
Equity-related contracts									
Options	4,789	606	32	5,427	4,882	229	194	113	114
Futures	281			281	215	2	5	2	2
Swaps	7,369	1,391		8,760	5,962	299	101	232	306
Commodity-related contracts									
Options			19	19	17		6	19	23
Futures	134	1		135	180	1	6	4	18
Credit-related contracts									
Swaps	275	3,836	60	4,171	3,069	164	193	147	82
Total	**1,908,859**	**1,234,147**	**370,147**	**3,513,153**	**2,789,188**	**47,808**	**45,668**	**36,432**	**54,579**
Derivatives for fair value hedges									
Interest rate-related contracts									
Options					41		1		
Swaps	85,665	505,543	103,729	694,937	695,631	15,686	17,227	11,679	16,007
Currency-related contracts									
Swaps		1,046		1,046	983	83	25		
Total	**85,665**	**506,589**	**103,729**	**695,983**	**696,655**	**15,769**	**17,253**	**11,679**	**16,007**
Derivatives for cash flow hedges									
Interest rate-related contracts									
Swaps	33,836	41,374	7,226	82,436	147,207	2,078	3,029	954	2,228
Currency-related contracts									
Swaps	29,395	186,800	37,283	253,478	321,590	25,558	16,381	1,222	6,649
Total	**63,231**	**228,174**	**44,509**	**335,914**	**468,797**	**27,636**	**19,410**	**2,176**	**8,877**
Total derivative instruments	**2,057,755**	**1,968,910**	**518,385**	**4,545,050**	**3,954,640**	**91,213**	**82,331**	**50,287**	**79,463**
of which exchange-traded derivatives				*133,129*	*70,400*	*155*	*148*	*274*	*419*
of which OTC derivatives settled by CCP				*3,013,450*	*2,661,973*	*44,503*	*52,627*	*34,664*	*45,845*
of which OTC derivatives not settled by CCP				*1,398,471*	*1,222,267*	*46,555*	*29,556*	*15,349*	*33,199*
Amounts offset				-2,368,886	-2,310,691	-44,144	-52,221	-34,331	-45,225
Net amount				**2,176,164**	**1,643,949**	**47,069**	**30,110**	**15,956**	**34,238**
Currency breakdown of market values									
SEK						-297,599	39,951	-3,889	371,486
USD						437,043	-25,673	103,653	-350,125
EUR						174,889	163,098	-6,713	-13,839
Others						-223,120	-95,045	-42,764	71,941
Total						**91,213**	**82,331**	**50,287**	**79,463**

Derivative contracts are presented gross in the note. Amounts offset consist of the offset market value and the associated nominal amounts of contracts for which the Bank has the legal right and intention to settle contractual cash flows net (including cleared contracts). These contracts are presented on a net basis on the balance sheet per counterparty and currency.

The Bank amortises positive differences between the value measured by a valuation model upon initial recognition and the transaction price (day 1 gains/losses) over the life of the derivative. Such not yet recognised day 1 gains amounted to SEK 500 million (472) at year-end.

G23 Hedge accounting

The Group's overall objective for its risk management and hedge accounting is to protect itself against the risk of variations in fair values and future cash flows attributable to lending and funding arising from changes in interest rates and exchange rates. In order to achieve this objective, the Group makes use of derivatives. Hedge accounting is applied to ensure that the Group's risk management strategy is reflected in the financial reports. For information about the Group's management of market risk, see note G2. The hedging strategies and various types of hedge accounting applied by the Group are described below, divided into risk categories. For a description of the accounting policies for hedge accounting, see note G1.

Fair value hedges

Interest rate risk in fixed-rate lending and funding
The purpose of this hedging strategy is to minimise the risk of changes in the fair values of fixed-interest lending and funding arising from changes in market interest rates. The hedged risk is defined as the reference rate in the respective currency, which comprises an observable component of the interest. The hedged items are comprised of fixed-interest loans to the public and issued fixed-interest securities. The hedging instruments consist of interest rate swaps, in which a fixed interest rate is paid and a variable interest rate is received, or a fixed interest rate is received and a variable interest rate is paid.

Measuring effectiveness
The effectiveness of the hedges is measured through a comparison of the change in the fair value of the hedged risk in lending and funding with the change in fair value of the interest rate swaps. The effectiveness is measured from both a prospective and retrospective standpoint. Prospectively by shifting yield curves and discount curves and retrospectively through regression analysis. The effectiveness of a hedging relationship is tested at the initiation of the relationship and thereafter on a quarterly basis.

Criteria applied in measuring effectiveness
In order to qualify for hedge accounting, the ratio between the change in fair value of the hedged risk in the hedged item, and the actual derivative must be within the 80–125% interval. In the cases where this is checked through regression analysis, the following criteria must be fulfilled in order to establish an effective hedging relationship:

- The gradient of the curve must be within the interval $0.8 < b < 1.25$.
- $R2$ must be >0.96.

Ineffectiveness
Ineffectiveness is measured through a comparison of the change in the fair value of the interest rate swap with the change in fair value of the hedged risk in lending and funding from the hedging relationship's start date to the end of the period.

The main explanation for ineffectiveness in these hedging relationships is changes in fair value arising from the variable interest in the interest rate swap, which is not matched by a change in value in the hedged risk in the lending or funding.

Portfolio hedging of fair value, with regard to interest rate risk

Interest rate risk in fixed-rate lending portfolios
This hedging strategy aims to minimise the risk of changes in the fair values of fixed-interest lending portfolios arising from changes in market interest rates. The hedged risk is defined as changes in the fair value of a portion of a lending portfolio with fixed interest, with regard to changes in a reference rate in each currency. The hedged item consists of an amount in a currency determined on the basis of a fixed-rate lending portfolio. The lending portfolio is divided into interest rate fixing periods. The hedged amount is established on the basis of the interest rate risk the Bank wishes to hedge in the selected interest rate fixing periods. The hedging instruments consist of interest rate swaps, in which a variable interest rate is received and a fixed interest rate is paid. One or more hedging instruments are defined for each interest rate fixing period.

A description of the measuring of effectiveness and ineffectiveness is provided in the Fair value hedges section above.

Hedging instruments in fair value hedges

	2024			2023		
SEK m	Up to 1 yr	1–5 yrs	Over 5 yrs	Up to 1 yr	1–5 yrs	Over 5 yrs
Interest rate risk						
Interest rate swaps, variable interest paid and fixed interest received						
Nominal amount	42,694	455,479	73,920	56,277	374,593	93,942
Average fixed interest, %	2.09	2.74	2.21	2.00	2.53	2.47
Cross-currency interest rate swaps, variable interest paid and fixed interest received						
Nominal amount		1,046			983	
Average fixed interest, %		3.69			3.69	
Total	42,694	456,525	73,920	56,277	375,576	93,942

G23 cont.

Hedging instruments and ineffectiveness in fair value hedges 2024

SEK m	Nominal amount hedging instruments	Carrying amount hedging instruments		Change in fair value used to calculate ineffectiveness	Ineffectiveness recognised in the income statement
		Assets	Liabilities		
Interest rate risk					
Interest rate swaps, variable interest paid and fixed interest received	572,093	8,882	11,422	4,664	-74
Cross-currency interest rate swaps, variable interest paid and fixed interest received	1,046	83		0	6
Total	**573,139**	**8,965**	**11,422**	**4,664**	**-68**
Portfolio fair value hedges					
Interest rate risk					
Interest rate swaps, fixed interest paid and variable interest received	122,844	6,803	258	-3,248	9
Total	**122,844**	**6,803**	**258**	**-3,248**	**9**

Hedging instruments and ineffectiveness in fair value hedges 2023

SEK m	Nominal amount hedging instruments	Carrying amount hedging instruments		Change in fair value used to calculate ineffectiveness	Ineffectiveness recognised in the income statement
		Assets	Liabilities		
Interest rate risk					
Interest rate swaps, variable interest paid and fixed interest received	524,812	7,127	15,971	17,711	155
Cross-currency interest rate swaps, variable interest paid and fixed interest received	983	25		54	7
Total	**525,795**	**7,152**	**15,971**	**17,765**	**162**
Portfolio fair value hedges					
Interest rate risk					
Interest rate swaps, fixed interest paid and variable interest received	170,819	10,100	36	-7,034	-80
Interest rate options (cap)	41	1		-5	0
Total	**170,860**	**10,101**	**36**	**-7,039**	**-80**

The carrying amount of hedging instruments is included in the item Derivative instruments in the balance sheet.

Ineffectiveness recognised in the income statement is included in the item Net gains/losses on financial transactions.

Hedged items in fair value hedges 2024

SEK m	Carrying amount hedged item		Accumulated fair value adjustment included in the carrying amount of the hedged item		Change in value used to calculate ineffectiveness
	Assets	Liabilities	Assets	Liabilities	
Interest rate risk					
Issued fixed-interest securities and subordinated liabilities		567,278		-6,595	-4,733
Total		**567,278**		**-6,595**	**-4,733**
Portfolio fair value hedges[1)]					
Interest rate risk					
Fixed-interest loans to the public	-6,399		-6,399		3,258
Total	**-6,399**		**-6,399**		**3,258**

Hedged items in fair value hedges 2023

SEK m	Carrying amount hedged item		Accumulated fair value adjustment included in the carrying amount of the hedged item		Change in value used to calculate ineffectiveness
	Assets	Liabilities	Assets	Liabilities	
Interest rate risk					
Issued fixed-interest securities and subordinated liabilities		508,810		-11,412	-17,603
Total		**508,810**		**-11,412**	**-17,603**
Portfolio fair value hedges[1)]					
Interest rate risk					
Fixed-interest loans to the public	-9,657		-9,657		6,954
Interest rate cap on variable rate lending	-1		-1		5
Total	**-9,658**		**-9,658**		**6,959**

1) The nominal volume of the underlying lending portfolio was SEK 122,844 million (170,867) as at 31 December 2024.

No accumulated amount of adjustments to fair value hedges remained on the balance sheet for hedged items which are no longer adjusted for changes in fair value either this year or last year.

G23 cont.

Cash flow hedges

Interest rate risk in variable-rate lending and funding
The purpose of this hedging strategy is to minimise the uncertainty associated with future incoming and outgoing payments of interest arising due to changes in variable interest rates, and instead to receive and pay amounts according to fixed interest rates which are known when entering into the hedge. The hedged item consists of highly probable future incoming and outgoing payments relating to variable-rate loans to the public and to issued floating-rate securities. The hedged risk is defined as a floating reference rate in the respective currency, which comprises an observable component of the interest. The hedging instruments consist of interest rate swaps, in which a fixed interest rate is received and a variable interest rate is paid, or a fixed interest rate is paid and a variable interest rate is received.

Foreign exchange risk in funding
The hedging strategy aims to minimise the uncertainty associated with future payments of interest arising due to changes in exchange rates, and instead to pay interest in the functional currency, at a rate which is known when entering into the hedge. The hedged item consists of highly probable future interest payment and repayments of nominal amounts attributable to issued securities in a currency other than the functional currency. The hedged risk is comprised of the risk of changes in these future payments arising due to fluctuations in the exchange rate between the funding currency and the functional currency. The hedging instruments consist of foreign exchange derivatives.

Foreign exchange risk in internal loans to or from foreign operations
The intention of this hedging strategy is to minimise the risk of volatility linked to fluctuations in exchange rates on internal loans to or from foreign operations. The hedged item consists of the nominal amount of an internal loan between the Group's treasury department and a foreign operation, issued in the functional currency of the foreign operation. The hedged risk consists of the risk of changes in cash flows attributable to interest payments, and repayments of nominal amounts, due to differences in the exchange rate between the currency of the internal loan and the parent company's functional currency, the Swedish krona. The hedging instruments consist of foreign exchange derivatives.

Measuring effectiveness
The effectiveness of a hedging relationship is tested at the initiation of the relationship and thereafter on a quarterly basis. The effectiveness of hedges is tested from both a prospective and retrospective standpoint. Prospectively by shifting yield curves and discount curves. Retrospectively, in the event that the conditions for the hedged risk and the hedging instrument are not fully consistent, through regression analysis. 'Fully consistent' in this context implies that the cash flows and discounting factors are identical at all times. When effectiveness is measured, the hedged risk is represented by a perfectly effective hypothetical derivative (PEH), which matches the critical conditions of the hedged item. The fair value of the hypothetical derivative (PEH) is zero at the start date of the hedging relationship. Measuring effectiveness entails a comparison of the change in fair value of the hypothetical derivative (PEH) with the change in fair value of the actual derivative.

Criteria applied in measuring effectiveness
In order to qualify for hedge accounting, the ratio between the change in fair value of the hedged risk in the hedged item, represented by the hypothetical derivative (PEH), and the actual derivative must be within the 80–125% interval. In the cases where this is checked through regression analysis, the following criteria must be fulfilled in order to establish an effective hedging relationship:
- The gradient of the curve must be within the interval 0.8 <b <1.25.
- R2 must be >0.96.

Ineffectiveness
Ineffectiveness is measured through a comparison of the change in the fair value of the hedged risk in the hedged item, represented by the hypothetical derivative (PEH), with the change in fair value of the actual derivative. The hedge is deemed ineffective if the change in fair value of the derivative exceeds the change in value of the hypothetical derivative (PEH) in absolute terms.

The main explanations for ineffectiveness in these hedging relationships are differences in market interest rates and exchange rates between the start date of the hedging relationship and the transaction date for the derivative. Ineffectiveness is also explained by changes in fair value attributable to certain interest components in the derivative which are not included in the hedged risk.

G23 cont.

Hedging instruments in cash flow hedges

SEK m	2024 Up to 1 yr	2024 1–5 yrs	2024 Over 5 yrs	2023 Up to 1 yr	2023 1–5 yrs	2023 Over 5 yrs
Interest rate risk						
Interest rate swaps, fixed interest paid and variable interest received						
Nominal amount	8,338	12,627	6,078	13,568	17,253	8,645
Average fixed interest, %	0.47	0.72	0.77	0.38	0.64	0.67
Interest rate swaps, variable interest paid and fixed interest received						
Nominal amount	25,498	28,746	1,148	53,260	53,368	1,113
Average fixed interest, %	2.13	1.35	1.54	1.89	1.73	1.54
Foreign exchange risk						
Foreign exchange derivatives, EUR/SEK						
Nominal amount	10,865	43,747	1,089	16,075	42,777	12,048
Average exchange rate EUR/SEK	0.0975	0.0913	0.0970	0.0971	0.0926	0.0928
Foreign exchange derivatives, EUR/NOK						
Nominal amount	2,758	75,390	31,183	5,146	57,144	29,127
Average exchange rate EUR/NOK	0.1008	0.0953	0.0932	0.1049	0.0962	0.0834
Foreign exchange derivatives, USD/GBP						
Nominal amount		1,076			989	
Average exchange rate USD/GBP		1.3157			1.3157	
Foreign exchange derivatives, USD/NOK						
Nominal amount	8,923	36,864		2,066	40,077	
Average exchange rate USD/NOK	0.1064	0.1027		0.0509	0.0958	
Foreign exchange derivatives, USD/SEK						
Nominal amount	3,646	11,551	5,011	75,356	14,514	4,775
Average exchange rate USD/SEK	0.1016	0.1003	0.1105	0.0880	0.0782	0.1105
Foreign exchange derivatives, AUD/EUR						
Nominal amount	2,872	10,353			13,016	
Average exchange rate AUD/EUR	1.5287	1.5451			1.5415	
Foreign exchange derivatives, other currency pairs						
Nominal amount	331	7,820		384	8,096	
Total	**63,231**	**228,174**	**44,509**	**165,855**	**247,234**	**55,708**

Hedging instruments and ineffectiveness in cash flow hedges 2024

SEK m	Nominal amount hedging instruments	Carrying amount hedging instruments Assets	Carrying amount hedging instruments Liabilities	Change in fair value used to calculate ineffectiveness	Change in the value of the hedging instruments recognised in other comprehensive income	Ineffectiveness recognised in the income statement	Reclassified from the hedge reserve to the income statement
Interest rate risk							
Interest rate swaps, fixed interest paid and variable interest received	27,043	1,785		-708	-702	-6	
Interest rate swaps, variable interest paid and fixed interest received	55,392	293	954	1,496	1,496		154
Foreign exchange risk[1]							
Foreign exchange derivatives, EUR/SEK	55,701	3,061	114	-143	-144	1	1
Foreign exchange derivatives, EUR/NOK	109,331	11,893	39	-498	-521	23	10
Foreign exchange derivatives, USD/GBP	1,076	50		6	6		
Foreign exchange derivatives, USD/NOK	45,787	7,249		80	79	1	
Foreign exchange derivatives, USD/SEK	20,208	2,829		94	96	-2	
Foreign exchange derivatives, other currency pairs	21,376	476	1,069	22	24	-2	9
Total	**335,914**	**27,636**	**2,176**	**349**	**334**	**15**	**174**

G23 cont.

Hedging instruments and ineffectiveness in cash flow hedges 2023

SEK m	Nominal amount hedging instruments	Carrying amount hedging instruments		Change in fair value used to calculate ineffectiveness	Change in the value of the hedging instruments recognised in other comprehensive income	Ineffectiveness recognised in the income statement	Reclassified from the hedge reserve to the income statement
		Assets	Liabilities				
Interest rate risk							
Interest rate swaps, fixed interest paid and variable interest received	39,466	2,600	1	-1,928	-2,014	86	
Interest rate swaps, variable interest paid and fixed interest received	107,741	429	2,227	3,499	3,499		226
Foreign exchange risk[1)]							
Foreign exchange derivatives, EUR/SEK	70,900	3,011	310	-158	-157	-1	
Foreign exchange derivatives, EUR/NOK	91,417	8,286	608	-370	-372	2	
Foreign exchange derivatives, GBP/SEK				2	2		
Foreign exchange derivatives, USD/GBP	989	30		7	7		
Foreign exchange derivatives, USD/NOK	42,143	3,133	1,048	-22	-19	-3	
Foreign exchange derivatives, USD/SEK	94,645	1,322	3,951	-103	-103	0	
Foreign exchange derivatives, AUD/USD				7	7		
Foreign exchange derivatives, other currency pairs	21,496	599	732	15	16	-1	27
Total	**468,797**	**19,410**	**8,877**	**949**	**866**	**83**	**252**

1) When analysing for the purposes of hedge accounting, the conversion to the parent company's functional currency, SEK, is taken into account by imputing nominal derivative legs in the hedging relationships. The imputed derivative legs are not included in the nominal volumes presented in the tables above.

The carrying amount of hedging instruments is included in the item Derivative instruments in the balance sheet.

Ineffectiveness recognised in the income statement is included in the item Net gains/losses on financial transactions.

Reclassified to the income statement is included under Net gains/losses on financial transactions and refers to cash flow hedges terminated before their maturity date.

Hedged items in cash flow hedges

SEK m	2024			2023		
	Change in value used to calculate ineffectiveness	Hedge reserve	Amounts remaining in the hedge reserve from hedging relationships for which hedge accounting is no longer applied	Change in value used to calculate ineffectiveness	Hedge reserve	Amounts remaining in the hedge reserve from hedging relationships for which hedge accounting is no longer applied
Interest rate risk						
Issued variable-interest securities	702	1,647		2,014	2,351	
Variable-interest loans to the public	-1,496	-699	618	-3,499	-2,043	771
Foreign exchange risk						
Issued securities and subordinated liabilities in EUR and internal loans in GBP and NOK	665	-1,094		529	-432	
Issued securities and subordinated liabilities in USD and internal loans in EUR, GBP and NOK	-181	488	58	115	317	68
Issued securities and internal loans in other currencies	-24	46	-2	-25	35	-2
Total	**-334**	**388**	**674**	**-866**	**228**	**837**

G24 Offsetting of financial instruments

2024 SEK m	Derivatives	Repurchase agreements and securities lending	Total
Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements			
Gross amount	91,213	33,499	124,712
Amounts offset	-44,144	-3,735	-47,879
Carrying amount on the balance sheet	**47,069**	**29,764**	**76,833**
Related amounts not offset on the balance sheet			
Financial instruments, netting arrangements	-4,787		-4,787
Financial assets received as collateral	-37,378	-29,721	-67,099
Total amounts not offset on the balance sheet	**-42,165**	**-29,721**	**-71,886**
Net amount	**4,904**	**43**	**4,947**
Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements			
Gross amount	50,287	3,736	54,023
Amounts offset	-34,331	-3,735	-38,066
Carrying amount on the balance sheet	**15,956**	**1**	**15,957**
Related amounts not offset on the balance sheet			
Financial instruments, netting arrangements	-4,787		-4,787
Financial assets pledged as collateral	-3,554	-1	-3,555
Total amounts not offset on the balance sheet	**-8,341**	**-1**	**-8,342**
Net amount	**7,615**		**7,615**

2023 SEK m	Derivatives	Repurchase agreements and securities lending	Total
Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements			
Gross amount	82,331	32,141	114,472
Amounts offset	-52,221	-4,628	-56,849
Carrying amount on the balance sheet	**30,110**	**27,513**	**57,623**
Related amounts not offset on the balance sheet			
Financial instruments, netting arrangements	-7,781		-7,781
Financial assets received as collateral	-18,880	-27,513	-46,393
Total amounts not offset on the balance sheet	**-26,661**	**-27,513**	**-54,174**
Net amount	**3,449**		**3,449**
Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements			
Gross amount	79,463	4,631	84,094
Amounts offset	-45,225	-4,628	-49,853
Carrying amount on the balance sheet	**34,238**	**3**	**34,241**
Related amounts not offset on the balance sheet			
Financial instruments, netting arrangements	-7,781		-7,781
Financial assets pledged as collateral	-17,305	-3	-17,308
Total amounts not offset on the balance sheet	**-25,086**	**-3**	**-25,089**
Net amount	**9,152**		**9,152**

Derivative instruments are offset on the balance sheet when this reflects the Bank's anticipated cash flows in the settlement of two or more agreements. Repurchase agreements and reverse repurchase agreements with central counterparty clearing houses are offset on the balance sheet when this reflects the Bank's anticipated cash flows in the settlement of two or more agreements. This occurs when the Bank has both a contractual right and an intention to settle the agreed cash flows with a net amount. The amount offset for derivative assets includes offset cash collateral of SEK 11,617 million (11,268) derived from the balance sheet item Deposits and borrowing from the public. The amount offset for derivative liabilities includes offset cash collateral of SEK 1,804 million (4,272), derived from the balance sheet item Loans to the public.

The remaining counterparty risk in derivatives is reduced through netting agreements, i.e. netting positive values against negative values in all derivative transactions with the same counterparty in a bankruptcy situation. Handelsbanken's policy is to sign netting agreements with all bank counterparties. Netting agreements are supplemented with agreements for issuing collateral for the net exposure. The collateral used is mainly cash, but government securities are also used. Collateral for repurchase agreements and borrowing and lending of securities is normally in the form of cash or other securities.

G25 Intangible assets

2024 SEK m	Goodwill	Trademarks and other rights	Customer contracts	Internally developed software	Other	Total
Cost of acquisition at beginning of year	4,356	3	718	6,453	168	11,697
Cost of acquisition of additional intangible assets				680		680
Disposals and retirements				-302		-302
Foreign exchange effect	4		36	37		77
Cost of acquisition at end of year	**4,360**	**3**	**754**	**6,867**	**168**	**12,152**
Accumulated amortisation and impairment at beginning of year			-309	-2,691	-131	-3,132
Disposals and retirements				302		302
Amortisation for the year			-37	-786	-33	-856
Impairment for the year				-3		-3
Foreign exchange effect			-17	-21		-38
Accumulated amortisation and impairment at end of year	**0**	**0**	**-363**	**-3,199**	**-164**	**-3,727**
Carrying amount	**4,360**	**3**	**391**	**3,668**	**3**	**8,426**

During the year, development expenses amounting to SEK 2,994 million (3,238) have been recognised.

2023 SEK m	Goodwill	Trademarks and other rights	Customer contracts	Internally developed software	Other	Total
Cost of acquisition at beginning of year	4,397	3	714	6,000	164	11,278
Cost of acquisition of additional intangible assets				958	3	961
Disposals and retirements				-496		-496
Foreign exchange effect	-41		4	-9		-46
Cost of acquisition at end of year	**4,356**	**3**	**718**	**6,453**	**168**	**11,697**
Accumulated amortisation and impairment at beginning of year			-271	-2,507	-99	-2,877
Disposals and retirements				496		496
Amortisation for the year			-37	-681	-33	-751
Impairment for the year				-1		-1
Foreign exchange effect			-1	2		1
Accumulated amortisation and impairment at end of year	**0**	**0**	**-309**	**-2,691**	**-131**	**-3,132**
Carrying amount	**4,356**	**3**	**409**	**3,762**	**37**	**8,567**

	Goodwill		Intangible assets with an indefinite useful life	
SEK m	**2024**	**2023**	**2024**	**2023**
Handelsbanken Sweden	3,341	3,331	3	
Handelsbanken UK	198	183		
Handelsbanken Norway	639	655		
Handelsbanken the Netherlands	183	177		
Handelsbanken Capital Markets		10		3
Total	4,360	4,356	3	3

G25 cont.

Intangible assets with an indefinite useful life

Intangible assets with an indefinite useful life are recorded at cost less any impairment losses. The Group's intangible assets with an indefinite useful life primarily comprise goodwill. These assets are tested annually for impairment when preparing the Annual Report or when there is an indication that the asset is impaired. Impairment testing is performed by calculating the recoverable amount of the assets, i.e. the higher of the value in use and the fair value less costs to sell. As long as the recoverable amount exceeds the carrying amount, no impairment loss needs to be recognised. Impairment losses are recognised directly in the income statement.

Impairment testing of goodwill
Recognised goodwill has arisen on business combinations and mainly derives from traditional banking operations in Handelsbanken's home markets. To test goodwill for impairment, it was allocated on the acquisition date to the cash-generating unit, or units, that are expected to benefit from the acquisition. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of other assets. In the Bank, the cash-generating units are operating segments and goodwill is monitored at the operating segment level, see the table that specifies goodwill by operating segment. When performing impairment testing, the value in use of each cash-generating unit is calculated by discounting expected future cash flows and the terminal value. The terminal value used is the forecast value of the net assets of each cash-generating unit. Previously recognised impairment losses on goodwill are not reversed.

The expected future cash flows for the first five years are based on forecasts of risk-weighted volumes, income, expenses and credit losses. The forecasts are mainly based on an internal assessment of assumptions about the future income and cost development, economic climate and expected interest rates. After the first five-year period, a forecast is made based on the assumption of a long-term growth rate. The estimated cash flows are based on historical real GDP growth as well as the Riksbank's long-term inflation target. The year's impairment test is based on an assumption of a long-term growth rate of 2% (2). The total forecast period is 20 years, which is justified based on the Bank's intention to conduct operations in its home market for the long term. The expected future cash flows have been discounted at a rate based on a risk-free interest rate and a risk adjustment corresponding to the market's average return requirement. In the annual impairment test, the discount rate was 6.5% (8.2) after tax. The corresponding rate before tax was 9.2% (11.9). The same discount rate was used for all operating segments.

The difference between the recoverable amounts and the carrying amounts in the annual impairment test of goodwill was deemed to be satisfactory. The calculated value in use of goodwill is sensitive to a number of assumptions, which are significant for expected cash flows and the discount rate. The assumptions that are of greatest significance to the calculation are the assumptions for interest rates and the business cycle as well as assumptions about future income and cost development. No reasonably possible change in significant assumptions would affect the carrying amount of goodwill.

Intangible assets with a finite useful life

Intangible assets for which it is possible to establish an estimated useful life are amortised. The amortisation is on a straight-line basis over the useful life of the asset. Currently this means that customer relationships are amortised over 20 years and that internally developed software is normally amortised over five years. In certain infrastructure projects, the useful life is assessed to be more than five years. For these types of investment, the amortisation period is up to 15 years. Brand names which are subject to amortisation are amortised over five years. The amortisation period is tested on an individual basis at the time of new acquisition and also continually if there are indications that the useful life may have changed. Intangible assets with a finite useful life are reviewed for impairment when there is an indication that the asset may be impaired. The impairment test is performed according to the same principles as for intangible assets with an indefinite useful life, i.e. by calculating the recoverable amount of the asset.

G26 Property and equipment

Property and equipment

SEK m	2024	2023
Property	3,864	3,960
Equipment	937	815
Property repossessed for protection of claims	2	2
Total	**4,803**	**4,777**

Property

SEK m	2024	2023
Cost of acquisition at beginning of year	1,844	1,753
New construction and conversion	90	91
Disposals and retirements	-25	
Foreign exchange effect	1	0
Cost of acquisition at end of year	**1,910**	**1,844**
Accumulated deprecation and impairment at beginning of year	-588	-551
Depreciation for the year according to plan	-38	-37
Impairment for the year	-38	
Disposals and retirements	25	
Foreign exchange effect	0	0
Accumulated depreciation and impairment at end of year	**-639**	**-588**
Carrying amount	**1,271**	**1,256**
Carrying amount, right-of-use assets	**2,593**	**2,704**
Total carrying amount	**3,864**	**3,960**

Equipment

SEK m	2024	2023
Cost of acquisition at beginning of year	2,098	1,996
Cost of additional acquisition for the year	475	425
Disposals and retirements	-296	-326
Impairment for the year	-37	
Foreign exchange effect	65	3
Cost of acquisition at end of year	**2,305**	**2,098**
Accumulated deprecation and impairment at beginning of year	**-1,313**	**-1,300**
Depreciation for the year according to plan	-359	-324
Disposals and retirements	291	315
Impairment for the year	28	
Foreign exchange effect	-44	-4
Accumulated depreciation and impairment at end of year	**-1,397**	**-1,313**
Carrying amount	**908**	**785**
Carrying amount, right-of-use assets	**29**	**30**
Total carrying amount	**937**	**815**

The Group’s tangible non-current assets consist of property (owner-occupied properties) and equipment as well as right-of-use assets. These assets are recorded at cost of acquisition less accumulated depreciation and impairment losses. Depreciation is based on the estimated useful lives of the assets and a straight-line depreciation plan is applied. The estimated useful lives are reviewed annually. No material changes were made to the useful lives in 2024. The useful life of equipment is deemed to be 2-10 years. Separate depreciation plans are applied to the different sub-components of properties. The useful life for the buildings structure is deemed to be 100 years and the remaining sub-components are deemed to have useful lives of between 10 and 35 years. The useful life of the right-of-use assets that are primarily leased premises is deemed to be the same as the term of the lease. Information about the corresponding lease liability is presented in note G45 Leases. Impairment testing of property and equipment is carried out when there is an indication that the value of the asset may have decreased. There was no indication on the balance sheet date that property and equipment required impairment.

G27 Other assets

SEK m	2024	2023
Claims on investment banking settlements	5,310	5,610
Reinsurance assets	21	27
Other	6,565	4,640
Total	**11,896**	**10,276**

G28 Prepaid expenses and accrued income

SEK m	2024	2023
Accrued income	1,397	1,218
Prepaid expenses	1,071	1,114
Total	**2,468**	**2,331**

G29 Due to credit institutions

SEK m	2024	2023
Due in Swedish kronor		
Banks	13,573	7,222
Other credit institutions	7,552	8,444
Total	**21,125**	**15,666**
Due in foreign currency		
Banks	62,965	73,389
Other credit institutions	190	1,088
Total	**63,155**	**74,477**
Total due to credit institutions	**84,280**	**90,143**
of which repos		*0*
of which cash collateral received	*32,374*	*20,078*

Average volumes

SEK m	2024	2023
Due to credit institutions in Swedish kronor	18,658	22,050
Due to credit institutions in foreign currency	126,481	143,309
Total	**145,140**	**165,359**
of which repos	*173*	*177*

G30 Deposits and borrowing from the public

SEK m	2024	2023
Deposits in Swedish kronor		
Households	366,270	361,462
Corporates	281,519	275,307
National Debt Office	1	1
Total	**647,789**	**636,769**
Deposits in foreign currency		
Households	121,999	100,321
Corporates	291,665	279,549
Total	**413,665**	**379,871**
Total deposits from the public	**1,061,454**	**1,016,640**
Borrowing from the public		
Borrowing in Swedish kronor	160,748	176,875
Borrowing in foreign currency	88,537	104,966
Total borrowing from the public	**249,285**	**281,841**
Total deposits and borrowing from the public	**1,310,739**	**1,298,480**
of which repos	*1*	*2*
of which cash collateral received	*3,941*	*5,137*
of which within insurance operations	*107*	*115*

Average volumes

SEK m	2024	2023
Deposits from the public		
Deposits from the public in Swedish kronor	615,463	676,110
Deposits from the public in foreign currency	396,857	411,677
Total	**1,012,320**	**1,087,787**
Borrowing from the public		
Borrowing in Swedish kronor	209,103	175,907
Borrowing in Swedish kronor, insurance operations	115	116
Borrowing in foreign currency	261,891	222,857
Total	**471,109**	**398,880**
of which repos	*7,042*	*8,978*

G31 Liabilities where the customer bears the value change risk

SEK m	2024	2023
Unit-linked insurance liabilities	226,268	192,952
Portfolio bond insurance liabilities	61,977	51,989
Other fund liabilities	17	159
Total	**288,263**	**245,100**

G32 Issued securities

SEK m	2024 Carrying amount	2024 Nominal amount	2023 Carrying amount	2023 Nominal amount
Commercial paper				
Commercial paper in Swedish kronor	536	509	1,099	1,055
of which fair value through profit or loss, mandatory	*536*	*509*	*1,099*	*1,055*
Commercial paper in foreign currency	620,794	351,863	606,147	418,067
of which amortised cost	*620,717*	*351,790*	*605,740*	*417,676*
of which included in fair value hedges	*0*	*0*	*15,500*	*15,745*
of which fair value through profit or loss, mandatory	*77*	*73*	*407*	*391*
Total	**621,331**	**352,372**	**607,246**	**419,122**
Bonds				
Bonds in Swedish kronor	559,652	563,444	568,496	572,069
of which amortised cost	*559,652*	*563,444*	*568,496*	*572,069*
of which included in fair value hedges	*270,721*	*267,918*	*216,156*	*218,968*
Bonds in foreign currency	369,044	370,857	347,739	353,432
of which amortised cost	*369,044*	*370,857*	*347,739*	*353,432*
of which included in fair value hedges	*261,351*	*266,598*	*243,902*	*253,894*
Total	**928,696**	**934,301**	**916,235**	**925,501**
Total issued securities	**1,550,027**	**1,286,673**	**1,523,481**	**1,344,623**

SEK m	2024	2023
Issued securities at beginning of year	1,523,481	1,474,801
Issued	1,060,981	1,251,086
Repurchased	-54,766	-72,561
Matured	-1,035,785	-1,124,075
Foreign exchange effect, etc.	56,115	-5,771
Issued securities at end of year	**1,550,027**	**1,523,481**

Average volumes

SEK m	2024	2023
Issued securities in Swedish kronor	572,209	528,045
Issued securities in foreign currency	1,030,025	1,013,598
Total	**1,602,234**	**1,541,643**

G33 Short positions

SEK m	2024	2023
Short positions at fair value		
Equities	621	520
Interest-bearing securities	386	1,844
Total	**1,007**	**2,364**

Average volumes

SEK m	2024	2023
Short positions in Swedish kronor	15,433	15,301
Short positions in foreign currency	220	209
Total	15,653	**15,510**

G34 Insurance liabilities

Insurance liabilities 2024

SEK m	Liability for remaining coverage (GMM)	Liability for incurred claims (GMM)	Liability for remaining coverage (PAA)	Liability for incurred claims – Present value of future cash flows (PAA)	Liability for incurred claims Risk adjustment (PAA)	Total
Opening balance	8,129	0	8	260	9	8,407
Insurance revenue – GMM	-610					-610
of which expected insurance service expenses	*-557*					*-557*
of which write-off of contractual service margin	*-35*					*-35*
of which write-off of risk adjustment	*-19*					*-19*
Insurance revenue – PAA	1		-576			-575
Insurance service expenses		550		428	1	979
Insurance service result	**-610**	**550**	**-576**	**428**	**1**	**-207**
Financial income and expenses through profit or loss	62			4		66
Financial income and expenses through other comprehensive income	-66					-66
Cash flows – premiums paid	14		574			588
Cash flows – disbursements		-550		-430		-980
Foreign exchange effect				0		0
Closing balance	**7,530**	**0**	**6**	**262**	**10**	**7,808**

Insurance liabilities 2023

SEK m	Liability for remaining coverage (GMM)	Liability for incurred claims (GMM)	Liability for remaining coverage (PAA)	Liability for incurred claims – Present value of future cash flows (PAA)	Liability for incurred claims Risk adjustment (PAA)	Total
Opening balance	8,269	0	9	259	8	8,546
Insurance revenue – GMM	-588					-588
of which expected insurance service expenses	*-530*					*-530*
of which write-off of contractual service margin	*-39*					*-39*
of which write-off of risk adjustment	*-20*					*-20*
Insurance revenue – PAA	1		-581			-580
Insurance service expenses		528		418	1	947
Insurance service result	**-588**	**528**	**-581**	**418**	**1**	**-221**
Financial income and expenses through profit or loss	37			6	0	43
Financial income and expenses through other comprehensive income	396					396
Cash flows – premiums paid	15		580			595
Cash flows – disbursements		-528		-423		-951
Foreign exchange effect				-1		-1
Closing balance	**8,129**	**0**	**8**	**260**	**9**	**8,407**

G34 cont.

Insurance liabilities GMM – by component 2024

SEK m	Present value of future cash flows	Risk adjustment	Contractual service margin	Total
Opening balance	**7,138**	**351**	**641**	**8,129**
Changes related to future services	62	-5	-57	0
Changes related to services for current period	-5	-20	-35	-60
Changes related to previous services				
Insurance service result	**57**	**-25**	**-92**	**-60**
Financial income and expenses through profit or loss and other comprehensive income	-12	3	5	-4
Cash flows	-536			-536
Closing balance	**6,646**	**329**	**554**	**7,530**

Insurance liabilities GMM – by component 2023

SEK m	Present value of future cash flows	Risk adjustment	Contractual service margin	Total
Opening balance	**7,192**	**385**	**693**	**8,269**
Changes related to future services	43	-27	-16	0
Changes related to services for current period	-1	-20	-39	-60
Changes related to previous services				
Insurance service result	**42**	**-47**	**-55**	**-60**
Financial income and expenses through profit or loss and other comprehensive income	417	13	3	433
Cash flows	-513			-513
Closing balance	**7,138**	**351**	**641**	**8,129**

Yield curve used for discounting

	Locked-in yield curve, %		Current yield curve, %	
Term	2024	2023	2024	2023
1 yr	0.89	0.75	2.25	3.02
2 yrs	0.95	0.82	2.27	2.78
5 yrs	0.92	0.88	2.41	2.25
10 yrs	1.61	1.37	2.65	2.24
20 yrs	2.57	2.43	2.94	2.76

Mortality table

	Remaining life expectancy in years, from age 65	
Cohort	Women	Men
1940	23.9	22.2
1950	24.6	21.8
1960	25.3	23.3
1970	25.8	24.0
1980	26.2	24.4

Contractual service margin

	Proportion of contractual service margin expected to remain, %	
Year	2024	2023
2023		100
2024	100	94
2025	94	88
2030	67	63
2040	29	27
2050	10	9

G34 cont.

The bank's insurance operations are conducted by Handelsbanken Liv. The balance-sheet item Insurance liabilities comprises insurance contracts that transfer significant insurance risk from the policyholders to Handelsbanken Liv and comprise traditional life insurance contracts and risk insurance, primarily in the form of health insurance, waiver of premium and death insurance taken out by small companies and private individuals in Sweden. Other than all insurance having been taken out in Sweden, no risk concentrations have been identified. The insurance operations in Denmark and Norway were divested in 2022 and 2023, respectively. The insurance operations in Finland were divested in 2024. Opening insurance liabilities attributable to Finland are not included in the above and instead have been reclassified to Liabilities held for sale in the balance sheet, see note G14. The insurance liability comprises the total of the liability for remaining coverage and liability for incurred claims. For risk insurance and risk insurance components recognised in accordance with the premium allocation approach (PAA), the liability for remaining coverage is measured at received, but not yet earned premiums. For the savings insurance components in traditional life insurance contracts recognised according to the general measurement model (GMM), the liability for remaining coverage contains cash flows for commitments for future services and the portion of the contractual service margin that has not yet been recognised as income. Liability for incurred claims contain cash flows for commitments for previous services. The cash flow for commitments comprises the expected present value of future cash flows and a risk adjustment. The overall aim of the section below is to describe the components of the liability: the expected present value of future cash flows, risk adjustment and contractual service margin. For more information on the classification and measurement of insurance contracts, see note G1 section 8.

Expected present value of future cash flows

The expected present value of future cash flows attributable to signed insurance contracts is calculated by taking into account the probability of different outcomes and discounting. Future cash flows include premiums, claims, claims handling and administrative expenses attributable to fulfilling the insurance contracts. The calculation is made by predicting the cash flows using relevant assumptions and information about each insurance contract.

Assumptions in calculating the expected present value of future cash flows
Assumptions are applied when calculating the expected present value of future cash flows which entails that the calculation is associated with uncertainty. The same assumptions are applied to the liability for remaining coverage and liability for incurred claims where relevant. The assumptions applied are based on internal historical data, industry statistics and the market situation. Handelsbanken Liv regularly analyses the sensitivity of the insurance liability to changes in various assumptions and any differences in the actual outcome compared with the assumed outcome. Assumptions are prepared based on an established process whereby Handelsbanken Liv's actuarial department (first line of defence) is responsible for regularly, and if necessary, analysing and preparing proposals for changes to assumptions. The actuarial function (second line of defence) reviews and comments on the proposal. A decision to change the assumption is made by the CEO of Handelsbanken Liv. A decision on any changes to assumptions is reported to the Bank's Valuation committee. The two most significant assumptions are future mortality and the yield curve used to discount future cash flows. Other significant assumptions include assumptions on future administrative expenses and lapse assumptions, for example, transfers and surrender.

Assumptions on mortality
Assumptions on future mortality are based on industry statistics and internal historical data. The assumption is stated as a one-year death probability per age and year cohort and therefore is too extensive to be presented in a table. Instead, the table shows the mortality assumption in the form of expected life expectancy from the age of 65.

Assumptions on yield curve
The current yield curve used to discount future cash flows is based on observable market prices for interest rate swaps up to 10 years, adjusted for credit risk. The yield curve for maturities over 10 years is determined by convergence using the Smith-Wilson method to a long-term forward interest rate. The current long-term forward interest rate was estimated to be 3.30% (3.45). The convergence period was estimated to be 10 years (10). The financial market scenarios are market consistent, based on assumptions on absence of arbitrage and are consistent with the relevant risk-free interest rates used for discounting. The current yield curve and the locked-in yield curve (meaning the yield curve that was determined on the transition date) used for discounting the insurance liability are presented in the table.

Risk adjustment

Risk adjustment corresponds to the compensation required by the Bank for assuming the uncertainty in future cash flows resulting from signed insurance contracts for non-financial risk. In order to ensure a high level of solvency in Handelsbanken Liv, this compensation has been set as the risk margin that Handelsbanken Liv has to maintain under the Solvency 2 regulations. Risk adjustment is thus calculated by applying a cost of capital method whereby the future cost of capital is predicted using a cost of capital rate of 6% (6) and then discounted to a present value. The risk adjustment for 2024 amounted to SEK 340 million (361). Based on the assumption that the expected present value of future cash flows will follow normal distribution, this corresponds to a one-year confidence level corresponding to approximately 99.86% (99.90), valued using the current yield curve. The risk adjustment is recognised in the income statement divided between insurance service result and financial income and expenses.

Contractual service margin

Contractual service margin refers to the unearned gain that the Bank will recognise when the insurance coverage is provided in the future. A contractual service margin arose on the savings insurance component of traditional life insurance contracts in connection with the transition to IFRS 17, comprising the difference between the fair value and the total of the expected present value of future cash flows and the risk adjustment. No new traditional life insurance contracts can be taken out, and thus no further contractual service margin on new contracts will arise after the transition to IFRS 17. Handelsbanken has made the assessment that both the return-related services and the services associated with the provision of insurance coverage will be carried out proportional over time. Accordingly, the insurance coverage components have been chosen such that the dissolution of the contractual service margin will emulate a proportional dissolution over time. The table shows the expected rate of dissolution of the contractual service margin.

Significant changes and events during the year

The assumptions regarding transfers and surrender for traditional life insurance policies were reviewed during the year, but resulted in no changes to the assumptions.

G34 cont.

Sensitivity analysis 2024

SEK m		Impact on net insurance result		Impact on other comprehensive income		Total impact on equity		Impact on insurance liability		Impact on assets held on behalf of policyholders	
Risk variables	Scenario	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Mortality risk[1]	+/-10% change in expected mortality	7	-8	-2	0	5	-8	-5	8		
Disability recovery risk	+/-10% change in disability recovery rate	11	-13			11	-13	-11	13		
Lapse risk	+/-1 percentage point change in lapse rate	2	-3	-6	6	-3	3	3	-3		
Administrative expenses risk	+/-10% change in expenses for administration	-2	2	2	-2	0	0	0	0		
General interest rate risk	+/-1 percentage point parallel shift in relevant interest rates	-90	89	443	-606	352	-517	-452	616	-99	100
Specific interest rate risk (spread risk)	+/-1% change in value of holdings with spread risk	34	-34	-4	3	31	-31	4	-3	35	-35
Equity price risk	+/-10% change in value of equities	61	-61	-3	2	58	-59	4	-3	62	-62
Foreign exchange risk	+/-10% change in other currencies against SEK	89	-89	-8	5	81	-84	9	-6	90	-90

Sensitivity analysis 2023

SEK m		Impact on net insurance result		Impact on other comprehensive income		Total impact on equity		Impact on insurance liability		Impact on assets held on behalf of policyholders	
Risk variables	Scenario	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Mortality risk[1]	+/-10% change in expected mortality	7	-8	-1	-1	6	-9	-6	9		
Disability recovery risk	+/-10% change in disability recovery rate	10	-12			10	-12	-10	12		
Lapse risk	+/-1 percentage point change in lapse rate	3	-3	-5	6	-3	2	3	-2		
Administrative expenses risk	+/-10% change in expenses for administration	-2	2	1	-1	-1	1	1	-1		
General interest rate risk	+/-1 percentage point parallel shift in relevant interest rates	-103	101	521	-687	419	-585	-530	697	-112	112
Specific interest rate risk (spread risk)	+/-1% change in value of holdings with spread risk	35	-35	-3	3	32	-32	3	-3	35	-35
Equity price risk	+/-10% change in value of equities	82	-83	-2	2	81	-81	3	-3	84	-84
Foreign exchange risk	+/-10% change in other currencies against SEK	48	-48	-2	2	46	-46	3	-3	49	-49

1) The sensitivity analysis above includes the entire insurance liability except for the liability for remaining coverage for insurance contracts measured according to the PAA method since this liability is measured at received, but not yet earned premiums. As a result, a changed risk variable would not have any immediate impact on this liability other than an increase in premium in the future if it was deemed to be insufficient.

The risks and the sensitivity in the portfolio of traditional life insurance and risk insurance have been quantified in the table above as the effect that reasonably likely changes in material risk variables would have on net insurance result, other comprehensive income, equity, the insurance liability and assets held on behalf of policyholders. The sensitivity analysis was based on one risk variable changing and other risk variables remaining constant. In practice, it is unlikely that only one risk variable will change since changes in some of the risk variables may be correlated. When calculating the sensitivity to material risk variables, the same method was applied as that used for the reported insurance liability. The sensitivity analysis has been prepared by applying the same method for both years.

Assets in traditional life insurance held on behalf of policyholders

SEK m	2024	2023
Equity funds[1]	619	532
Fixed-income funds[1]	4,979	5,326
Private Equity[1]	16	18
Cash and cash equivalents	49	36
Total	5,663	5,912

1) Recognised as Shares, see note G19.

G34 cont.

Duration

SEK m	Fixed-income funds		Traditional life insurance Present value of future cash flows	
	2024	2023	2024	2023
0–1 yrs	3,233	2,754	518	565
1–5 yrs	1,446	2,171	1,796	1,929
5–10 yrs	195	281	1,701	1,805
>10 yrs	105	120	2,630	2,840
Total	**4,979**	**5,326**	**6,646**	**7,138**

Risks in insurance contracts

The Bank is, through its insurance contracts, primarily exposed to market risk, credit risk, liquidity risk and insurance risk. The most material risks are described below:

Market risk

Market risk refers to the combined risk that changes in risk factors in financial markets – such as changes in interest rates, equity prices, or exchange rates – will result in changes in the value of investment assets and/or commitments.

Interest rate risk

General interest rate risk arises in traditional life insurance as a result of the difference in duration between the investment assets and the insurance liability. The duration of the liability is long, which is why the sensitivity to interest rates if the discount rate changes is significant. The duration of the investment assets is short, which is why the sensitivity to interest rates if the market rate changes is limited. Handelsbanken Liv has chosen short durations of the investment assets due to the structure of traditional life insurance.

Specific interest rate risk (spread risk) arises in traditional life insurance management in holdings in fixed-income funds when credit spreads change, that is, the difference between the yield on the current holding and the yield on a government bond with the same maturity.

The investment assets are recognised and measured at fair value through profit or loss, mandatory, see note G5 and note G6. To avoid volatility in the income statement for traditional life insurance, the effects of changed discount rates are recognised in Other comprehensive income, which comprises the difference between the liability discounted by a locked-in yield curve and the liability discounted by the current yield curve.

Equity price risk

Equity price risk arises in traditional life insurance management due to investments in mainly equity funds. Traditional life insurance contracts provide the opportunity for the policyholder to receive additional benefits in addition to the guaranteed benefits, if the actual return exceeds the guaranteed level. This means that Handelsbanken is primarily exposed to the downside of equity price risk. The exposure to equity price risk in the portfolio of traditional life insurance management was SEK 635 million (550) at year-end.

Foreign exchange risk

Foreign exchange risk mainly arises in traditional life insurance management as a result of investments in mutual funds with underlying assets in primarily EUR and USD. This exposure is limited by using currency derivatives as needed. At year-end, the net exposure in EUR corresponded to SEK 417 million (301) the net exposure in USD was SEK 457 million (173).

Credit risk

Credit risk arises in traditional life insurance management on holdings in fixed-income funds. This risk is limited since the underlying holdings in mutual funds are only permitted to have a minimum credit rating of BBB- (investment grade) or equivalent.

Liquidity risk

Liquidity risk arises primarily as a result of traditional life insurance providing policyholders with the opportunity to transfer their insurance capital to another insurer. This risk is managed by daily monitoring of future disbursements and is limited by investing investment assets, as far as possible, in ucits funds with very good liquidity.

Insurance risk

Insurance risk refers to risk other than financial risk that is transferred from the policyholder to Handelsbanken Liv. The most significant insurance risks are described below:

Mortality risk

The risk of loss, or of an adverse change in the value of insurance commitments, resulting from changes in mortality. Mortality risk primarily arises in mortality insurance. Increased mortality leads to an increase in the value of the insurance commitments.

Longevity risk

The risk of loss, or of an adverse change in the value of insurance commitments, resulting from changes in mortality. Longevity risk arises in traditional life insurance contracts under which policyholders receive a guaranteed benefit that may be life-long. Decreased mortality leads to an increase in the value of the insurance commitments.

Disability recovery risk

The risk of loss, or of an adverse change in the value of insurance commitments, resulting from changes in the disability recovery rate. Disability recovery risk primarily arises in health insurance. Decreased disability recovery leads to an increase in the value of the insurance commitments.

Lapse risk

The risk of loss, or of an adverse change in the value of insurance commitments, resulting from changes in the frequency of transfers and surrender. Lapse risk primarily arises in traditional life insurance contracts. Transfer rights exist for the entire portfolio.

Administrative expenses risk

The risk of loss, or of an adverse change in the value of insurance commitments, resulting from changes in expenses for administering insurance contracts. Administrative expenses risk primarily arises in traditional life insurance contracts. Increased administrative expenses lead to an increase in the value of the insurance commitments.

G34 cont.

Risk management and limitation
Handelsbanken Liv has a low risk tolerance and follows the Bank's risk management principles. Risks are primarily managed by Handelsbanken Liv maintaining a sufficient level of capital in order to be able to meet its commitments to policyholders even when unforeseen negative events occur. For more information, see the section on risks in the insurance operations in note G2.

Handelsbanken Liv's investment policy restricts exposure to financial risks and provides overall instructions on the management of assets given the obligations to its policyholders and statutory requirements. It also provides instructions on how governance and control of the investments are to be implemented, and how the total risk level in the assets is to be managed. Assets are to be invested in a prudent manner so that risks can be identified, measured, analysed, and reported.

Handelsbanken limits its exposure to insurance risk in several ways. Medical risk assessments based on the health status of the insured are conducted before granting mortality and health insurance if necessary. Premiums are set based on assumptions regarding the expected cost of incurred insurance events, including appropriate prudence margins, and are regularly reviewed to ensure their sufficiency to cover expected costs. To avoid volatility in the income statement, the largest mortality and health insurance contracts are reinsured according to established limits for self retention, see note G27 for reinsurance assets and G37 for reinsurance liabilities.

G35 Taxes

Tax expenses recognised in the income statement

SEK m	2024	2023
Current tax	-7,814	-8,452
Deferred tax	53	118
Adjustment of tax relating to prior years	-34	-83
Total tax expenses, continuing operations	**-7,795**	**-8,417**
Total tax expenses, discontinued operations	**-72**	**-185**

Difference between the Group's tax expense and tax expense according to applicable Swedish tax rate

SEK m	2024	2023
Profit before tax	35,016	36,322
Tax on profit before tax at Swedish tax rate	-7,213	-7,482
Tax recognised in the Group	-7,795	-8,417
Difference	**-582**	**-935**
The difference is explained by the following items:		
Non-taxable income/non-deductible expenses	-23	-16
Non-deductible expense on subordinated liabilities	-515	-583
Different tax rate in insurance operations	316	297
Non-taxable capital gains and dividends	0	9
Different tax rates in other countries	-487	-565
Tax prior years	-34	-83
Other	161	6
Total	**-582**	**-935**

G35 cont.

Deferred tax assets 2024

SEK m	Opening balance	Recognised in income statement	Recognised in other compre-hensive income	Foreign exchange effect	Offsetting	Closing balance
Hedging instruments	546		-191			355
Property and equipment	0	0				0
Pensions	347	92				439
Other	401	-95				306
Offsetting	-936				-7	-943
Total	**358**	**-3**	**-191**	**0**	**-7**	**157**

Deferred tax liabilities 2024

SEK m	Opening balance	Recognised in income statement	Recognised in other compre-hensive income	Foreign exchange effect	Offsetting	Closing balance
Loans to the public1)	1,878	-211				1,667
Hedging instruments	448	-69	-204	64		239
Intangible assets	65	2				67
Property and equipment	91	27				118
Pensions	2,212	215	36	15		2,478
Other	211	-86		-7		118
Offsetting	-936				-7	-943
Total	**3,969**	**-122**	**-168**	**72**	**-7**	**3,744**

1) Of which lease assets SEK 1,622 million (1,845).

Deferred tax assets 2023

SEK m	Opening balance	Recognised in income statement	Recognised in other compre-hensive income	Foreign exchange effect	Offsetting	Closing balance
Hedging instruments	996		-450			546
Property and equipment	19	-19				0
Pensions	370	-23				347
Other	204	189		8		401
Offsetting					-936	-936
Total	**1,589**	**130**	**-450**	**8**	**-936**	**358**

Deferred tax liabilities 2023

SEK m	Opening balance	Recognised in income statement	Recognised in other compre-hensive income	Foreign exchange effect	Offsetting	Closing balance
Loans to the public1)	2,207	-329				1,878
Hedging instruments	764		-316			448
Intangible assets	78	-13				65
Property and equipment	95	-4				91
Pensions	2,466	231	-449	-36		2,212
Other	4	207				211
Offsetting					-936	-936
Total	**5,614**	**92**	**-765**	**-36**	**-936**	**3,969**

1) Of which lease assets SEK 1,845 million (2,207).

Disclosures on Pillar 2
An initial assessment has been carried out to determine how the Bank is affected by the Pillar 2 rules and will be reviewed on a continuous basis. Handelsbanken applies the exemption in IAS 12 entailing that the Group does not recognise or disclose deferred tax assets or liabilities related to income tax due to Pillar 2.

All countries in which Handelsbanken operates, with the exception of the USA, have adopted the EU's Pillar 2 Directive, and national legislation has been or will be implemented. Handelsbanken does not operate in low-taxed countries, and all countries in which the Bank operates have a tax rate of more than 20%. Handelsbanken has estimated that effective tax rates exceed 15% in all jurisdictions in which it operates, hence no tax is recognised in the financial statements in accordance with Pillar 2 legislation.

Handelsbanken's assessment is that the regulations will not have any material impact on Handelsbanken's financial statements.

Unrecognised deferred tax assets and deficits
Deferred tax assets on loss carry forwards and other future deductible temporary differences are recognised only if it is probable that they can be utilised in the foreseeable future. Unrecognised deferred tax assets are available locally in Stadshypotek AB and amount to SEK 124 million (113).

G36 Provisions

Provisions 2024

SEK m	Provision for expected credit losses on off-balance sheet items[1]	Provision for restructuring[2]	Other provisions[3]	Total
Provisions at beginning of year	299	43	258	601
Provisions during the year			159	159
Utilised		-17	-24	-41
Reversed			-177	-177
Change in expected credit losses, net	-165			-165
Provisions at end of year	**135**	**27**	**216**	**378**

Provisions 2023

SEK m	Provision for expected credit losses on off-balance sheet items[1]	Provision for restructuring[2]	Other provisions[3]	Total
Provisions at beginning of year	280	87	225	591
Provisions during the year			121	121
Utilised		-44	-8	-52
Reversed			-80	-80
Change in expected credit losses, net	20			20
Provisions at end of year	**299**	**43**	**258**	**601**

1) For more information, see notes G10 and G44.
2) The provision for restructuring costs refers to expenses related to the Bank’s restructuring.
3) The amounts allocated for future settlement of the claims on the Bank are presented under Other provisions.

G37 Other liabilities

SEK m	2024	2023
Liabilities on investment banking settlements	2,865	5,192
Lease liability	2,751	2,857
Reinsurance liabilities	128	126
Other	9,632	6,708
Total	**15,376**	**14,882**

G38 Accrued expenses and deferred income

SEK m	2024	2023
Accrued expenses	2,055	1,902
Deferred income	880	1,087
Total	**2,935**	**2,990**

G39 Subordinated liabilities

Change in subordinated liabilities

SEK m	2024	2023
Subordinated liabilities at beginning of year	43,117	42,404
Issued	5,673	8,753
Matured	-13,369	-8,326
Foreign exchange effect, etc.	1,633	286
Subordinated liabilities at end of year	**37,054**	**43,117**

Average volumes

SEK m	2024	2023
Subordinated liabilities in foreign currency	35,603	42,200

Specification of subordinated liabilities

Year of issuance	Maturity	Original maturity date	First possible redemption date	Currency	Original nominal amount in each currency	Convertible/ Non-convertible	Interest rate, %	Outstanding amount
2020	Perpetual[1), 2)]		1 Mar 2027	USD	500	Convertible[3)]	4,375	5,229
2020	Perpetual[1), 2)]		1 Mar 2031	USD	500	Convertible[3)]	4,750	4,584
2022	Fixed term[4)]	1 Jun 2033	1 Jun 2028	EUR	500	Non-convertible	3,250	5,748
2022	Fixed term[4)]	23 Aug 2032	23 Aug 2027	GBP	500	Non-convertible	4,625	6,722
2023	Fixed term[4)]	16 Aug 2034	16 Aug 2029	EUR	750	Non-convertible	5,000	9,053
2024	Fixed term[4)]	4 Nov 2036	4 Nov 2031	EUR	500	Non-convertible	3,625	5,718
Total subordinated liabilities								**37,054**

1) Subordinated to all instruments except for equities, the immediately senior is fixed-term subordinated liabilities.
2) Can be redeemed on each subsequent rate fixing date after the initial redemption date.
3) The liabilities are converted to ordinary shares in Svenska Handelsbanken AB if Svenska Handelsbanken AB's common equity tier 1 ratio falls below 5.125% or if the consolidated situation's common equity tier 1 ratio falls below 8.0%.
4) Subordinated to all senior debt.

G40 Specification of changes in equity

Change in hedge reserve

SEK m	2024	2023
Hedge reserve at beginning of year	181	-307
Effective part of change in fair value		
Interest rate risk	794	1,486
Foreign exchange risk	-460	-619
Reclassified to the income statement[1]	-174	-252
Tax	-33	-127
Hedge reserve at end of year	**308**	**181**

Change in fair value reserve

SEK m	2024	2023
Fair value reserve at beginning of year	197	126
Unrealised value change – equity instruments	167	51
Realised value change – equity instruments	3	0
Unrealised value change – debt instruments	5	19
Change in provision for expected credit losses – debt instruments	0	0
Reclassified to retained earnings – equity instruments[2]	-3	0
Reclassified to the income statement – debt instruments[3]	0	0
Fair value reserve at end of year	**369**	**197**

Change in translation reserve, foreign operations

SEK m	2024	2023
Translation reserve for foreign operations at beginning of year	3,502	4,332
Change in translation difference pertaining to branches	266	-855
Change in translation difference pertaining to subsidiaries	2,539	297
Reclassified to the income statement[4]	-248	9
Reclassified to retained earnings[5]	-811	-284
Translation reserve for foreign operations at end of year	**5,249**	**3,502**

1) Tax reclassified to the income statement pertaining to this item SEK 35 million (52).
2) Tax reclassified to retained earnings pertaining to this item SEK – million (-).
3) Tax reclassified to the income statement pertaining to this item SEK 0 million (0).
4) Tax reclassified to the income statement pertaining to this item SEK -70 million (-2).
5) Tax reclassified to retained earnings pertaining to this item SEK 8 million (19).

G41 Classification of financial assets and liabilities

2024	Fair value through profit or loss						
SEK m	Mandatory	Fair value option	Derivatives identified as hedging instruments	Fair value through other comprehensive income	Amortised cost	Total carrying amount	Fair value
Assets							
Cash and balances with central banks					530,009	530,009	530,009
Other loans to central banks					12,547	12,547	12,547
Interest-bearing securities eligible as collateral with central banks	4,862	167,745				172,607	172,606
Loans to other credit institutions					18,923	18,923	18,632
Loans to the public					2,372,086	2,372,086	2,365,414
Value change of interest-hedged item in portfolio hedge					-6,399	-6,399	
Bonds and other interest-bearing securities	10,329	23,920		13,259		47,508	47,508
Shares	13,942			804		14,746	14,746
Assets where the customer bears the value change risk	287,984					287,984	287,984
Derivative instruments	21,340		25,729			47,069	47,069
Other assets	13				11,903	11,916	11,916
Total	**338,470**	**191,665**	**25,729**	**14,063**	**2,939,069**	**3,508,995**	**3,508,431**
Investments in associates and joint ventures						860	
Non-financial assets						29,317	
Total assets						**3,539,173**	
Liabilities							
Due to credit institutions					84,527	84,527	84,592
Deposits and borrowing from the public					1,320,481	1,320,481	1,320,543
Liabilities where the customer bears the value change risk		288,263				288,263	288,263
Issued securities	614				1,549,413	1,550,027	1,545,408
Derivative instruments	14,583		1,373			15,956	15,956
Short positions	1,007					1,007	1,007
Other liabilities	12				15,687	15,700	15,700
Subordinated liabilities					37,054	37,054	38,263
Total	**16,216**	**288,263**	**1,373**		**3,007,162**	**3,313,015**	**3,309,732**
Non-financial liabilities						16,131	
Total liabilities						**3,329,146**	

G41 cont.

2023	Fair value through profit or loss						
SEK m	Mandatory	Fair value option	Derivatives identified as hedging instruments	Fair value through other comprehensive income	Amortised cost	Total carrying amount	Fair value
Assets							
Cash and balances with central banks					476,181	476,181	476,181
Other loans to central banks					32,145	32,145	32,145
Interest-bearing securities eligible as collateral with central banks	3,534	195,594				199,128	199,128
Loans to other credit institutions					19,298	19,298	19,272
Loans to the public					2,434,217	2,434,217	2,415,484
Value change of interest-hedged item in portfolio hedge					-9,657	-9,657	
Bonds and other interest-bearing securities	13,550	23,827		12,709		50,087	50,087
Shares	11,617			601		12,218	12,218
Assets where the customer bears the value change risk	254,401				78	254,479	254,479
Derivative instruments	13,618		16,492			30,110	30,110
Other assets	27				10,282	10,309	10,309
Total	**296,747**	**219,421**	**16,492**	**13,310**	**2,962,544**	**3,508,514**	**3,499,412**
Investments in associates and joint ventures						657	
Non-financial assets						28,620	
Total assets						**3,537,792**	
Liabilities							
Due to credit institutions					91,124	91,124	91,287
Deposits and borrowing from the public					1,350,036	1,350,036	1,349,338
Liabilities where the customer bears the value change risk		254,609			78	254,687	254,687
Issued securities	1,506				1,521,975	1,523,481	1,497,333
Derivative instruments	27,399		6,840			34,238	34,238
Short positions	2,364					2,364	2,364
Other liabilities	27				15,712	15,739	15,739
Subordinated liabilities					43,117	43,117	43,227
Total	**31,296**	**254,609**	**6,840**		**3,022,042**	**3,314,787**	**3,288,213**
Non-financial liabilities						17,919	
Total liabilities						**3,332,706**	

Assets and liabilities in the table above include the disposal groups in Finland, which has been reclassified to Assets held for sale and Liabilities held for sale on the balance sheet, respectively (see note G14).

G42 Fair value measurement of financial instruments

Financial instruments at fair value 2024

SEK m	Level 1	Level 2	Level 3	Total
Assets				
Interest-bearing securities eligible as collateral with central banks				
Fair value through profit or loss, mandatory	4,778	84		4,862
Fair value through profit or loss, fair value option	167,745			167,745
Fair value through other comprehensive income				
Bonds and other interest-bearing securities				
Fair value through profit or loss, mandatory	9,610	719		10,329
Fair value through profit or loss, fair value option	23,920			23,920
Fair value through other comprehensive income	11,752	1,507		13,259
Shares				
Fair value through profit or loss, mandatory	13,340	586	16	13,942
Fair value through other comprehensive income	548	94	161	803
Assets where the customer bears the value change risk	285,122	2,845	17	287,984
Derivative instruments	52	47,017		47,069
Total	**516,867**	**52,852**	**194**	**569,913**
Liabilities				
Liabilities where the customer bears the value change risk	285,400	2,845	17	288,263
Issued securities		614		614
Derivative instruments	39	15,916		15,955
Short positions	992	15		1,007
Total	**286,431**	**19,390**	**17**	**305,839**

Financial instruments at fair value 2023

SEK m	Level 1	Level 2	Level 3	Total
Assets				
Interest-bearing securities eligible as collateral with central banks				
Fair value through profit or loss, mandatory	3,498	36		3,534
Fair value through profit or loss, fair value option	195,594			195,594
Fair value through other comprehensive income				
Bonds and other interest-bearing securities				
Fair value through profit or loss, mandatory	13,245	305		13,550
Fair value through profit or loss, fair value option	23,827			23,827
Fair value through other comprehensive income	11,158	1,551		12,709
Shares				
Fair value through profit or loss, mandatory	11,096	503	18	11,617
Fair value through other comprehensive income	310	135	156	601
Assets where the customer bears the value change risk	251,504	2,820	77	254,401
Derivative instruments	92	30,016	2	30,110
Total	**510,325**	**35,366**	**253**	**545,944**
Liabilities				
Liabilities where the customer bears the value change risk	251,712	2,820	77	254,609
Issued securities		1,506		1,506
Derivative instruments	47	34,189	2	34,238
Short positions	2,364			2,364
Total	**254,123**	**38,515**	**79**	**292,717**

Financial instruments in the table above include the disposal groups in Finland, which have been reclassified to Assets held for sale and Liabilities held for sale on the balance sheet, respectively (see note G14).

G42 cont.

Change in holdings in financial instruments in level 3 2024

SEK m	Shares	Derivative assets	Derivative liabilities	Assets where the customer bears the value change risk	Liabilities where the customer bears the value change risk
Carrying amount at beginning of year	174	2	-2	77	-77
Acquisitions	1				
Repurchases/sales	-5				
Matured					
Unrealised value change in income statement	-6	-2	2	-60	60
Unrealised value change in other comprehensive income	13				
Transfer from level 1 or 2					
Transfer to level 1 or 2					
Carrying amount at end of year	177			17	-17

Change in holdings in financial instruments in level 3 2023

SEK m	Shares	Derivative assets	Derivative liabilities	Assets where the customer bears the value change risk	Liabilities where the customer bears the value change risk
Carrying amount at beginning of year	173	39	-39	525	-525
Acquisitions					
Repurchases/sales	-1				
Matured					
Unrealised value change in income statement	2	0	0	-448	448
Unrealised value change in other comprehensive income					
Transfer from level 1 or 2		-37	37		
Transfer to level 1 or 2					
Carrying amount at end of year	174	2	-2	77	-77

Financial instruments in the table above include the disposal groups in Finland, which have been reclassified to Assets held for sale and Liabilities held for sale on the balance sheet, respectively (see note G14).

A change in unobservable inputs is not deemed to result in any significantly higher or lower measurement of the level 3 holdings, which is the reason that a sensitivity analysis is not provided.

Valuation hierarchy

In the tables, financial instruments at fair value have been categorised in terms of how the valuations have been carried out and the degree of transparency regarding market data used in the valuation. The categorisation is shown as levels 1–3 in the tables. Financial instruments which are valued at a direct and liquid market price are categorised as level 1. These financial instruments mainly comprise government securities and other interest-bearing securities that are traded actively, listed shares and short-term positions in corresponding assets. Level 1 also includes the majority of shares in mutual funds and other assets which are related to unit-linked insurance contracts and similar agreements and the corresponding liabilities. Financial instruments which are valued using valuation models which substantially are based on market data are categorised as level 2. Level 2 mainly includes interest-bearing securities and interest and foreign exchange derivatives. Financial instruments whose value to a material extent is affected by input data that cannot be verified using external market information are categorised as level 3. Level 3 includes unlisted shares, certain holdings of private equity funds and certain derivatives.

The categorisation is based on the valuation method used on the balance sheet date. If the category for a specific instrument has changed since the previous balance sheet date (31 December 2023), the instrument has been moved between the levels in the table. There were no significant movements between levels during the year. Changes in level 3 holdings during the year are shown in a separate table below.

The holdings in level 3 mainly comprise unlisted shares. The Group's holdings of unlisted shares are mainly comprised of participating interests in companies which provide supporting operations to the Bank. For example, these may be participating interests in clearing organisations and infrastructure collaboration on Handelsbanken's home markets. Such holdings are generally valued at the Bank's share of the company's net asset value, or alternatively at the price of the last completed transaction. In all material respects, unlisted shares are classified at fair value through other comprehensive income. Value changes for these holdings are thus reported in Other comprehensive income.

Certain holdings of private equity funds are categorised as belonging to level 3. These are valued using valuation models mainly based on a relative valuation of comparable listed companies in the same sector. The performance measurements used in the comparison are adjusted for factors which distort the comparison between the investment and the company used for comparison. Subsequently, the valuation is based on earnings multiples, such as P/E ratios and EV/EBITA. Most of these holdings represent investment assets in the Group's insurance operations.

The derivatives component in some of the Bank's issued structured bonds and the related hedging derivatives are also categorised as belonging to level 3. For these derivatives, internal assumptions have a material impact on calculation of the fair value. Hedging derivatives in level 3 are traded under CSA agreements where the market values are checked and verified with the Bank's counterparties on a daily basis.

The year's realised value changes on financial instruments in level 3 reported in the income statement is SEK 1 million (1).

G42 cont.

Fair value of financial instruments at amortised cost 2024

SEK m	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with central banks	530,009			530,009
Other loans to central banks	12,547			12,547
Loans to other credit institutions	4,305	13,966	362	18,633
Loans to the public	27,977	1,137	2,336,300	2,365,414
Assets where the customer bears the value change risk				
Total	**574,838**	**15,103**	**2,336,662**	**2,926,603**
Liabilities				
Due to credit institutions	39,764	44,828		84,592
Deposits and borrowing from the public	1,312,915	7,628		1,320,543
Liabilities where the customer bears the value change risk				
Issued securities	917,859	626,936		1,544,795
Subordinated liabilities		38,263		38,263
Total	**2,270,538**	**717,655**		**2,988,193**

Fair value of financial instruments at amortised cost 2023

SEK m	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with central banks	476,181			476,181
Other loans to central banks	32,145			32,145
Loans to other credit institutions	5,876	13,038	358	19,272
Loans to the public	41,120	828	2,373,537	2,415,485
Assets where the customer bears the value change risk	78			78
Total	**555,400**	**13,866**	**2,373,895**	**2,943,161**
Liabilities				
Due to credit institutions	31,858	59,430		91,287
Deposits and borrowing from the public	1,341,888	7,449		1,349,338
Liabilities where the customer bears the value change risk	78			78
Issued securities	857,720	638,107		1,495,827
Subordinated liabilities		43,227		43,227
Total	**2,231,544**	**748,213**		**2,979,757**

Financial instruments in the table above include the disposal groups in Finland, which have been reclassified to Assets held for sale and Liabilities held for sale on the balance sheet, respectively (see note G14).

Differences between the transaction price and the value measured by a valuation model

As stated in the accounting policies in note G1, when applying a model to value derivatives, material positive differences between the valuation at initial recognition and the transaction price (known as day 1 gains/losses) are amortised over the life of the derivative. Unrealised results due to positive differences between the transaction price and the value measured by a valuation model (known as day 1 gains/losses) are comprised of the Bank's profit margin and compensation to cover, for example, the cost of capital and administrative expenses. As a consequence of the application of this principle, SEK 164 million (113) has been recognised in Net gains/losses on financial transactions during the year. At the end of the year, non-recognised day 1 gains amounted to SEK 500 million (472).

Principles for information about the fair values of financial instruments measured at amortised cost

Information about the fair values of financial instruments measured at amortised cost is presented in note G41 and in the table below. These instruments essentially comprise lending, deposits and borrowing. For means of payment and short-term receivables and liabilities, the carrying amount is considered to be an acceptable estimate of the fair value. Receivables and liabilities with a maturity date or the date for next interest rate fixing falling within 30 days are defined as short-term.

The valuation of fixed-rate lending is based on the current market rate with an adjustment for assumed credit and liquidity risk premiums on market terms. The premium is assumed to be the same as the average margin for new lending at the time of the measurement. Interest-bearing securities have been valued at the current market price where this has been available. Funding and interest-bearing securities for which market price information has not been available have been valued using a valuation model based on market data in the form of prices or interest for similar instruments.

In the table, the valuation used for the information about the fair value of financial instruments measured at amortised cost is categorised in the valuation hierarchy described above. Means of payment and deposits are considered to be equivalent to cash and have been categorised as level 1. Level 1 also contains interest-bearing securities (assets and liabilities) for which there is a current market price. Lending where the assumption about credit and liquidity premiums has materially affected the information about fair value has been categorised as level 3. Other instruments are categorised as level 2.

G43 Pledged assets, collateral received and transferred financial assets

Assets pledged for own debt

SEK m	2024	2023
Cash	14,590	27,456
Government securities and bonds	2,401	5,691
Loans to the public	750,510	765,513
Equities	5,806	5,869
Assets where the customer bears the value change risk	289,253	256,168
Other	1,336	1,820
Total	**1,063,896**	**1,062,518**
of which pledged assets that may be freely withdrawn by the Bank	*15*	*18*

Other pledged assets

SEK m	2024	2023
Cash	256	1,370
Government securities and bonds	87,535	63,619
Equities	2,546	4,411
Total	**90,336**	**69,399**
of which pledged assets that may be freely withdrawn by the Bank	*77,729*	*52,061*

Other pledged assets refers to collateral pledged for obligations not reported on the balance sheet.

Transferred financial assets reported on the balance sheet

	2024		2023	
SEK m	Carrying amount	Carrying amount associated liability	Carrying amount	Carrying amount associated liability
Shares, securities lending	2,674	106[1)]	4,237	112[1)]
Government securities and bonds, repurchase agreements	1,077	0	4,464	2
Assets where the customer bears the value change risk	17	17	159	159
Total	**3,768**	**124**	**8,860**	**273**

1) Received cash collateral.

Pledged assets

Pledged assets are recognised as assets on the balance sheet. Assets pledged in the form of interest-bearing securities mainly comprise securities pledged as collateral to central banks and other credit institutions, for payment systems, securities trading and clearing and also securities sold under binding repurchase agreements (repos). Assets pledged in the form of equities mainly comprise lent equities and equities in the insurance operations.

Loans to the public pledged as security mainly comprise collateral registered for the benefit of holders of covered bonds issued by Stadshypotek. The collateral mainly comprises loans granted against mortgages in single-family homes, second homes, multi-family dwellings or housing co-operative apartments with a loan-to-value ratio within 75% of the market value. In the event of the company's insolvency, pursuant to the Covered Bonds Act and the Right of Priority Act, the holders of the covered bonds have prior rights to the pledged assets. If, at the time of a bankruptcy decision, the assets in the total collateral fulfil the terms of the Act, these must be kept separate from the bankruptcy estate's other assets and liabilities. The holders of the bonds will then continue to receive contractual payments under the terms of the bond until maturity.

Assets where the customer bears the value change risk mainly comprise units in unit-linked insurance contracts in Handelsbanken Liv where the policyholders have priority rights.

Collateral received

Collateral received is not recognised on the balance sheet. For reverse repurchase agreements and equity loans, securities are received that can be sold or repledged to a third party. The fair value of received securities under reverse repurchase agreements and agreements on equity loans was SEK 44,246 million (43,196) at the end of the financial year, where collateral worth SEK 7,858 million (12,528) had been sold or repledged to a third party. Information about received pledges for lending and other received collateral is shown in note G2.

G43 cont.

Transferred financial assets reported on the balance sheet

Transferred financial assets are recognised as assets on the balance sheet but, for these, the rights to future cash flows are directly or indirectly transferred to an external counterparty. Most of the transferred financial assets recognised on the balance sheet comprise interest-bearing securities which have been sold under binding repurchase agreements and lent equities. Normally the terms for the binding repurchases and equity loans are stipulated in framework agreements between the Bank and the respective counterparty.

Binding repurchase agreements imply selling securities with an undertaking to repurchase them at a fixed price at a predetermined time in the future. The seller of the securities thus continues to be exposed to the risk of value changes during the life of the agreement. Securities sold under repurchase agreements remain at market value on the balance sheet throughout the life of the agreement. The purchase price received is reported as a liability to the counterparty. According to the standard terms of a repurchase agreement, the right of ownership of the sold securities is transferred in its entirety from the seller to the buyer. This means that the buyer has the right to sell on, repledge or otherwise dispose of the purchased securities.

According to the standard agreements for equity loans, the exposure to the value change in the lent equity remains with the lender. Lent equities thus remain on the balance sheet throughout the life of the loan. Collateral for lent securities is normally in the form of cash or other securities. Cash collateral received is recognised as a liability on the balance sheet. In the same way as for repurchase agreements, the standard agreement used for equity loans means that during the life of the loan, the borrower has the right to sell on, repledge or otherwise dispose of the borrowed securities.

Government securities, bonds and equities provided as collateral for securities trading, clearing, etc. where the title to the instrument has been transferred to the counterparty are reported as other transferred financial assets. Transferred financial assets also include certain assets where the customer bears the value change risk. These assets comprise portfolios of financial instruments where the Bank has the formal right of ownership but where the risks related to the assets and also the right to future cash flows have been transferred to a third party. The valuation of these assets reflects the valuation of the corresponding liability item.

G44 Contingent liabilities

SEK m	2024	2023
Contingent liabilities		
Guarantees, credits	8,135	8,184
Guarantees, other	45,697	47,557
Irrevocable letters of credit	665	203
Other	1,256	2,177
Total	**55,754**	**58,120**
of which subject to impairment testing	*55,754*	*58,120*
Obligations		
Loan commitments	333,969	317,926
Unutilised part of granted overdraft facilities	100,717	96,359
Other	7,828	13,580
Total	**442,514**	**427,865**
of which subject to impairment testing	*242,965*	*237,999*
Total contingent liabilities	**498,268**	**485,985**
Provision for expected credit losses reported as provisions, see note G36.	155	340

Contingent liabilities
Contingent liabilities mainly consist of various types of guarantees. Credit guarantees are provided to customers in order to guarantee commitments in other credit and pension institutions. Other guarantees are mainly commercial guarantees such as bid bonds, guarantees relating to advance payments, guarantees during a warranty period and export-related guarantees. Contingent liabilities also comprise unutilised irrevocable import letters of credit and confirmed export letters of credit. These transactions are included in the Bank's services and are provided to support the Bank's customers. The nominal amounts of the guarantees are shown in the table.

Claims
Companies within the Group are subjects of claims in a number of civil actions which are being pursued in general courts of law. The Bank's Polish operations have a portfolio of mortgages denominated in CHF and EUR, which amounted to approximately SEK 100 million at year-end. There is uncertainty in Polish law regarding the application of various credit terms and conditions involving foreign currency. The aforementioned legal developments may mean that certain contractual terms and conditions in the Bank's Polish operations cannot be applied and that compensation may have to be paid to certain customers. It is not currently practically feasible to estimate the potential financial impact on the Bank or the likelihood of various outcomes and no disclosure on contingent liabilities is therefore submitted.

The assessment is that the other actions will essentially be settled in the Group's favour. The assessment is that the amounts in dispute would have no material impact on the Group's financial position or profit/loss, and no disclosure on contingent liabilities is therefore submitted.

G45 Leases

Handelsbanken as lessor
Finance leases

SEK m	2024	2023
Finance income from net investments	611	593
Variable lease payments	539	519

Distribution of undiscounted lease receivables by maturity and net investment

SEK m	2024	2023
Up to 1 yr	2,876	2,725
1 yr to 2 yrs	2,542	3,480
2 yrs to 3 yrs	2,984	2,805
3 yrs to 4 yrs	2,455	1,861
4 yrs to 5 yrs	1,120	2,076
Over 5 yrs	2,508	3,303
Total undiscounted lease receivables	**14,485**	**16,250**
Unearned finance income	-957	-1,292
Net investment	**13,528**	**14,958**

All leases where the Group is the lessor have been defined as finance leases. Lease agreements of this kind are accounted for as loans on the balance sheet, initially for an amount corresponding to the net investment. The change between the years was due to lower lease volumes attributable to the divestment of the lease portfolio. Lease assets mainly consist of vehicles and machines. All leases have guaranteed residual values. At year-end, the Group had one lease exposure that had a carrying amount exceeding SEK 1 billion.

Handelsbanken as lessee
Income statement items

SEK m	2024	2023
Interest expenses for lease liabilities	-74	-67
Total[1]	**-74**	**-67**
Depreciation and impairment of right-of-use assets		
Property	-702	-628
Equipment	-14	-14
Total[2]	**-716**	**-642**
Expenses for short-term leases	-35	-38
Expenses for leases in which the underlying asset is of low value	-52	-41
Variable lease payments that are not included in the calculation of lease liabilities	-175	-167
Total[3]	**-262**	**-246**
Total expenses for leases	**-1,052**	**-955**

Balance sheet items

SEK m	2024	2023
Right-of-use assets[4]		
Property	2,593	2,704
Equipment	29	30
Total	**2,622**	**2,734**
New right-of-use assets[5]	392	350
Lease liabilities[6]	2,751	2,857
Total cash outflows for leases	-1,034	-980

1) Included in income statement item Interest expenses.
2) Included in income statement item Depreciation, amortisation and impairment of property, equipment and intangible assets, of which SEK -12 million (39) is an impairment loss.
3) Included in income statement item Other expenses.
4) Right-of-use assets are included in the balance sheet item Property and equipment.
5) New lease agreements during the year included in right-of-use assets.
6) Lease liabilities are included in the balance sheet item Other liabilities.

G45 cont.

Time to maturity regarding lease liabilities

SEK m	2024	2023
Up to 6 mths	377	369
6 mths to 1 yr	320	353
1 yr to 2 yrs	607	610
2 yrs to 5 yrs	1,201	1,265
Over 5 yrs	474	500
Total	**2,979**	**3,097**

The Bank's lease agreements primarily consist of contracts for the rental of premises. Excepting such contracts, other lease agreements refer mainly to multi-function printers, personal computers and various other office equipment.

The majority of contracts for the rental of premises have a term of three to ten years. Some of the Bank's contracts for the rental of premises include an option to extend the term of the agreement, entailing that the contract is extended for a specific period of time if it is not terminated by a specific point in time. There are also contracts for the rental of premises which include an option for the Bank to terminate the agreement before expiry. When determining the lease term, the options of extending the term or terminating the agreement before expiry are only included when it is highly probable that these options will be exercised.

The Bank has entered into lease agreements with maturities of under 12 months, and lease agreements in which the underlying asset is of low value, which are recognised as expenses in accordance with the exemption in IFRS 16 Leases, and thus are not included in lease liabilities or right-of-use assets.

G46 Segment reporting

Segment reporting 2024

SEK m	Sweden	UK	Norway	The Netherlands	Markets	Other	Adjustments and eliminations	Total
Net interest income	29,003	10,729	5,162	1,967	-17	-3		46,841
Net fee and commission income	9,066	869	695	188	621	288		11,726
Net gains/losses on financial transactions	959	225	80	18	1,220	602		3,103
Net insurance result	423		-1					422
Share of profit of associates and joint ventures						27		27
Other income	84	15	21	3	3	99		225
Total income	**39,535**	**11,837**	**5,957**	**2,176**	**1,826**	**1,015**		**62,345**
Staff costs	-5,073	-3,579	-1,307	-611	-985	-4,428	252	-15,731
Other expenses	-1,173	-841	-517	-145	-509	-4,290		-7,474
Internal purchased and sold services	-4,899	-1,445	-809	-322	72	7,404		
Depreciation, amortisation and impairment of property, equipment and intangible assets	-773	-378	-106	-58	-145	-520	-24	-2,004
Total expenses	**-11,918**	**-6,242**	**-2,739**	**-1,136**	**-1,567**	**-1,834**	**228**	**-25,209**
Profit before credit losses and regulatory fees	**27,617**	**5,595**	**3,217**	**1,040**	**259**	**-819**	**228**	**37,136**
Net credit losses	377	139	72	2	0	12		601
Gains/losses on disposal of property, equipment and intangible assets	8	0	5		0	0		13
Regulatory fees	-2,033	-47	-411	-132	-25	-86		-2,733
Operating profit	**25,969**	**5,686**	**2,883**	**910**	**234**	**-893**	**228**	**35,016**
Profit allocation	371	49	61	0	-423	-58		
Operating profit after profit allocation	**26,339**	**5,736**	**2,943**	**910**	**-189**	**-951**	**228**	**35,016**
Internal income[1)]	5,009	4,045	-10,458	-152	-156	1,712		
C/I ratio, %	29.9	52.5	45.5	52.2	111.7			40.4
Credit loss ratio, %	-0.02	-0.06	-0.02	0.00	0.00			-0.02
Loans to the public	1,589,948	246,790	320,705	104,604	15,335	20,496		2,297,878
Deposits and borrowing from the public	848,854	289,072	97,713	44,743	711	29,671	-25	1,310,739
Allocated capital	123,381	27,866	22,684	5,690	1,831	5,915	22,660	210,027
Return on allocated capital, %	17.3	17.1	10.4	13.0	-9.1			14.5
Average number of employees	4,764	2,842	993	425	470	2,729		12,224

1) Internal income which is included in total income comprises income from transactions with other operating segments and Other. Since interest income and interest expenses are reported net as income, this means that internal income includes the net amount of the internal funding cost among segments and Other.

The "Other" column includes allocated capital attributable to the disposal group in Finland.

G46 cont.

The business segments are recognised in accordance with IFRS 8 Operating Segments, which means that the segment information is presented in a similar manner to that which is applied internally as part of company governance. Handelsbanken's operations are presented in the following segments: Sweden, the UK, Norway, the Netherlands and Markets. The branch operations in Handelsbanken provide a focused offering within financing, payments, financial advisory services, savings and pensions. Excluding Markets, the country segments include the branch operations together with the asset management and insurance operations. Each country is followed up as an independent profit centre and is managed by a Country General Manager. In Sweden and the UK, the branch operations under the Country General Manager are organised by county and district, respectively. The Markets segment is Handelsbanken's investment bank, including securities trading and investment advisory services. Profit/loss for the segments is reported before and after internal profit allocation. Internal profit allocation means that the unit which is responsible for the customer is allocated all the profits deriving from its customers' transactions with the Bank, regardless of the segment where the transaction was performed. Furthermore, income and expenses for services performed internally are reported net in the line item Internal purchased and sold services. Transactions among the segments are reported primarily according to the cost price principle. The Other and Adjustments and eliminations columns show items which do not belong to a specific segment or which are eliminated at Group level. Other overwhelmingly includes Treasury and central business support units. It also includes the Bank's international operations outside the home markets and transactions attributable to the provision for the Oktogonen profit-sharing scheme. The Adjustments and eliminations column includes adjustments for staff costs. Adjustments for staff costs comprise the difference between the Group's pension costs calculated in accordance with IAS 19 Employee Benefits, and locally calculated pension costs.

Internal income mainly consists of internal interest and commissions. The segment income statements also include internal items in the form of payment for internal services rendered. Internal debiting is primarily according to the cost price principle. In branch operations, assets consist mainly of loans to the public and liabilities of deposits from the public and also internal funding. The assets in the Other column are mainly internal lending to the various segments, while the liabilities are mainly external funding. The allocated capital for the segments is the same as the capital allocation according to the internal financial control model.

Segment reporting 2023

SEK m	Sweden	UK	Norway	The Netherlands	Markets	Other	Adjustments and eliminations	Total
Net interest income	30,222	11,010	4,624	1,941	-50	-170		47,578
Net fee and commission income	8,460	845	659	198	592	385		11,139
Net gains/losses on financial transactions	1,185	253	79	17	1,091	37		2,661
Net insurance result	494		0					493
Share of profit of associates and joint ventures						51		51
Other income	214	13	5	1	1	94		328
Total income	**40,575**	**12,121**	**5,366**	**2,157**	**1,634**	**397**		**62,249**
Staff costs	-4,783	-3,149	-1,103	-537	-954	-3,519	403	-13,642
Other expenses	-1,353	-907	-493	-136	-461	-4,446		-7,796
Internal purchased and sold services	-4,738	-1,414	-708	-277	17	7,120		
Depreciation, amortisation and impairment of property, equipment and intangible assets	-665	-310	-97	-59	-131	-457	-24	-1,743
Total expenses	**-11,538**	**-5,780**	**-2,401**	**-1,009**	**-1,530**	**-1,303**	**379**	**-23,182**
Profit before credit losses and regulatory fees	**29,037**	**6,340**	**2,965**	**1,148**	**104**	**-906**	**379**	**39,067**
Net credit losses	-142	-51	37	13		3		-141
Gains/losses on disposal of property, equipment and intangible assets	14	-1	6			0		20
Regulatory fees	-1,919		-393	-113	-20	-179		-2,624
Operating profit	**26,990**	**6,289**	**2,615**	**1,048**	**83**	**-1,082**	**379**	**36,322**
Profit allocation	406	52	47	0	-421	-83		
Operating profit after profit allocation	**27,395**	**6,340**	**2,662**	**1,048**	**-338**	**-1,165**	**379**	**36,322**
Internal income[1)]	5,767	2,999	-8,567	-98	667	-768		
C/I ratio, %	28.2	47.5	44.4	46.8	126.1			37.2
Credit loss ratio, %	0.01	0.03	-0.01	-0.01				0.01
Loans to the public	1,600,862	230,692	313,267	97,110	12,467	38,553	-1,142	2,291,808
Deposits and borrowing from the public	854,313	260,595	90,206	35,945	26,243	31,204	-25	1,298,480
Allocated capital	123,899	25,856	23,339	5,177	1,686	6,904	18,224	205,085
Return on allocated capital, %	18.2	21.2	9.4	16.9	-17.6			15.3
Average number of employees	4,695	2,707	828	388	479	2,587		11,683

1) Internal income which is included in total income comprises income from transactions with other operating segments and Other. Since interest income and interest expenses are reported net as income, this means that internal income includes the net amount of the internal funding cost among segments and Other.

The "Other" column includes allocated capital attributable to the disposal groups in Finland.

A reorganisation was carried out in the second quarter of 2024 with the objective to create a more efficient and business-oriented organisation. Parts of the former central HR, Finance and Communication units, as well as the Financial Crime Prevention unit, which were previously included in Other, and parts of the business support unit, which were previously included in the segment Handelsbanken Markets, have been transferred to Handelsbanken Sweden. The operations in Luxembourg and New York, i.e. operations outside the home markets, have been transferred from Handelsbanken Markets to Other. In addition, parts of Handelsbanken's IT department, which were previously reported under Other, have been transferred to Handelsbanken Markets. Comparative figures in the segment reporting have been restated due to this reorganisation.

G46 cont.

Income per product area

SEK m	2024	2023
Household deposits and lending	20,935	21,554
Corporate deposits and lending	27,139	27,956
Payments, net	1,802	1,758
Asset management	7,151	6,531
Pension & insurance	901	830
Investment bank services	3,226	1,907
Other	1,192	1,714
Total	**62,345**	**62,249**

G47 Geographical information

Geographical information 2024

SEK m	Income	Operating profit	Tax	*of which current tax*	Profit for the year from discontinued operations after tax	Assets	Non-current assets	*of which property and equipment*
Sweden	40,307	23,330	-4,478	*-4,648*		3,148,069	5,447	*2,805*
UK	12,710	6,748	-1,882	*-1,877*		425,253	1,692	*999*
Norway	5,837	2,968	-844	*-871*		381,499	1,125	*560*
The Netherlands	2,296	1,072	-397	*-398*		310,052	260	*199*
USA	664	515	-87	*-84*		389,127	81	*81*
Luxembourg	300	134	-31	*-31*		13,319	4	*4*
Denmark	39	28	-10	*-10*		6	0	*0*
Poland	-23	-91	0			209		*0*
Finland					234	100,630	-6	*-43*
Goodwill and other Group surpluses						4,452	4,452	*24*
Eliminations	216	310	-66	*6*		-1,233,444	174	*174*
Total	**62,345**	**35,016**	**-7,795**	***-7,913***	**234**	**3,539,173**	**13,228**	***4,803***

Geographical information 2023

SEK m	Income	Operating profit	Tax	*of which current tax*	Profit for the year from discontinued operations after tax	Assets	Non-current assets	*of which property and equipment*
Sweden	39,928	24,034	-5,256	*-5,127*		3,127,776	6,226	*3,111*
UK	13,260	7,577	-2,085	*-2,064*		414,494	1,561	*908*
Norway	5,360	2,898	-685	*-807*		362,139	910	*540*
The Netherlands	2,368	1,321	-341	*-341*		230,677	256	*222*
USA	673	540	-80	*-144*		374,811	85	*85*
Luxembourg	320	179	-38	*-38*		14,930	10	*10*
France	2	-5	2	*2*				
Poland	-75	-172				315	1	*1*
Denmark	9	-4	78	*78*		857		
Finland					1,209	181,766	409	*343*
Goodwill and other Group surpluses						4,477	4,477	*24*
Eliminations	405	-47	-12	*-30*		-1,174,452	-590	*-467*
Total	**62,249**	**36,322**	**-8,417**	***-8,472***	**1,209**	**3,537,792**	**13,344**	***4,777***

Income, operating profit and profit for the year from discontinued operations after tax, as well as assets presented in the geographical information, are composed of internal and external income, expenses and assets in the respective country. The geographical distribution of income and expenses is based on the country where the business transaction has been carried out, and is not comparable with the reported segment information. Tax includes current and deferred taxes. Additional geographical information is provided in note P17 concerning the domicile of Group companies and associates and in note G8 concerning average number of employees per country. Since Finland is recognised as Assets and liabilities held for sale, and discontinued operations, more detailed information about Finland is provided in note G14.

G48 Assets and liabilities by currency

2024 SEK m	SEK	EUR	NOK	GBP	USD	Other currencies	Total
Assets							
Cash and balances with central banks	63,478	203,777	4,160	125,771	132,799	23	530,009
Other loans to central banks		3,352	9,195				12,547
Loans to other credit institutions	1,930	3,047	10,924	617	2,218	188	18,923
Loans to the public	1,567,637	219,855	325,257	249,285	7,583	2,469	2,372,086
of which corporates	*598,763*	*155,273*	*185,593*	*179,980*	*7,423*	*1,565*	*1,128,597*
of which households	*967,327*	*64,582*	*139,665*	*69,305*	*160*	*904*	*1,241,943*
Interest-bearing securities eligible as collateral with central banks	152,122	8,971	74		11,440		172,606
Bonds and other interest-bearing securities	34,053	555	12,900		0		47,508
Other items not broken down by currency	385,493						385,493
Total assets	**2,204,712**	**439,557**	**362,511**	**375,673**	**154,039**	**2,681**	**3,539,173**
Liabilities							
Due to credit institutions	21,125	34,762	27,340	485	337	479	84,528
Deposits and borrowing from the public	808,538	100,333	103,939	282,784	21,170	3,718	1,320,481
of which corporates	*330,706*	*85,798*	*58,033*	*206,315*	*17,598*	*2,896*	*701,346*
of which households	*477,832*	*14,535*	*45,906*	*76,469*	*3,572*	*822*	*619,136*
Issued securities	560,189	447,647	28,294	35,214	456,621	22,062	1,550,027
Subordinated liabilities		20,519		6,722	9,814		37,054
Other items not broken down by currency, incl. equity	547,083						547,083
Total liabilities and equity	**1,936,934**	**603,261**	**159,573**	**325,205**	**487,942**	**26,258**	**3,539,173**
Other assets and liabilities broken down by currency, net		163,620	-202,929	-50,508	333,936	23,579	
Net foreign currency position		-84	8	-40	34	1	-80

2023 SEK m	SEK	EUR	NOK	GBP	USD	Other currencies	Total
Assets							
Cash and balances with central banks	67,895	128,820	4,776	113,645	160,935	109	476,181
Other loans to central banks		29,326	1,687	1,131			32,145
Loans to other credit institutions	259	5,772	9,671	873	2,299	423	19,297
Loans to the public	1,579,316	287,783	319,815	234,892	9,330	3,081	2,434,217
of which corporates	*598,485*	*185,869*	*201,140*	*167,456*	*9,171*	*2,016*	*1,164,137*
of which households	*974,083*	*101,914*	*118,675*	*67,436*	*159*	*1,065*	*1,263,332*
Interest-bearing securities eligible as collateral with central banks	181,752	7,561	36		9,778	1	199,128
Bonds and other interest-bearing securities	36,868	486	12,223		509		50,087
Other items not broken down by currency	326,737						326,737
Total assets	**2,192,827**	**459,749**	**348,209**	**350,541**	**182,852**	**3,614**	**3,537,792**
Liabilities							
Due to credit institutions	15,666	50,097	18,093	346	6,835	87	91,124
Deposits and borrowing from the public	814,008	140,586	110,296	257,177	24,238	3,732	1,350,037
of which corporates	*335,161*	*110,747*	*75,871*	*190,553*	*20,797*	*2,801*	*735,931*
of which households	*478,848*	*29,839*	*34,424*	*66,624*	*3,441*	*931*	*614,106*
Issued securities	569,595	407,148	27,016	37,930	459,581	22,211	1,523,481
Subordinated liabilities	0	22,740		6,258	14,120		43,117
Other items not broken down by currency, incl. equity	530,033						530,033
Total liabilities and equity	**1,929,302**	**620,570**	**155,404**	**301,711**	**504,774**	**26,030**	**3,537,792**
Other assets and liabilities broken down by currency, net		160,527	-192,764	-48,850	321,918	22,493	
Net foreign currency position		-294	41	-20	-4	77	-200

Note G2 describes the Bank's view of foreign exchange risk.

Assets and liabilities in the table above include the disposal groups in Finland, which has been reclassified to Assets held for sale and Liabilities held for sale on the balance sheet, respectively (see note G14).

G49 Interests in unconsolidated structured entities

	Fund holdings	
SEK m	2024	2023
Assets[1]		
Shares	6,365	5,928
Assets where the customer bears the value change risk	273,071	240,092
Total interests in structured unconsolidated entities	**279,436**	**246,020**

1) Of which SEK - million (9,586) is included in the disposal groups in Finland, and has been reclassified to Assets held for sale. See note G14.

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are regulated by means of contractual arrangements. Handelsbanken's interests in unconsolidated structured entities are limited and consist of mutual fund holdings.

Holdings in mutual fund units through unit-linked insurance contracts

Funds are owned primarily through unit-linked insurance contracts at Handelsbanken Liv. The policyholder chooses how to invest the savings, under the terms of the insurance contract, and bears the risk of changes in the value of the mutual fund units. For funds managed by Handelsbanken in unit-linked insurance, the Bank holds 50% or more of the units in 11 (10) funds on behalf of its customers. The total assets in these funds amounted to SEK 211,517 million (159,625), of which Handelsbanken holds SEK 132,626 million (102,152) on behalf of its customers. The assessment is that the Group's holdings in mutual fund units under unit-linked insurance contracts with customers do not entail that the Group is exposed to variable returns. Accordingly, these holdings are excluded from the assessment of whether control over a fund exists. As a result, investments in mutual fund units through unit-linked insurance contracts are not consolidated, and thus comprise unconsolidated structured entities. The holdings are recognised as Assets where the customer bears the value change risk and the corresponding liability to the policyholders is recognised in the balance sheet item Liabilities where the customer bears the value change risk. The Group's total holdings in mutual fund units through unit-linked insurance contracts are presented on the line Assets where the customer bears the value change risk in the table above.

Other holdings in mutual fund units

In addition, the Group owns some mutual fund units that comprise investment assets in traditional life insurance at Handelsbanken Liv and in its role as market maker. Funds for which the Bank is the asset manager and in which the Bank holds more than 50% of the units are consolidated. Holdings ranging between 20% and 50% are consolidated in certain cases if the circumstances indicate that the Bank has control of them, for example, because the fund has a broad management mandate and generates a high proportion of variable returns. The Bank's interests in the fund are recognised at fair value on the line Shares in the balance sheet. The remaining portion of the fund's fair value is consolidated and recognised in the balance sheet items Assets where the customer bears the value change risk and Liabilities where the customer bears the value change risk. No holdings in mutual fund units met the criteria for consolidation as at 31 December 2024 and 31 December 2023. The Group's holdings in mutual fund units in traditional life insurance and in its role as market maker thus constituted unconsolidated structured entities and these are presented in the line Shares in the table above.

The maximum exposure to loss attributable to interests in unconsolidated structured entities is the current carrying amount of the interest. The total assets for these entities are not considered meaningful for the purpose of understanding the related risks and so have not been presented.

G50 Related-party disclosures

Claims on and liabilities to related parties

	Associates and joint ventures		Other related parties	
SEK m	2024	2023	2024	2023
Loans to the public	434	334		
Other assets	23	30	8	13
Total	**457**	**364**	**8**	**13**
Deposits and borrowing from the public	919	311	1,214	1,159
Total	**919**	**311**	**1,214**	**1,159**

Related parties – income and expenses

	Associates and joint ventures		Other related parties	
SEK m	2024	2023	2024	2023
Interest income	19	22		
Interest expenses	-10	-3	-163	-149
Fee and commission income	1	1		
Fee and commission expenses	-202	-223		
Other income			19	18
Other expenses	-205	-177	-179	-182
Total	**-397**	**-380**	**-323**	**-313**

The figures above refer to all operations.

A list of associates and joint ventures, as well as information about shareholder contributions to associates, is presented in note G20. The operations of associates and joint ventures comprise various types of services related to the Bank's operations. The following companies comprise the group of Other related parties: Svenska Handelsbankens Pensionsstiftelse (pension foundation), Svenska Handelsbankens Personalstiftelse (staff foundation) and Pensionskassan SHB, Tjänstepensionsförening (pension fund). These companies use Svenska Handelsbanken AB for normal banking and accounting services.

The parent company's Swedish subsidiaries have paid pension premiums relating to defined benefit pensions in an amount of SEK 73 million (81) to the pension fund. The pension fund's commitments to the employees of subsidiaries are guaranteed by the parent company, so if the pension fund cannot pay its commitments, the parent company is liable to take over and pay the commitment. The pension fund's obligations amounted to SEK 7,494 million (7,000). Svenska Handelsbanken AB has requested compensation from Svenska Handelsbankens Pensionsstiftelse amounting to SEK 762 million (720) regarding pension costs and from Svenska Handelsbankens Personalstiftelse amounting to SEK 28 million (44) for measures to benefit the employees.

Information regarding loans to executive officers, conditions and other remuneration to executive officers is given in note G8.

G51 Events after the balance sheet date

No significant events have occurred after the balance sheet date.

G52 Capital adequacy

Capital policy

The Bank aims to maintain a robust capital level which meets the risk entailed in the Group's operations and which exceeds the minimum requirements prescribed by legislation. A healthy capital level is needed to manage situations of financial strain and also for other events such as acquisitions and major growth in volumes.

Capital requirements regulations

According to the capital adequacy regulations, Regulation (EU) No 575/2013 EU (CRR) and Directive 2013/36/EU (CRD IV), the Bank must have common equity tier 1 capital, tier 1 capital and total own funds which at least correspond to the individual requirements relative to the total risk-weighted exposure amount for credit risk, market risk and operational risk. In addition to holding capital in accordance with the minimum requirement, the Bank must also hold common equity tier 1 capital to comply with the combined buffer requirement which, in Sweden, comprises the sum of a capital conservation buffer, a countercyclical buffer, a systemic risk buffer and a buffer for other systemically important institutions. The Bank has a minimum capital requirement under Pillar 2. The Pillar 2 requirement is an individual requirement determined by the Swedish Financial Supervisory Authority which is intended to cover risks that are underestimated or not covered by the regulation's minimum requirement and combined buffer requirements. There is also guidance on these requirements in Pillar 2 decided on by the Swedish Financial Supervisory Authority, representing the authority's view of the Bank's minimum buffer requirement in addition to the established capital requirement. The Bank must perform an internal capital assessment. Handelsbanken's capital policy states the guidelines for the internal capital assessment. In addition, the Bank must comply with a capital requirement at the financial conglomerate level in accordance with the Financial Conglomerates (Special Supervision) Act (2006:531), see Capital adequacy for the financial conglomerate below. Furthermore, the resolution authority, which in Sweden is the National Debt Office, must set a minimum requirement for own funds and eligible liabilities (MREL) for the Bank. In 2024, the Bank met all the statutory minimum and buffer levels by a comfortable margin. More detailed information about the Bank's own funds and capital requirement is available in note G2, Risk and capital management, and in Handelsbanken's publication titled Risk and Capital – Information according to Pillar 3 (see Handelsbanken.com/ir). This publication also provides a complete description of the terms and conditions applying to all of Handelsbanken's own funds and eligible liabilities. Note that the information in this Annual Report was prepared as at 31 December 2024 and that regulatory changes in the form of new CRR rules and the banking package took effect on 1 January 2025.

Description of consolidated situation

The regulatory consolidation (consolidated situation) consists of the parent company, subsidiaries and associates that are also included in the consolidated Group accounts, as shown in table EU LI3 Outline of the differences in the scopes of consolidation (entity by entity). The companies that are included in the consolidated accounts but are excluded from the consolidated situation are also shown in table EU LI3. Just as in the consolidated accounts, associates are consolidated using the equity method in the regulatory consolidated situation. All subsidiaries which are subject to the regulations are included in the consolidated situation. Handelsbanken has no subsidiaries where the actual own funds are less than the prescribed own funds.

Description of own funds for consolidated situation

Own funds consist of tier 1 capital and tier 2 capital. The tier 1 capital is divided into common equity tier 1 capital and additional tier 1 capital. Common equity tier 1 capital consists mainly of share capital, retained earnings and other reserves in the companies that are included in the consolidation. Additional tier 1 capital consists of additional tier 1 instruments. The tier 2 capital mainly consists of subordinated loans. Certain deductions are subsequently made from own funds. The deductions are made mainly from the common equity tier 1 capital. For the Bank's risk management, it is important that in risk terms, both the Group and the regulatory consolidation can be viewed as one unit. To enable efficient risk management in the Group, capital may need to be re-allocated among the various companies in the Group. In general, Handelsbanken is able to re-allocate capital among the Group companies, to the extent that is permitted by legislation, for example, capital adequacy requirements and restrictions in corporate law. The Bank sees no other material or legal obstacles to a rapid transfer of funds from own funds, or repayment of liabilities between the parent company and its subsidiaries.

Tier 1 capital
Tier 1 capital consists of common equity tier 1 capital and additional tier 1 capital.

Common equity tier 1 capital
Common equity tier 1 capital consists mainly of share capital, retained earnings and other reserves in the companies that are included in the regulatory consolidation. Since the Group's insurance companies are not part of the consolidation, shown in the table EU LI3, retained earnings in these companies are not included in the common equity tier 1 capital. The items to be excluded from the common equity tier 1 capital are mainly goodwill and other intangible assets, and also capital contributions to the insurance companies in the Group or certain deferred tax assets which exceed 10% of the common equity tier 1 capital. The total of capital contributions and deferred tax assets must not exceed 15% of the common equity tier 1 capital. Since neither the capital contributions to the insurance companies in the Group nor the deferred tax assets exceed the threshold value, these do not reduce the common equity tier 1 capital. Neutrality adjustments are made for the effect of cash flow hedges on equity. A price adjustment must also be calculated and when necessary, be made for a prudent valuation of instruments at fair value. Institutions with permission to use internal ratings-based models must make a deduction for the difference between expected credit losses according to the IRB approach and the provisions made for probable credit losses if the expected credit losses exceed the provisions made. A deduction must also be made for the net value of recognised surplus values in pension assets. However, the deduction may be reduced by an amount corresponding to the Bank's right to reimbursement for pension costs from Handelsbanken's pension foundation. In addition, a deduction is made for permission

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to hold own shares in its capacity as market maker. The deduction must correspond to the highest market value covered by the permission. Finally, a deduction is made for investments in securitisation, an adjustment is made for the effect of changes in own credit risk in derivative instruments and a deduction is made for insufficient coverage for non-performing exposures.

Additional tier 1 capital
Additional tier 1 capital consists of instruments which fulfil the requirements for additional tier 1 instruments. This capital must be perpetual and must be redeemable after five years at the earliest, but only after permission is granted by the supervisory authority. It must be possible to write down the nominal value or convert it to shares to create common equity tier 1 capital at a pre-defined level for the common equity tier 1 capital and it must be possible to unconditionally suspend interest payments.

The Bank's total additional tier 1 instruments amount to SEK 11.0 billion, were issued in 2020 and fulfil the requirements of the CRR. If there are no distributable funds, coupon payments must be suspended for additional tier 1 instruments.

Tier 2 capital
The tier 2 capital consists of subordinated loans with a maturity of at least five years.

Capital requirements

Credit risk
The capital requirements for credit risk are calculated according to the standardised approach and the IRB approach according to CRR. There are two different IRB approaches: the IRB approach, with own estimates of PD but without own estimates of LGD and CCF (the foundation approach), and the IRB approach with own estimates of PD, LGD and CCF (the advanced approach).

Handelsbanken uses the foundation IRB approach for exposures to institutions and sovereign exposures, and for certain product and collateral types for corporate exposures, and for certain exposures in the subsidiaries Stadshypotek AB and Handelsbanken Finans AB.

The advanced IRB approach is applied to most exposures to large corporates, medium-sized enterprises, property companies and housing co-operative associations, and in Stadshypotek AB and Handelsbanken Finans AB. The same applies to retail exposures in Sweden, Norway and Finland, and in the subsidiaries Stadshypotek and Handelsbanken Finans AB. The capital requirements for equity exposures in the IRB approach are calculated according to a simple risk weight approach.

The credit risk for all exposures at Handelsbanken's subsidiary Handelsbanken plc is calculated at solo and aggregated level according to the standardised approach.

At year-end, the IRB approach was applied to 75% (74) of the total risk-weighted exposure amount for credit risk. For the remaining credit risk exposures, the capital requirements are calculated using the standardised approach.

The average risk weight for exposures approved for the IRB approach increased during the year to 11.9% (9.7). The average risk weight, including the risk weight floor under Pillar 1 for Swedish and Norwegian mortgage loans, and for corporate exposures with collateral in property in Norway, is 19.1% (17.7).

Credit quality is good. Of Handelsbanken's corporate exposures, 96.9% (96.9) were customers with a repayment capacity assessed as normal or better than normal, i.e. with a rating grade between one and five on the Bank's ten-point risk rating scale.

Market risks
The capital requirement for market risk is calculated for the Bank's consolidated situation. The capital requirements for interest rate risk and equity price risk are, however, only calculated for positions in the trading book. When calculating the capital requirement for market risk, the standardised approach is applied.

Operational risk
Handelsbanken uses the standardised approach to calculate the capital requirement for operational risk. According to the standardised approach, the capital requirement is calculated by multiplying a factor specified in the regulations by the average operating income during the last three financial years. Different factors are applied in different business segments.

At the end of 2024, the total capital requirement for operational risks for the consolidated situation was SEK 6,841 million (6,017).

Capital adequacy for the financial conglomerate

Institutions and insurance companies which are part of a financial conglomerate must have own funds which are adequate in relation to the capital requirement for the financial conglomerate. Own funds and the capital requirement for the financial conglomerate have been calculated according to the deduction and aggregation method (method 2, Annex I, Directive 2002/87/EC). The financial conglomerate's total own funds exceed the financial conglomerate's capital requirement.

Minimum requirement for eligible liabilities (MREL)

The Bank Recovery and Resolution Directive (2014/59/EU, BRRD), was implemented in Swedish law through the Resolution Act (2015:1016). These regulations state ways to manage bank crises, and enable authorities, within a set framework, to assume control of, restructure and sell either all or parts of a bank, without liquidating the bank or entering it into bankruptcy. In addition to these crisis management measures, the regulations offer the opportunity to write down certain debt instruments to recapitalise a crisis-hit bank.

One aspect of these regulations was the introduction of a minimum requirement for such liabilities eligible for impairment (MREL) from 1 January 2018. The minimum requirement is set in the Bank's resolution plan, drawn up by the Swedish National Debt Office and the Swedish Financial Supervisory Authority. The requirement is comprised of a loss absorption amount and a recapitalisation amount.

MREL is to be expressed as two ratios: a risk-weighted ratio and a total exposure, non risk-weighted ratio. The combined buffer requirement must be met through common equity tier 1 capital (not including the common equity tier 1 capital used for MREL) and a mandatory subordination requirement is being introduced. To meet this subordination requirement, a new type of debt instrument was introduced in Swedish legislation in December 2018. This type is subordinate to current senior debt instruments, but ranks more highly than own funds instruments as part of a resolution procedure. Handelsbanken has issued this type of subordinated debt instrument since 2019. The new requirements were fully phased in on 1 January 2024.

For 2025, Handelsbanken's total MREL requirement for the risk-weighted ratio is 26.8% and for the non risk-weighted ratio is 6.0% at consolidated level. Correspondingly, the subordination requirement amounts to 19.7% and 6.0%, respectively. Handelsbanken meets all MREL requirements.

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EU LI3 – Outline of the differences in the scopes of consolidation (entity by entity)
The table outlines the scopes of consolidation for the companies included in the consolidated situation at year-end.

2024				Method of regulatory consolidation					
	Corporate identity number	Ownership share, %	Method of accounting consolidation	Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	Description of the unit
Svenska Handelsbanken AB (publ)	**502007-7862**	**N/A**	**Parent company**	**N/A**					**Credit institution**
Handelsbanken Finans AB (publ)	556053-0841	100	Full consolidation	X					Credit institution
Stadshypotek AB (publ)	556459-6715	100	Full consolidation	X					Credit institution
Svenska Intecknings Garanti AB Sigab (inactive)	556432-7285	100	Full consolidation	X					Non-financial undertakings
Handelsbanken Fonder AB	556418-8851	100	Full consolidation	X					Other financial corporations
AB Handel och Industri	556013-5336	100	Full consolidation	X					Non-financial undertakings
Ecster AB (publ)	556993-2311	100	Full consolidation	X					Credit institution
Handelsbanken plc	11305395	100	Full consolidation	X					Credit institution
Handelsbanken Wealth and Asset Management Limited	04132340	100	Full consolidation	X					Other financial corporations
Handelsbanken Nominees Limited (inactive)	2299877	100	Full consolidation	X					Non-financial undertakings
Handelsbanken Second Nominees Limited (inactive)	3193458	100	Full consolidation	X					Non-financial undertakings
Handelsbanken ACD Limited	4332528	100	Full consolidation	X					Non-financial undertakings
Svenska Property Nominees Limited (inactive)	2308524	100	Full consolidation	X					Non-financial undertakings
Optimix Vermogensbeheer N.V.	33194359	100	Full consolidation	X					Other financial corporations
Add Value Fund Management B.V.	19196768	80	Full consolidation	X					Other financial corporations
Optimix Beheer en Belegging B.V. (inactive)	33186584	100	Full consolidation	X					Non-financial undertakings
Handelsbanken Markets Securities, Inc.	11-3257438	100	Full consolidation	X					Other financial corporations
Handelsbanken Rahoitus Oy	0112308-8	100	Full consolidation	X					Other financial corporations
Handelsbanken Fastigheter AB	556873-0021	100	Full consolidation	X					Non-financial undertakings
Rådstuplass 4 AS	910508423	100	Full consolidation	X					Non-financial undertakings
Handelsbanken Ventures AB	556993-9357	100	Full consolidation	X					Non-financial undertakings
Bidtruster AB	556993-9084	100	Full consolidation	X					Non-financial undertakings
Bankomat AB	556817-9716	20	Equity method			X			Non-financial undertakings
BGC Holding AB	556607-0933	25.54	Equity method			X			Non-financial undertakings
Finansiell ID-teknik BID AB	556630-4928	28.3	Equity method			X			Non-financial undertakings
USE Intressenter AB	559161-9464	24.48	Equity method			X			Non-financial undertakings
Getswish AB	556913-7382	20	Equity method			X			Non-financial undertakings
P27 Nordic Payments Platform AB	559198-9610	20.84	Equity method			X			Non-financial undertakings
Invidem AB	559210-0779	16.7	Equity method			X			Non-financial undertakings
Tibern AB	559384-3542	14.3	Equity method			X			Non-financial undertakings
Handelsbanken Liv Försäkrings AB (group excl. Handelsbanken Fastigheter AB)	516401-8284	100	Full consolidation					X	Insurance company
Svenska Re S.A.	RCS Lux B-32053	100	Full consolidation					X	Insurance company
Handelsbanken Skadeförsäkrings AB	516401-6767	100	Full consolidation					X	Insurance company
SHB Liv Försäkringsaktiebolag	2478149-7	100	Full consolidation				X		Insurance company
Svenska RKA International Insurance Services AB (inactive)	556324-2964	100	Full consolidation				X		Insurance company
Dyson Group plc	00163096	27	Equity method				X		Non-financial undertakings

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2024				Method of regulatory consolidation					
	Corporate identity number	Ownership share, %	Method of accounting consolidation	Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	Description of the unit
Dyson Industries Ltd	1187031	100					X		Non-financial undertakings
Beepart Ltd	177682	100					X		Non-financial undertakings
Pickford Holland & Company Ltd	128414	100					X		Non-financial undertakings
EFN Ekonomikanalen AB	556930-1608	100	Full consolidation				X		Non-financial undertakings

NB: The following companies are not included in the consolidated situation: Handelsbanken Liv Försäkrings AB, SHB Liv Försäkringsaktiebolag, Svenska RKA International Insurance Services AB, Handelsbanken Skadeförsäkrings AB, EFN Ekonomikanalen AB, Svenska Re S.A. Dyson Group plc, Dyson Industries Ltd, Beepart Ltd and Pickford Holland & Company Ltd.

EU LI2 – Main sources of differences between regulatory exposure amounts and carrying values in financial statements
The table shows the difference between the carrying amount under the scope of regulatory consolidation and exposures considered for regulatory purposes.

2024			Items subject to			
	SEK m	Total	Credit risk framework	Securitisation framework	CCR framework	Market risk framework
1	**Assets carrying amount under the scope of regulatory consolidation (as per template EU LI1)**	3,279,370	3,085,357	117,764	337	75,912
2	**Liabilities carrying amount under the scope of regulatory consolidation (as per template EU LI1)**	16,837				16,837
3	**Total net amount under the regulatory scope of consolidation**	3,262,533	3,085,357	117,764	337	59,075
4	**Off-balance sheet amounts**	480,832	480,832			
5	Differences in valuations					
6	Differences due to different netting rules, other than those already included in row 2	-41,351		-4,787		-36,564
7	Differences due to consideration of provisions	1,155	1,155			
8	Differences due to the use of credit risk mitigation techniques (CRMs)	-24,954	42,145	-67,099		
9	Differences due to credit conversion factors	-296,793	-296,793			
10	Differences due to Securitisation with risk transfer					
11	Other differences	-12,827		-12,827		
12	**Exposure amounts considered for regulatory purposes**	3,368,595	3,312,696	33,051	337	22,511

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EU INS2 – Financial conglomerates information on own funds and capital adequacy ratio

SEK m		2024	2023
1	Supplementary own funds requirements of the financial conglomerate (amount)	12,482	11,559
2	Capital adequacy ratio of the financial conglomerate (%)	127.0	128.7

EU KM1 – Key metrics template

Key metrics 2024		2024	2023
	Available own funds (amounts)		
1	Common equity tier 1 capital	155,345	157,576
2	Tier 1 capital	166,296	172,603
3	Total capital	193,191	200,081
	RWAs		
4	Total risk-weighted exposure amount	825,457	836,790
	Capital ratios (as a percentage of risk-weighted exposure amount)		
5	Common Equity Tier 1 ratio (%)	18.8	18.8
6	Tier 1 ratio (%)	20.2	20.6
7	Total capital ratio (%)	23.4	23.9
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)		
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.8	2.0
EU 7b	*of which: to be made up of CET1 capital (percentage points)*	*1.2*	*1.3*
EU 7c	*of which: to be made up of Tier 1 capital (percentage points)*	*1.4*	*1.5*
EU 7d	Total SREP own funds requirements (%)	9.8	10.0
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)		
8	Capital conservation buffer (%)	2.5	2.5
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)		
9	Institution-specific countercyclical capital buffer (%)	2.0	1.9
EU 9a	Systemic risk buffer (%)	3.2	3.2
10	Global systemically important institution buffer (%)		
EU 10a	Other systemically important institution buffer (%)	1.0	1.0
11	Combined buffer requirement (%)	8.7	8.6
EU 11a	Overall capital requirements (%)	18.5	18.6
12	CET1 available after meeting the total SREP own funds requirements (%)	13.1	13.1
	Leverage ratio		
13	Total exposure measure	3,368,806	3,390,498
14	Leverage ratio (%)	4.9	5.1
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)		
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)		
EU 14b	*of which: to be made up of CET1 capital (percentage points)*		
EU 14c	Total SREP leverage ratio requirements (%)	3.0	3.0
EU 14d	Leverage ratio buffer requirement (%)		
EU 14e	Overall leverage ratio requirement (%)	3.0	3.0
	Liquidity Coverage Ratio		
15	Total high-quality liquid assets (HQLA) (Weighted value – average)	962,211	895,982
EU 16a	Cash outflows – Total weighted value	603,635	617,192
EU 16b	Cash inflows – Total weighted value	75,835	88,942
16	Total net cash outflows (adjusted value)	527,801	528,250
17	Liquidity coverage ratio (%)	183.4	172
	Net Stable Funding Ratio		
18	Total available stable funding	2,143,849	2,101,503
19	Total required stable funding	1,734,333	1,758,065
20	NSFR (%)	123.6	120

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EU OV1 – Overview of total risk exposure amounts

The table shows risk-weighted exposure amounts (RWA) for credit risk, counterparty risk, market risk and operational risk the end of 2024 and the previous year. Credit risk is calculated according to the standardised approach, the foundation IRB approach and the advanced IRB approach. Market risk and operational risk are calculated according to the standardised approach.

		Total risk exposure amounts (TREA)		Total own funds requirements
SEK m		2024	2023	2024
1	**Credit risk (excl. CCR)**	**706,444**	**726,276**	**56,516**
2	*of which standardised approach*	*196,867*	*183,549*	*15,749*
3	*of which the foundation IRB (F-IRB) approach*	*51,667*	*53,702*	*4,133*
4	*of which slotting approach*			
EU 4a	*of which equities under the simple risk-weighted approach*	*2,922*	*2,240*	*234*
5	*of which the advanced IRB (A-IRB) approach*	*234,160*	*278,625*	*18,734*
5a	*of which risk weight floors*	*220,828*	*208,160*	*17,666*
6	**CCR**	**10,985**	**11,827**	**879**
7	*of which standardised approach*	*8,194*	*8,507*	*656*
8	*of which internal model method (IMM)*			
EU 8a	*of which exposures to a CCP*	*266*	*268*	*21*
EU 8b	*of which credit valuation adjustment – CVA*	*2,127*	*2,463*	*170*
9	*of which other CCR*	*398*	*589*	*32*
10	N/A			
11	N/A			
12	N/A			
13	N/A			
14	N/A			
15	**Disability recovery risk**			
16	**Securitisation exposures in the non-trading book (after the cap)**			
17	*of which SEC-IRBA approach*			
18	*of which SEC-ERBA (including IAA)*			
19	*of which SEC-SA approach*			
EU 19a	*of which 250%/deduction*			
20	**Position, foreign exchange and commodities risks (Market risk)**	**22,511**	**23,471**	**1,801**
21	*of which standardised approach*	*22,511*	*23,471*	*1,801*
22	*of which IMA*			
23	**Operational risk**	**85,517**	**75,216**	**6,841**
EU 23a	*of which basic indicator approach*			
EU 23b	*of which standardised approach*	*85,517*	*75,216*	*6,841*
EU 23c	*of which advanced measurement approach*			
24	Amounts below the thresholds for deduction (subject to 250% risk weight)			
25	N/A			
26	N/A			
27	N/A			
28	N/A			
29	**Total**	**825,457**	**836,790**	**66,037**

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The table shows capital requirements for market risk according to the standardised approach at year-end 2024.

Market risk under the standardised approach	Capital requirements	
SEK m	2024	2023
Outright products		
Interest rate risk (general and specific)	277	243
Equity price risk (general and specific)	1	3
Foreign exchange risk	1,514	1,615
Commodity risk	0	0
Options		
Simplified method		
Delta-plus method		
Scenario approach	9	16
Securitisation (specific risk)		
Total capital requirements for market risk	**1,801**	**1,878**

Minimum requirement for eligible liabilities (MREL)
The MREL requirement is expressed as a share of own funds and eligible liabilities relative to the risk weighted exposure amount and the non risk-weighted exposure amount, respectively (SFS 2015:1016). The Bank's requirement is determined on an annual basis by the Swedish National Debt Office, and the final requirement was phased in linearly during a transitional period starting 1 January 2022 and ending 1 January 2024.

Minimum requirement for eligible liabilities (MREL)

%	2024	2023
Risk-weighted MREL requirement	27.1	23.8
Available own funds and eligible liabilities	40.9	39.6
Non-risk-weighted MREL requirement	6.0	5.5
Available own funds and eligible liabilities	12.1	11.9

Minimum requirement for own funds and eligible liabilities (MREL)

%	2024	2023
Risk-weighted subordination requirement	20.0	16.8
Available own funds and subordinate eligible liabilities	24.0	22.0
Non-risk-weighted subordination requirement	6.0	5.5
Available own funds and subordinate eligible liabilities	8.0	7.6

Income statement, parent company

SEK m	Note	2024	2023
Interest income	*P3*	125,879	121,993
Leasing income	*P3*	1,650	1,739
Interest expenses	*P3*	-102,112	-97,786
Dividends received	*P4*	21,673	15,957
Fee and commission income	*P5*	6,208	5,955
Fee and commission expenses	*P5*	-1,437	-1,382
Net gains/losses on financial transactions	*P6*	2,880	1,745
Other operating income	*P7*	3,953	4,230
Total operating income		**58,693**	**52,452**
General administrative expenses			
Staff costs	*P8*	-12,865	-11,456
Other administrative expenses	*P9*	-7,745	-7,453
Depreciation, amortisation and impairment of property, equipment and intangible assets	*P21, P22*	-2,258	-2,334
Total expenses before credit losses		**-22,867**	**-21,243**
Profit before credit losses and regulatory fees		**35,825**	**31,208**
Net credit losses	*P10*	446	58
Impairment loss on financial fixed assets		-2,163	-1,524
Regulatory fees	*P11*	-1,655	-1,633
Operating profit		**32,454**	**28,110**
Appropriations	*P12*	336	
Profit before taxes		**32,790**	**28,110**
Taxes	*P29*	-5,131	-5,747
Profit for the year		**27,659**	**22,363**

Statement of comprehensive income, parent company

SEK m	2024	2023
Profit for the year	27,659	22,363
Other comprehensive income		
Items that will not be reclassified to the income statement		
Equity instruments measured at fair value through other comprehensive income	198	63
Tax on items that will not be reclassified to the income statement	-39	-11
of which equity instruments measured at fair value through other comprehensive income	*-39*	*-11*
Total items that will not be reclassified to the income statement	**159**	**52**
Items that may subsequently be reclassified to the income statement		
Cash flow hedges	-767	-1,571
Debt instruments measured at fair value through other comprehensive income	6	25
Translation difference for the year	-219	-1,289
of which hedges of net assets in foreign operations	*0*	*5*
Tax on items that may subsequently be reclassified to the income statement	88	522
of which cash flow hedges	*158*	*324*
of which debt instruments measured at fair value through other comprehensive income	*-1*	*-5*
of which hedges of net assets in foreign operations	*0*	*-1*
of which tax on translation difference	*-69*	*204*
Total items that may subsequently be reclassified to the income statement	**-892**	**-2,313**
Total other comprehensive income	**-733**	**-2,262**
Total comprehensive income for the year	**26,926**	**20,100**

The year's reclassifications to the income statement are presented in the Statement of changes in equity.

Balance sheet, parent company

SEK m	Note	2024	2023
Assets			
Cash and balances with central banks		404,238	362,536
Interest-bearing securities eligible as collateral with central banks	*P15*	172,606	199,128
Loans to credit institutions	*P13*	996,917	1,007,992
Loans to the public	*P14*	524,171	600,997
Value change of interest-hedged item in portfolio hedge		-6,399	-9,657
Bonds and other interest-bearing securities	*P15*	53,569	50,791
Shares	*P16*	8,952	6,170
Shares in subsidiaries and investments in associates and joint ventures	*P17*	67,591	68,986
Assets where the customer bears the value change risk		2,087	1,948
Derivative instruments	*P18*	52,686	39,019
Intangible assets	*P21*	3,023	3,211
Property, equipment and lease assets	*P22*	5,875	6,673
Current tax assets			
Deferred tax assets	*P29*	159	374
Other assets	*P23*	18,097	20,789
Prepaid expenses and accrued income	*P24*	1,481	1,386
Total assets	*P36*	**2,305,053**	**2,360,344**
Liabilities and equity			
Due to credit institutions	*P25*	169,394	176,143
Deposits and borrowing from the public	*P26*	1,050,028	1,109,471
Liabilities where the customer bears the value change risk		2,087	1,948
Issued securities, etc.	*P27*	840,866	806,167
Derivative instruments	*P18*	30,312	46,269
Short positions	*P28*	1,007	2,364
Current tax liabilities		244	831
Deferred tax liabilities	*P29*	55	336
Provisions	*P30*	423	624
Other liabilities	*P31*	10,792	11,374
Accrued expenses and deferred income	*P32*	2,070	2,399
Subordinated liabilities	*P33*	37,054	43,117
Total liabilities	*P36*	**2,144,333**	**2,201,046**
Untaxed reserves	*P34*	**531**	**867**
Share capital		3,069	3,069
Share premium reserve		8,758	8,758
Other funds	*P35*	8,164	9,063
Retained earnings		112,540	115,178
Profit for the year		27,659	22,363
Total equity		**160,189**	**158,431**
Total liabilities and equity		**2,305,053**	**2,360,344**

Statement of changes in equity, parent company

SEK m	Restricted equity			Non-restricted equity					
	Share capital	Statutory reserve	Fund for internally developed software	Share premium reserve	Hedge reserve[1]	Fair value reserve[1]	Translation reserve[1]	Retained earnings incl. profit for the year	Total
Opening equity 2024	3,069	2,682	3,140	8,758	2,284	197	761	137,541	158,431
Profit for the year								27,659	27,659
Other comprehensive income					-609	164	-288		-733
of which reclassification within equity						*-3*	*-570*		*-573*
Total comprehensive income for the year					-609	164	-288	27,659	26,926
Reclassified to retained earnings								573	573
Dividend								-25,740	-25,740
Fund for internally developed software			-155					155	
Closing equity 2024	3,069	2,682	2,984	8,758	1,675	361	473	140,187	160,189

SEK m	Restricted equity			Non-restricted equity					
	Share capital	Statutory reserve	Fund for internally developed software	Share premium reserve	Hedge reserve[1]	Fair value reserve[1]	Translation reserve[1]	Retained earnings incl. profit for the year	Total
Opening equity 2023	3,069	2,682	3,010	8,758	3,531	126	1,847	130,864	153,887
Profit for the year								22,363	22,363
Other comprehensive income					-1,247	71	-1,086		-2,262
of which reclassification within equity							*-284*		*-284*
Total comprehensive income for the year					-1,247	71	-1,086	22,363	20,100
Reclassified to retained earnings								284	284
Dividend								-15,840	-15,840
Fund for internally developed software			129					-129	
Closing equity 2023	3,069	2,682	3,140	8,758	2,284	197	761	137,541	158,431

1) Included in fair value fund.

Statement of cash flows, parent company

SEK m	2024	2023
Operating activities		
Operating profit	32,454	28,110
of which paid-in interest	*125,803*	*117,862*
of which paid-out interest	*-102,528*	*-94,660*
of which paid-in dividends	*21,673*	*15,957*
Adjustment from operating activities to investing activities	2,602	-335
of which to Liquidation of subsidiaries		*-335*
of which to Divestment of operations and subsidiaries	*2,602*	
Adjustment for non-cash items in operating profit		
Credit losses	-427	-4
Unrealised value changes	-128	-588
Amortisation and impairment	4,079	3,856
Group contribution to be received	-8,945	-11,340
Paid income tax	-5,627	-5,188
Changes in the assets and liabilities of operating activities		
Loans to credit institutions	11,074	17,672
Loans to the public	54,020	29,748
Interest-bearing securities and shares	20,556	-80,961
Due to credit institutions	-6,749	6,526
Deposits and borrowing from the public	-44,290	-27,800
Issued securities	34,699	154
Derivative instruments, net positions	-29,536	22,834
Short positions	-1,260	209
Claims and liabilities on investment banking settlements	216	7,077
Other	-17,289	5,413
Cash flow from operating activities	**45,449**	**-4,615**
Investing activities		
Divestment of operations and subsidiaries	2,167	
Liquidation of subsidiaries		336
Acquisitions of and contributions to associates and joint ventures	-175	-53
Sales of shares	6	
Acquisitions of property and equipment	-4,365	-5,219
Disposals of property and equipment	3,534	3,263
Acquisitions of intangible assets	-459	-682
Cash flow from investing activities	**707**	**-2,355**
Financing activities		
Repayment of subordinated liabilities	-13,371	-8,351
Issued subordinated liabilities	5,704	8,635
Dividend paid	-25,740	-15,840
Dividends from Group companies	11,338	16,249
Cash flow from financing activities	**-22,069**	**692**
Cash flow for the year	**24,087**	**-6,278**
Cash and cash equivalents at beginning of year	362,536	376,010
Cash flow from operating activities	45,449	-4,615
Cash flow from investing activities	707	-2,355
Cash flow from financing activities	-22,069	692
Exchange difference on cash and cash equivalents	17,615	-7,196
Cash and cash equivalents at end of year	**404,238**	**362,536**

The statement of cash flows has been prepared in accordance with the indirect method, which means that operating profit has been adjusted for transactions that did not entail paid-in or paid-out cash such as depreciation/amortisation and credit losses.

Cash and cash equivalents is defined as cash and balances with central banks.

Statement of cash flows, parent company, cont.

Change in liabilities in financing activities

SEK m	2024	2023
Opening balance	43,117	42,404
Cash flow	-7,667	284
Non-cash changes, foreign exchange fluctuations	1,908	-770
Non-cash changes, foreign exchange hedges	-16	1,153
Non-cash changes, accrued interest	-287	46
Total liabilities in financing activities	**37,054**	**43,117**

Divestment of operations and subsidiaries

SEK m	2024
Purchase price	
Total purchase price	4,638
Claim on purchaser	-2,471
Payment	**2,167**
Divested assets and liabilities	
Loans to the public	19,957
Other assets	5
Total assets	**19,963**
Deposits and borrowing from the public	15,170
Other liabilities	23
Total liabilities	**15,193**
Cash flow from operating activities	**-2,602**

The purchase price in its entirety is received in the form of cash and cash equivalents.

Five-year overview, parent company

Income statement

SEK m	2024	2023	2022	2021	2020
Net interest income	25,416	25,946	18,230	13,502	13,456
Dividends received	21,673	15,957	16,953	17,611	15,937
Net fee and commission income	4,771	4,573	5,167	5,230	5,692
Net gains/losses on financial transactions	2,880	1,745	820	1,808	1,869
Other operating income	3,953	4,230	4,841	3,576	2,790
Total operating income	**58,693**	**52,452**	**46,011**	**41,727**	**39,744**
General administrative expenses					
Staff costs	-12,865	-11,456	-11,990	-10,242	-11,689
Other administrative expenses	-7,745	-7,453	-7,415	-6,002	-5,684
Depreciation, amortisation and impairment of property, equipment and intangible assets	-2,258	-2,334	-2,459	-2,803	-2,672
Total expenses before credit losses	**-22,867**	**-21,243**	**-21,864**	**-19,047**	**-20,045**
Profit before credit losses and regulatory fees	**35,825**	**31,208**	**24,148**	**22,680**	**19,699**
Net credit losses	446	58	-41	-55	-477
Impairment loss on financial fixed assets	-2,163	-1,524	-2,305	-1,180	-79
Regulatory fees	-1,655	-1,633	-1,331	-366	-385
Operating profit	**32,454**	**28,110**	**20,471**	**21,079**	**18,758**
Appropriations	336		-160	227	743
Profit before tax	**32,790**	**28,110**	**20,311**	**21,306**	**19,501**
Taxes	-5,131	-5,747	-4,856	-4,618	-4,275
Profit for the year	**27,659**	**22,363**	**15,455**	**16,688**	**15,226**
Dividend for the year	29,700[1]	25,740	15,840	9,900	16,666

1) As proposed by the Board.

Statement of comprehensive income

SEK m	2024	2023	2022	2021	2020
Profit for the year	27,659	22,363	15,455	16,688	15,226
Other comprehensive income					
Items that will not be reclassified to the income statement					
Equity instruments measured at fair value through other comprehensive income	198	63	41	62	-583
Tax on items that will not be reclassified to the income statement	-39	-11	-19	-3	11
of which equity instruments measured at fair value through other comprehensive income	*-39*	*-11*	*-19*	*-3*	*11*
Total items that will not be reclassified to the income statement	**159**	**52**	**22**	**59**	**-572**
Items that may subsequently be reclassified to the income statement					
Cash flow hedges	-767	-1,571	3,411	246	-1,677
Debt instruments measured at fair value through other comprehensive income	6	25	-61	6	7
Translation difference for the year	-219	-1,289	1,326	1,034	-2,184
of which hedges of net assets in foreign operations	*0*	*5*	*-83*	*-63*	*-256*
Tax on items that may subsequently be reclassified to the income statement	88	522	-1,251	-39	420
of which cash flow hedges	*158*	*324*	*-703*	*-51*	*365*
of which debt instruments measured at fair value through other comprehensive income	*-1*	*-5*	*6*	*-1*	*-1*
of which hedges of net assets in foreign operations	*0*	*-1*	*17*	*13*	*56*
of which translation difference	*-69*	*204*	*-572*		
Total items that may subsequently be reclassified to the income statement	**-892**	**-2,313**	**3,425**	**1,247**	**-3,434**
Total other comprehensive income	**-733**	**-2,262**	**3,447**	**1,306**	**-4,006**
Total comprehensive income for the year	**26,926**	**20,100**	**18,902**	**17,994**	**11,220**

Five-year overview, parent company, cont.

Balance sheet

SEK m	2024	2023	2022	2021	2020
Assets					
Loans to the public	517,772	591,340	621,110	609,948	566,158
Loans to credit institutions	996,917	1,007,992	1,025,664	986,897	953,650
Interest-bearing securities	226,175	249,919	166,117	134,861	145,648
Other assets	564,189	511,092	549,998	498,428	459,407
Total assets	**2,305,053**	**2,360,344**	**2,362,889**	**2,230,134**	**2,124,863**
Liabilities and equity					
Deposits and borrowing from the public	1,050,028	1,109,471	1,137,272	1,173,172	1,021,130
Due to credit institutions	169,394	176,143	169,617	153,490	193,054
Issued securities	840,866	806,167	806,013	679,808	657,520
Subordinated liabilities	37,054	43,117	42,404	32,257	41,082
Other liabilities	46,990	66,147	52,829	46,481	68,305
Untaxed reserves	531	867	867	706	933
Equity	160,189	158,431	153,887	144,220	142,839
Total liabilities and equity	**2,305,053**	**2,360,344**	**2,362,889**	**2,230,134**	**2,124,863**

Key metrics

%	2024	2023	2022	2021	2020
Common equity tier 1 ratio, according to CRR	31.4	29.8	29.4	30.2	31.7
Tier 1 ratio, according to CRR	34.2	33.4	32.9	33.4	34.6
Total capital ratio, according to CRR	41.0	39.9	37.2	37.4	38.8
Return on total assets	1.13	0.90	0.63	0.72	0.65

For definitions of alternative performance measures, see page 376 and, for the calculation of these measures, see the Fact Book which is available at handelsbanken.com/ir.

Notes, parent company

P1 Material accounting policies

Statement of compliance

The parent company's Annual Report is prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the regulations and general guidelines issued by the Swedish Financial Supervisory Authority, FFFS 2008:25, on annual reports in credit institutions and securities companies. The parent company also applies the Swedish Corporate Reporting Board's recommendation RFR 2 Accounting for legal entities and statements. In accordance with the Swedish Financial Supervisory Authority's general advice, the parent company applies statutory IFRS. This means that the international accounting standards and interpretations of these standards as adopted by the EU have been applied to the extent that is possible within the framework of national laws and directives and the link between accounting and taxation.

The relationship between the parent company's and the Group's accounting policies

The parent company's accounting policies correspond largely to those of the Group. The following reports only on the areas where the parent company's policies differ from those of the Group. In all other respects, reference is made to the accounting policies in note G1.

Presentation

The parent company applies the presentation models for the income statement and balance sheet in compliance with the Annual Accounts Act for Credit Institutions and Securities Companies and the Swedish Financial Supervisory Authority's regulations. This mainly implies the following differences relative to the presentation models used by the Group:

- Claims on central banks that are immediately available upon demand are reported as Loans to credit institutions in the parent company's balance sheet. These are reported under Other loans to central banks in the Group.
- Broker and stock exchange costs are reported in the parent company as commission expenses.
- Dividends received are reported on a separate line in the parent company's income statement.
- The gain/loss arising when divesting property, equipment and intangible assets in the parent company is reported as other income or expenses.
- Untaxed reserves are reported as a separate balance sheet item in the parent company. These are split into an equity share and a tax liability in the Group.

Assets held for sale and discontinued operations

Non-current assets with a limited useful life are depreciated/amortised over their useful life in accordance with the Swedish Annual Accounts Act for the duration of their classification as held for sale. Net profit after tax from discontinued operations is not recognised separately in the parent company's income statement. Also, neither assets nor liabilities held for sale are presented separately on the balance sheet. For disclosures regarding assets and liabilities held for sale and discontinued operations, see note P46.

Shares in subsidiaries and investments in associates and joint ventures

Shares in subsidiaries and investments in associates and joint ventures are measured at cost. All holdings are tested on each balance sheet date in order to assess whether they require impairment. If a value has decreased, impairment is recognised to adjust the value to the consolidated value. Any impairment costs are classified as Impairment loss on financial assets in the income statement. Dividends on shares in subsidiaries and associates and joint ventures are recognised as income in profit or loss under Dividends received.

Hedge accounting

Fair value hedges are used for the foreign exchange risk attributable to shares in foreign subsidiaries. The hedged item consists of the first part of the nominal amount for the investment in shares in the respective foreign subsidiary. The hedging instrument consists of the funding in the parent company that finances the investment. The gain or loss on the hedging instrument is recognised in the income statement together with the change in foreign exchange risk on the part of the investment in the subsidiary that constitutes a hedged item.

Financial guarantees

Financial guarantees, in the form of guarantee commitments on behalf of subsidiaries and associates and joint ventures, are recognised in the parent company as a provision on the balance sheet, where the parent company has an existing commitment and payment will probably be required to settle this commitment.

P1 cont.

Dividends

The item Dividends received comprises all dividends received in the parent company including dividends from subsidiaries and associates and joint ventures, and Group contributions received. Anticipated dividends are recognised only if the parent company has the right to decide the amount of the dividend and the decision has been taken before the financial reports were published.

Accounting for pensions

The parent company does not apply the provisions of IAS 19 concerning accounting for defined benefit plans. Instead, pension costs are calculated on an actuarial basis in the parent company in accordance with the provisions of the Act on Safeguarding Pension Obligations and the Swedish Financial Supervisory Authority's regulations. This mainly means that there are differences regarding how the discount rate is established and that the calculation of the future commitment does not take into account assumptions of future salary increases. The recognised net cost of pensions is calculated as the sum total of disbursed pensions, pension premiums and an allocation to the pension foundation, with a deduction for any compensation from the pension foundation. The net pension cost for the year is reported under Staff costs in the parent company's income statement.

Excess amounts as a result of the value of the plan assets exceeding the estimated pension obligations are not recognised as an asset in the parent company's balance sheet. Deficits are recognised as a liability.

Taxes

In the parent company, untaxed reserves are recognised as a separate item in the balance sheet. Untaxed reserves comprise one component consisting of deferred tax liabilities and one component consisting of equity.

P2 Risk and capital management

The Handelsbanken Group's risk management is described in note G2. Specific information about the parent company's risks is presented below.

Credit exposures, geographical breakdown 2024

SEK m	Note	Sweden	Norway	Finland	The Netherlands	Other countries	Total
Balance sheet items							
Cash and balances with central banks		63,478	4,160	14	203,650	132,936	404,238
Loans to credit institutions	*P13*	941,967	9,279	45,175	27	470	996,917
Loans to the public	*P14*	192,541	174,513	44,267	104,604	8,246	524,171
Interest-bearing securities eligible as collateral with central banks	*P15*	172,606					172,606
Bonds and other interest-bearing securities	*P15*	53,569					53,569
Derivative instruments	*P18*	52,659				27	52,686
Total		**1,476,820**	**187,952**	**89,456**	**308,281**	**141,678**	**2,204,187**
Off-balance sheet items							
Contingent liabilities	*P39*	640,350	66,668	5,555	2,970	32,640	748,183
of which contingent liabilities		36,986	9,758	4,408	78	17,121	68,352
of which obligations		603,364	56,910	1,147	2,892	15,520	679,832
Total		**640,350**	**66,668**	**5,555**	**2,970**	**32,640**	**748,183**
Total on- and off-balance sheet items		**2,117,170**	**254,620**	**95,011**	**311,250**	**174,319**	**2,952,370**

Credit exposures, geographical breakdown 2023

SEK m	Note	Sweden	Norway	Finland	The Netherlands	Other countries	Total
Balance sheet items							
Cash and balances with central banks		67,895	4,776	10	128,696	161,159	362,536
Loans to credit institutions	*P13*	916,839	3,889	86,818	24	422	1,007,992
Loans to the public	*P14*	224,971	187,290	82,633	97,110	8,993	600,997
Interest-bearing securities eligible as collateral with central banks	*P15*	199,128					199,128
Bonds and other interest-bearing securities	*P15*	50,791					50,791
Derivative instruments	*P18*	38,870				149	39,019
Total		**1,498,494**	**195,956**	**169,460**	**225,830**	**170,724**	**2,260,463**
Off-balance sheet items							
Contingent liabilities	*P39*	600,656	65,326	25,629	3,094	28,883	723,588
of which contingent liabilities		38,592	7,412	7,406	100	15,266	68,775
of which obligations		562,065	57,915	18,223	2,995	13,616	654,813
Total		**600,656**	**65,326**	**25,629**	**3,094**	**28,883**	**723,588**
Total on- and off-balance sheet items		**2,099,150**	**261,282**	**195,089**	**228,924**	**199,606**	**2,984,051**

Geographical breakdown refers to the country in which the exposures are reported.

P2 cont.

Loans to the public, breakdown by sector 2024

	Gross			Provisions			
SEK m	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Net
Private individuals	82,332	1,722	844	-5	-9	-280	84,604
Housing co-operative associations	12,119	2,473	77	-1	-5	-1	14,662
Property management	286,035	13,418	720	-19	-29	-78	300,047
Manufacturing	25,974	1,517	33	-4	-3	-22	27,495
Retail	20,766	354	77	-6	-6	-67	21,118
Hotel and restaurant	3,593	97	25	-1	-1	-22	3,691
Passenger and goods transport by sea	222	1	0	0	0	0	223
Other transport and communication	3,344	109	17	-1	-1	-15	3,453
Construction	9,783	1,911	184	-18	-47	-110	11,703
Electricity, gas and water	6,712	4	11	0	0	-3	6,724
Agriculture, hunting and forestry	3,039	78	69	-1	-1	-9	3,175
Other services	7,238	428	30	-3	-3	-16	7,674
Holding, investment, insurance companies, mutual funds, etc.	18,399	83	5	-3	-1	-3	18,480
Sovereigns and municipalities	8,509	86		0	-1		8,594
Other corporate lending	12,348	158	63	-1	0	-40	12,528
Total	**500,413**	**22,439**	**2,155**	**-63**	**-107**	**-666**	**524,171**

Loans to the public, breakdown by sector 2023

	Gross			Provisions			
SEK m	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Net
Private individuals	94,920	3,819	1,129	-11	-26	-301	99,530
Housing co-operative associations	17,585	6,076	2	-3	-19	-1	23,640
Property management	292,358	26,999	727	-33	-38	-104	319,909
Manufacturing	15,773	3,568	65	-17	-83	-50	19,256
Retail	26,721	558	77	-10	-7	-62	27,277
Hotel and restaurant	1,647	340	13	-2	-3	-5	1,990
Passenger and goods transport by sea	1,264	1	0	0	0	0	1,265
Other transport and communication	5,435	132	17	-4	-2	-15	5,563
Construction	12,966	3,508	232	-47	-203	-94	16,362
Electricity, gas and water	12,191	20	3	-2	0	-3	12,209
Agriculture, hunting and forestry	3,148	278	7	-2	-3	-3	3,425
Other services	13,338	280	112	-6	-4	-84	13,636
Holding, investment, insurance companies, mutual funds, etc.	18,232	747	10	-5	-3	-3	18,978
Sovereigns and municipalities	9,219	46		0	0		9,265
Other corporate lending	28,436	236	82	-1	-1	-61	28,691
Total	**553,233**	**46,608**	**2,476**	**-143**	**-392**	**-786**	**600,997**

P2 cont.

Credit exposures, breakdown by type of collateral 2024

SEK m	Note	Residential property[1]	Other property	Sovereigns, municipalities and county councils[2]	Guarantees as for own debt[3]	Financial collateral	Collateral in assets	Other collateral	Unsecured[4]	Total
Balance sheet items										
Cash and balances with central banks				404,238						404,238
Loans to credit institutions	*P13*			220,340					776,577	996,917
Loans to the public	*P14*	150,723	206,065	64,421	4,685	11,802	4,450	5,967	76,058	524,171
Interest-bearing securities eligible as collateral with central banks	*P15*			170,604					2,002	172,606
Bonds and other interest-bearing securities	*P15*			9,845					43,724	53,569
Derivative instruments	*P18*			1,662		19			51,005	52,686
Total		**150,723**	**206,065**	**871,110**	**4,685**	**11,821**	**4,450**	**5,967**	**949,366**	**2,204,187**
Off-balance sheet items										
Contingent liabilities	*P39*	81,415	51,074	28,156	5,070	10,274	1,651	6,939	563,605	748,183
of which contingent liabilities		*4,591*	*1,034*	*5,856*	*2,482*	*782*	*1,360*	*596*	*51,651*	*68,352*
of which obligations		*76,824*	*50,040*	*22,300*	*2,588*	*9,492*	*291*	*6,343*	*511,954*	*679,832*
Total		**81,415**	**51,074**	**28,156**	**5,070**	**10,274**	**1,651**	**6,939**	**563,605**	**748,184**
Total on- and off-balance sheet items		**232,138**	**257,139**	**899,266**	**9,755**	**22,095**	**6,101**	**12,906**	**1,512,971**	**2,952,370**

Credit exposures, breakdown by type of collateral 2023

SEK m	Note	Residential property[1]	Other property	Sovereigns, municipalities and county councils[2]	Guarantees as for own debt[3]	Financial collateral	Collateral in assets	Other collateral	Unsecured[4]	Total
Balance sheet items										
Cash and balances with central banks				362,536						362,536
Loans to credit institutions	*P13*			146,096					861,896	1,007,992
Loans to the public	*P14*	174,762	218,542	68,222	9,705	12,470	4,564	7,034	105,697	600,997
Interest-bearing securities eligible as collateral with central banks	*P15*			197,348	543				1,237	199,128
Bonds and other interest-bearing securities	*P15*			4,542	239				46,010	50,791
Derivative instruments	*P18*			442		43			38,534	39,019
Total		**174,762**	**218,542**	**779,186**	**10,487**	**12,513**	**4,564**	**7,034**	**1,053,374**	**2,260,463**
Off-balance sheet items										
Contingent liabilities	*P39*	68,295	47,250	30,099	5,659	12,705	1,529	7,510	550,541	723,588
of which contingent liabilities		*4,345*	*1,187*	*6,298*	*2,563*	*941*	*1,445*	*802*	*51,194*	*68,775*
of which obligations		*63,950*	*46,063*	*23,801*	*3,096*	*11,764*	*84*	*6,708*	*499,347*	*654,813*
Total		**68,295**	**47,250**	**30,099**	**5,659**	**12,705**	**1,529**	**7,510**	**550,541**	**723,588**
Total on- and off-balance sheet items		**243,057**	**265,792**	**809,285**	**16,146**	**25,218**	**6,093**	**14,544**	**1,603,915**	**2,984,051**

1) Including housing co-operative apartments.
2) Refers to direct exposures to sovereigns and municipalities and government guarantees.
3) Does not include government guarantees.
4) This column includes the parent company's internal lending and commitments to the Group's subsidiaries. For balance sheet items, this internal lending amounted to SEK 971,615 million (969,085), and for off-balance sheet items it amounted to SEK 295,867 million (272,990).

Market risk

Market risks

SEK m	2024	2023[2]
Interest rate risk	1,303	1,015
Foreign exchange risk[1]	11	21
Equity price risk	66	40
Commodity price risk	1	0

1) Worst outcome in the case of +/- 5% change in SEK.
2) The result for Foreign exchange risk 2023 differs from previously reported results due to a change in method.

P2 cont.

Liquidity risk
Maturity analysis for financial assets and liabilities 2024

SEK m	Up to 30 days	31 days– 6 mths	6–12 mths	1–2 yrs	2–5 yrs	Over 5 yrs	Unspecified maturity	Total
Cash and balances with central banks	416,820							416,820
Interest-bearing securities eligible as collateral with central banks[1]	172,606							172,606
Bonds and other interest-bearing securities[2]	53,569							53,569
Loans to credit institutions	121,107	192,692	101,814	159,244	272,893	218,597		1,066,347
of which reverse repos	12,681							12,681
Loans to the public	60,252	112,400	77,324	88,920	113,920	216,082		668,898
of which reverse repos	*17,995*							*17,995*
Other	12,011						141,541	153,552
of which shares and participating interests	*8,952*							*8,952*
of which assets from unsettled trades	*3,059*							*3,059*
Total assets	**836,364**	**305,093**	**179,138**	**248,163**	**386,813**	**434,679**	**141,541**	**2,531,791**
Due to credit institutions	57,520	60,930	14,544	9,512	2,782	284	26,955	172,527
of which repos								
of which deposits from central banks		*12,943*					*247*	*13,190*
Deposits and borrowing from the public	59,735	117,791	5,663	2,047	1,180	80	865,759	1,052,255
of which repos								
Issued securities[3]	87,467	347,492	199,811	69,342	131,914	33,924		869,950
of which covered bonds								
of which certificates of deposit (CDs) with original maturity of less than one year	*38,703*	*150,653*	*53,589*					*242,946*
of which commercial paper (CPs) with original maturity of less than one year	*48,020*	*158,976*	*142,232*					*349,227*
of which certificates of deposit (CDs) and commercial paper (CPs) with original maturity of over one year		*2,876*	*684*					*3,560*
of which senior non-preferred bonds		*918*	*729*	*20,937*	*31,425*	*32,600*		*86,609*
of which senior bonds and other securities with original maturity of over one year	*429*	*32,818*	*2,327*	*47,990*	*99,678*	*1,120*		*184,363*
Subordinated liabilities		849	799	1,647	29,918	11,707		44,920
Other	3,854						203,856	207,710
of which short positions	*1,007*							*1,007*
of which liabilities from unsettled trades	*2,847*							*2,847*
Total liabilities	**208,576**	**527,062**	**220,818**	**82,548**	**165,795**	**45,995**	**1,096,570**	**2,347,363**
Off-balance sheet items								
Financial guarantees and unutilised loan commitments	679,832							

Derivatives 2024

SEK m	Up to 30 days	31 days– 6 mths	6–12 mths	1–2 yrs	2–5 yrs	Over 5 yrs	Total
Total derivatives inflow	235,249	494,452	123,672	182,922	317,801	95,749	1,449,845
Total derivatives outflow	232,889	482,784	123,544	177,014	310,440	90,447	1,417,118
Net	**2,360**	**11,668**	**128**	**5,908**	**7,361**	**5,302**	**32,727**

P2 cont.

Maturity analysis for financial assets and liabilities 2023

SEK m	Up to 30 days	31 days–6 mths	6–12 mths	1–2 yrs	2–5 yrs	Over 5 yrs	Unspecified maturity	Total
Cash and balances with central banks	393,647							393,647
Interest-bearing securities eligible as collateral with central banks[1]	199,274							199,274
Bonds and other interest-bearing securities[2]	51,139							51,139
Loans to credit institutions	133,126	146,061	109,699	180,809	289,090	200,645		1,059,430
of which reverse repos	12,814							12,814
Loans to the public	84,139	120,676	101,812	86,585	130,577	135,960		659,749
of which reverse repos	*17,404*							*17,404*
Other	11,687						127,213	138,900
of which shares and participating interests	*6,170*							*6,170*
of which assets from unsettled trades	*5,517*							*5,517*
Total assets	**873,011**	**266,737**	**211,511**	**267,394**	**419,668**	**336,605**	**127,213**	**2,502,138**
Due to credit institutions	61,503	61,039	15,566	18,034	1,100	845	23,169	181,256
of which repos								
of which deposits from central banks	*11,741*	*20,288*					*0*	*32,030*
Deposits and borrowing from the public	49,223	154,131	34,483	5,224	1,813	49	872,513	1,117,435
of which repos								
Issued securities[3]	67,987	355,316	188,573	34,198	150,702	35,090		831,866
of which covered bonds								
of which certificates of deposit (CDs) with original maturity of less than one year	*22,677*	*97,987*	*43,918*					*164,582*
of which commercial paper (CPs) with original maturity of less than one year	*45,106*	*212,756*	*128,562*					*386,423*
of which certificates of deposit (CDs) and commercial paper (CPs) with original maturity of over one year	*99*	*17,960*	*12,857*					*30,916*
of which senior non-preferred bonds		*557*	*414*	*970*	*35,826*	*24,236*		*62,003*
of which senior bonds and other securities with original maturity of over one year	*105*	*26,056*	*2,823*	*33,228*	*114,876*	*10,855*		*187,942*
Subordinated liabilities		14,022	565	1,353	20,192	14,367		50,499
Other	7,456						217,991	225,447
of which short positions	*2,366*							*2,366*
of which liabilities from unsettled trades	*5,090*							*5,090*
Total liabilities	**186,169**	**584,507**	**239,187**	**58,809**	**173,808**	**50,352**	**1,113,673**	**2,406,504**
Off-balance sheet items								
Financial guarantees and unutilised loan commitments	654,813							

Derivatives 2023

SEK m	Up to 30 days	31 days–6 mths	6–12 mths	1–2 yrs	2–5 yrs	Over 5 yrs	Total
Total derivatives inflow	131,607	475,360	139,129	113,350	325,912	115,717	1,301,075
Total derivatives outflow	132,193	478,909	142,440	111,676	317,825	109,313	1,292,356
Net	**-586**	**-3,549**	**-3,311**	**1,674**	**8,087**	**6,404**	**8,719**

1) SEK 138,235 million (169,372) of the amount (excl. interest) has a time to maturity of less than one year.
2) SEK 6,865 million (3,334) of the amount (excl. interest) has a time to maturity of less than one year.
3) SEK 621,170 million (600,589) of the amount (excl. interest) has a time to maturity of less than one year.

For deposit volumes, the column "Unspecified maturity" refers to deposits payable on demand.

The table contains interest flows, which means that the balance sheet items are not reconcilable with the parent company's balance sheet.

P3 Net interest income

SEK m	2024	2023
Interest income		
Loans to credit institutions and central banks	63,520	53,689
Loans to the public	30,160	29,289
Interest-bearing securities eligible as collateral with central banks	8,491	8,110
Bonds and other interest-bearing securities	2,362	2,076
Derivative instruments	23,545	32,227
Other interest income	350	843
Total	**128,428**	**126,235**
Deduction of interest income reported in net gains/losses on financial transactions	-2,550	-4,242
Total interest income	**125,879**	**121,993**
of which interest income according to effective interest method and interest on derivatives in hedge accounting	*105,951*	*96,383*
Leasing income	**1,650**	**1,739**
Interest expenses		
Due to credit institutions and central banks	-7,030	-7,233
Deposits and borrowing from the public	-39,102	-34,262
Issued securities	-37,968	-34,978
Derivative instruments	-19,019	-22,409
Subordinated liabilities	-1,611	-1,618
Deposit guarantee fees	-245	-256
Other interest expenses	-728	-683
Total	**-105,703**	**-101,440**
Deduction of interest expenses reported in net gains/losses on financial transactions	3,591	3,654
Total interest expenses	**-102,112**	**-97,786**
of which interest expenses according to the effective interest method and interest on derivatives in hedge accounting	*-93,705*	*-85,787*
Net interest income	**25,416**	**25,946**
Depreciation according to plan for finance leases[1]	-1,330	-1,471
Total net interest income incl. depreciation according to plan for finance leases	24,085	24,475

1) Recognised in the item Depreciation, amortisation and impairment of property, equipment and intangible assets.

The derivative instrument rows include net interest income related to hedged assets and liabilities. These may have both a positive and a negative impact on interest income and interest expenses.

P4 Dividends received

SEK m	2024	2023
Dividends on shares	184	41
Dividends from associates		8
Dividends from Group companies[1]	12,544	4,568
Group contributions received	8,945	11,340
Total	**21,673**	**15,957**

1) Of which SEK 1,261 million (1142) refers to dividends on common equity tier 1 capital loans which Stadshypotek has classified as equity instruments.

P5 Net fee and commission income

SEK m	2024	2023
Brokerage and other securities commissions	436	421
Mutual funds	125	109
Custody and other asset management fees	1,060	905
Advisory services	152	180
Payments	2,813	2,686
Loans and deposits	785	846
Guarantees	191	202
Other fee and commission income	646	606
Total fee and commission income	**6,208**	**5,955**
Securities	-227	-227
Payments	-1,074	-1,042
Other fee and commission expenses	-136	-113
Total fee and commission expenses	**-1,437**	**-1,382**
Net fee and commission income	**4,771**	**4,573**

Fee and commission income refers to income from contracts with customers. Income from Brokerage and other securities commissions, Advisory services, Payments and Loans and deposits is generally recognised in conjunction with the rendering of the service, i.e. at a specific point in time. Income from Mutual funds, Custody and other asset management fees, Insurance and Guarantees is generally recognised as the services are rendered, i.e. on a straight-line basis over time.

P6 Net gains/losses on financial transactions

SEK m	2024	2023
Amortised cost	30	-66
of which loans	*30*	*-66*
of which interest-bearing securities		*0*
Fair value through other comprehensive income	0	-1
of which interest-bearing securities – expected credit losses	*0*	*0*
of which interest-bearing securities – reclassified from other comprehensive income	*0*	*-1*
Fair value through profit or loss, fair value option	-112	670
of which interest-bearing securities	*-112*	*670*
Fair value through profit or loss, mandatory incl. foreign exchange effects	3,013	1,065
Hedge accounting	-51	77
of which net gains/losses on fair value hedges	*-56*	*-7*
of which cash flow hedge ineffectiveness	*5*	*84*
Total	**2,880**	**1,745**

P7 Other operating income

SEK m	2024	2023
Rental income	8	7
Other operating income[1]	3,945	4,223
Total	**3,953**	**4,230**

1) In 2024, Svenska Handelsbanken AB divested its SME operations in Finland to Oma Sparbank Abp, which had an impact of SEK 96 million on other operating income. The repayment of VAT attributable to prior years was also expensed in 2024, which had an impact of SEK 52 million on other operating income. In 2023, Handelsbanken fondbolagsförvaltning AB was liquidated, which had an impact of SEK 335 million on other operating income in 2023. The repayment of VAT attributable to the sale of the card acquiring business was also expensed in 2023, which had an impact of SEK 141 million on other operating income. This item includes reimbursement for services sold by the parent company to subsidiaries during the respective years.

P8 Staff costs

SEK m	2024	2023
Salaries and fees	-7,940	-7,115
Social security costs	-2,113	-1,914
Pension costs[1)]	-2,267	-1,824
Provision for the profit-sharing scheme	-96	-83
Other staff costs	-449	-520
Total	**-12,865**	**-11,456**

1) Information about pension costs is presented in note P40.

Salaries and fees

SEK m	2024	2023
Executive officers[1)], 19 persons (24)	-85	-109
Others	-7,855	-7,006
Total	**-7,940**	**-7,115**

1) Executive officers including Board members.

Gender distribution

	2024		2023	
%	Men	Women	Men	Women
Board	54	46	46	54
Executive officers excl. Board members	56	44	53	47

Average number of employees

	2024			2023		
	Total	Men	Women	Total	Men	Women
Sweden	7,132	3,468	3,664	6,899	3,330	3,569
Norway	1,056	557	499	888	460	428
Finland	472	217	255	525	246	279
The Netherlands	422	262	160	380	237	143
USA	50	29	21	50	29	21
Luxembourg	53	29	24	51	27	24
Poland	14	3	11	16	4	12
Other countries	2	0	2	4	1	3
Total	**9,201**	**4,565**	**4,636**	**8,813**	**4,334**	**4,479**

Note G8 provides information about the principles for remuneration to executive officers in the parent company.

P9 Other administrative expenses

SEK m	2024	2023
Property and premises	-1,359	-1,311
IT-related expenses	-3,435	-3,383
Communication	-209	-215
Travel and marketing	-222	-209
Purchased services	-1,628	-1,776
Supplies	-126	-157
Other expenses[1]	-766	-402
Total	**-7,745**	**-7,453**
of which expenses for operating leases		
Fixed lease payments and lease payments that depend on an index	*-1,107*	*-1,048*
Variable lease payments	*-109*	*-100*
Total	**-1,216**	**-1,148**

1) In 2024, Svenska Handelsbanken AB divested its private and life insurance operations in Finland to S-Banken Abp, which had an impact of SEK -227 million on other expenses.

Operating leases are mainly related to agreements that are normal for the operations regarding office premises and office equipment. Rental costs for premises normally have a variable fee related to the inflation rate and to property taxes.

Contracted irrevocable future operating lease payments distributed by maturity

SEK m	2024	2023
Within 1 yr	-871	-961
Between 1 and 5 yrs	-2,656	-2,873
Over 5 yrs	-2,868	-3,188
Total	**-6,395**	**-7,022**

Remuneration to auditors and audit companies[1]

	PricewaterhouseCoopers AB		Deloitte AB	
SEK m	2024	2023	2024	2023
Audit assignment	-10	-11	-7	-7
Audit operations outside the audit assignment	-1	-1	-2	-2
Tax advice				
Other services	-2	-1		

1) The amounts in the table are exclusive of VAT.

P10 Credit losses

SEK m	2024	2023
Expected credit losses on balance sheet items		
The year's provision Stage 3	-215	-278
Reversed Stage 3 provision from previous years	141	237
Total expected credit losses in Stage 3	**-74**	**-41**
The year's net provision Stage 2	272	23
The year's net provision Stage 1	82	63
Total expected credit losses in Stage 1 and Stage 2	**354**	**86**
Total expected credit losses on balance sheet items	**280**	**45**
Expected credit losses on off-balance sheet items		
The year's net provision Stage 3	16	39
The year's net provision Stage 2	114	-47
The year's net provision Stage 1	34	-4
Total expected credit losses on off-balance sheet items	**164**	**-13**
Write-offs		
Actual credit losses for the year[1)]	-173	-184
Utilised share of previous provisions in Stage 3	156	155
Total write-offs	**-17**	**-29**
Recoveries	19	55
Net credit losses	**446**	**58**
of which loans to the public	*284*	*71*

1) Of the year's actual credit losses, SEK 33 million (44) is subject to enforcement activities.

On- and off-balance sheet items that are subject to impairment testing 2024

	Gross			Provisions		
SEK m	Stage 1	Stage 2	Stage 3[1)]	Stage 1	Stage 2	Stage 3
Balance sheet items						
Cash and balances with central banks	404,231					
Interest-bearing securities eligible as collateral with central banks						
Loans to credit institutions	996,521	55		-1	-3	
Loans to the public	500,413	22,439	2,155	-63	-106	-666
Bonds and other interest-bearing securities	13,259			-2		
Total	**1,914,424**	**22,494**	**2,155**	**-66**	**-109**	**-666**
Off-balance sheet items						
Contingent liabilities	573,979	5,736	115	-34	-67	-26
of which contingent liabilities	*66,761*	*1,525*	*66*	*-6*	*-9*	*-25*
of which obligations	*507,218*	*4,211*	*49*	*-28*	*-58*	*-1*
Total	**573,979**	**5,736**	**115**	**-34**	**-67**	**-26**

On- and off-balance sheet items that are subject to impairment testing 2023

	Gross			Provisions		
SEK m	Stage 1	Stage 2	Stage 3[1)]	Stage 1	Stage 2	Stage 3
Balance sheet items						
Cash and balances with central banks	362,516					
Interest-bearing securities eligible as collateral with central banks						
Loans to credit institutions	1,008,104	11		-1	-1	
Loans to the public	553,233	46,608	2,476	-143	-392	-786
Bonds and other interest-bearing securities	12,709			-2		
Total	**1,936,562**	**46,619**	**2,476**	**-146**	**-393**	**-786**
Off-balance sheet items						
Contingent liabilities	547,062	10,415	122	-69	-181	-42
of which contingent liabilities	*66,910*	*1,794*	*71*	*-11*	*-41*	*-22*
of which obligations	*480,152*	*8,621*	*51*	*-58*	*-140*	*-20*
Total	**547,062**	**10,415**	**122**	**-69**	**-181**	**-42**

1) Gross volume in Stage 3 for which no provision has been made, due to collateral received, amounts to SEK 1,038 million (1,142).

P10 cont.

Key metrics, credit losses, loans to the public

%	2024	2023
Credit loss ratio, acc.	-0.05	-0.01
Total provision ratio	0.16	0.22
Provision ratio Stage 1	0.01	0.03
Provision ratio Stage 2	0.47	0.84
Provision ratio Stage 3	30.90	31.74
Proportion of loans in Stage 3	0.28	0.28

Change analysis

Change in provision for expected credit losses, balance sheet items that are subject to impairment testing

	2024				2023			
SEK m	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Provision at beginning of year	-146	-393	-786	-1,326	-211	-401	-934	-1,546
Derecognised assets	35	52	97	183	14	60	190	264
Write-offs	0	0	156	156	0	0	155	155
Remeasurements due to changes in credit risk	-26	242	-35	181	7	92	-86	13
Changes due to update in the methodology for estimation					11	16		27
Foreign exchange effect, etc.	4	0	-5	-1	5	5	2	12
Purchased or originated assets	-6	-2	-6	-15	-14	-14	0	-29
Transfer to Stage 1	-6	13	0	7	-18	14		-4
Transfer to Stage 2	13	-50	3	-34	42	-205	5	-158
Transfer to Stage 3	67	29	-90	6	18	40	-117	-59
Provision at end of year	**-66**	**-109**	**-666**	**-841**	**-146**	**-393**	**-786**	**-1,326**

Change in provision for expected credit losses, loans to the public that are subject to impairment testing

	2024				2023			
SEK m	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Provision at beginning of year	-143	-392	-786	-1,321	-207	-400	-934	-1,542
Derecognised assets	35	52	97	183	14	60	190	264
Write-offs	0	0	156	156	0	0	155	155
Remeasurements due to changes in credit risk	-26	239	-35	178	6	91	-86	12
Changes due to update in the methodology for estimation					11	16		27
Foreign exchange effect, etc.	4	0	-5	-1	5	5	2	12
Purchased or originated assets	-6	-2	-6	-15	-14	-14	0	-29
Transfer to Stage 1	-6	13	0	7	-18	14		-4
Transfer to Stage 2	13	-46	3	-30	42	-204	5	-157
Transfer to Stage 3	67	29	-90	6	18	40	-117	-59
Provision at end of year	**-63**	**-106**	**-666**	**-836**	**-143**	**-392**	**-786**	**-1,321**

Change in the provision for expected credit losses, off-balance sheet items that are subject to impairment testing

	2024				2023			
SEK m	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Provision at beginning of year	-69	-181	-42	-292	-66	-136	-82	-283
Derecognised assets	11	16		27	9	23		32
Write-offs	0	0	0	0				
Remeasurements due to changes in credit risk	28	106	16	151	1	8	39	48
Changes due to update in the methodology for estimation					-5	-7		-12
Foreign exchange effect, etc.	2	0		2	1	1		3
Purchased or originated assets	-9	-1		-10	-10	-5		-16
Transfer to Stage 1	-2	6		4	-6	6		0
Transfer to Stage 2	4	-18		-14	6	-73		-67
Transfer to Stage 3	1	4		5	1	2		3
Provision at end of year	**-34**	**-67**	**-26**	**-127**	**-69**	**-181**	**-42**	**-292**

The change analysis shows the net effect on the provision for the Stage in question for each explanatory item during the period. The effect of derecognitions and write-offs is calculated on the opening balance. The effect of revaluations due to changes in the methodology for estimation and foreign exchange effects, etc., is calculated before any transfer of the net amount between Stages. Purchased or originated assets and amounts transferred between Stages are recognised after the effects of other explanatory items are taken into account. The transfer rows present the effect on the provision for the stated Stage.

P10 cont.

Change in gross volume, balance sheet items that are subject to impairment testing

	2024				2023			
SEK m	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Volume at beginning of year	1,936,562	46,619	2,476	1,985,658	2,017,811	30,717	2,613	2,051,142
Derecognised assets	-63,903	-8,034	-487	-72,425	-408,159	-4,927	-352	-413,437
Write-offs	-3	-3	-166	-172	-2	-1	-180	-183
Remeasurements due to changes in credit risk	-26,449	-8,228	-170	-34,846	-25,648	-6,079	-263	-31,990
Foreign exchange effect, etc.	18,622	164	19	18,805	-11,605	-679	-6	-12,290
Purchased or originated assets	41,098	924	31	42,053	389,363	3,027	27	392,416
Transfer to Stage 1	29,940	-29,930	-9		18,644	-18,636	-8	
Transfer to Stage 2	-20,888	21,331	-444		-43,588	43,693	-105	
Transfer to Stage 3	-556	-349	905		-254	-497	751	
Volume at end of year	**1,914,424**	**22,494**	**2,155**	**1,939,073**	**1,936,562**	**46,619**	**2,476**	**1,985,658**

Change in gross volume, loans to the public that are subject to impairment testing

	2024				2023			
SEK m	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Volume at beginning of year	553,233	46,608	2,476	602,318	605,933	30,716	2,613	639,263
Derecognised assets	-58,856	-8,034	-487	-67,378	-55,518	-4,667	-352	-60,536
Write-offs	-3	-3	-166	-172	-2	-1	-180	-183
Remeasurements due to changes in credit risk	-22,121	-5,925	-170	-28,216	6,937	-7,112	-263	-438
Foreign exchange effect, etc.	-20,713	164	19	-20,530	-11,350	-620	-6	-11,977
Purchased or originated assets	38,031	924	31	38,986	33,136	3,027	27	36,190
Transfer to Stage 1	29,935	-29,925	-9		17,780	-17,773	-8	
Transfer to Stage 2	-18,536	18,980	-444		-43,429	43,534	-105	
Transfer to Stage 3	-556	-349	905		-254	-497	751	
Volume at end of year	**500,413**	**22,439**	**2,155**	**525,007**	**553,233**	**46,608**	**2,476**	**602,318**

Change in gross volume, off-balance sheet items that are subject to impairment testing

	2024				2023			
SEK m	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Volume at beginning of year	547,062	10,415	122	557,599	561,940	10,002	245	572,187
Derecognised assets	-39,772	-1,467	-16	-41,255	-37,475	-2,684	-129	-40,289
Write-offs	0	0	-1	-2	0	0	-1	-1
Remeasurements due to changes in credit risk	57,586	-1,816	-49	55,721	-17,252	3,524	-31	-13,759
Foreign exchange effect, etc.	-46,434	-33	1	-46,466	-3,253	-88	-1	-3,342
Purchased or originated assets	53,930	303	0	54,233	40,638	2,163	1	42,802
Transfer to Stage 1	5,373	-5,372	-1		9,892	-9,891	0	
Transfer to Stage 2	-3,743	3,747	-4		-7,397	7,404	-7	
Transfer to Stage 3	-22	-41	63		-30	-16	46	
Volume at end of year	**573,979**	**5,736**	**115**	**579,830**	**547,062**	**10,415**	**122**	**557,599**

Like the analysis for provisions, the change analysis for gross volumes shows the effect of selected explanatory items on the volumes for a stated Stage. The items showing transfers between Stages, and “Purchased or originated assets”, present the amounts in the stated Stage at the end of the period. Other items present the effect in the Stage applying at the start of the period.

P10 cont.

Sensitivity analysis

Macroeconomic forecast in ECL calculations and sensitivity analysis

The calculation of expected credit losses applies forward-looking information in the form of macroeconomic scenarios. The expected credit loss is a probability-weighted average of the estimated forecasts over three scenarios. The forecast in the base case scenario is assigned a weight of 70% (70), while an upturn in the economy is assigned 15% (15), and a downturn 15% (15). These have formed the basis for the calculation of expected credit losses in Stage 1 and Stage 2 as at 31 December 2024.

Macroeconomic risk factors

	Downturn scenario			Neutral scenario			Upturn scenario		
	2025	2026	2027	2025	2026	2027	2025	2026	2027
GDP growth									
Sweden	-2.75	0.80	2.81	2.11	2.71	2.16	3.85	3.60	1.96
Norway	-3.45	-0.34	2.25	1.55	1.66	1.60	3.15	2.46	1.40
Finland	-3.50	-0.40	2.05	1.50	1.60	1.40	3.10	2.40	1.20
Eurozone	-3.89	-0.58	2.15	1.11	1.42	1.50	2.71	2.22	1.30
USA	-2.83	0.01	2.45	2.17	2.01	1.80	3.77	2.81	1.60
Unemployment									
Sweden	10.02	10.32	10.54	8.32	7.92	7.54	7.62	6.92	6.84
Norway	3.90	4.60	5.30	2.20	2.20	2.30	1.50	1.20	1.60
Finland	9.70	9.90	10.00	8.00	7.50	7.00	7.30	6.50	6.30
Eurozone	8.38	8.93	9.50	6.68	6.53	6.50	5.98	5.53	5.80
USA	6.08	6.90	7.30	4.38	4.50	4.30	3.68	3.50	3.60
Policy interest rate									
Sweden	4.50	4.50	3.75	2.25	2.25	2.25	1.50	1.25	1.25
Norway	5.75	5.25	4.00	3.50	3.00	2.50	2.75	2.00	1.50
Finland	4.25	4.25	3.50	2.00	2.00	2.00	1.25	1.00	1.00
Eurozone	4.25	4.25	3.50	2.00	2.00	2.00	1.25	1.00	1.00
USA	5.88	5.38	4.25	3.63	3.13	2.75	2.88	2.13	1.75
Property price trend, residential real estate									
Sweden	-4.51	-4.44	4.14	3.24	3.25	3.53	7.06	7.40	4.99
Norway	-0.59	0.55	5.58	9.59	8.14	4.90	11.57	9.50	3.93
Finland	-4.08	-1.48	1.99	1.47	2.07	2.77	5.18	3.54	3.20
Eurozone	0.70	3.92	5.05	3.20	3.42	3.40	3.91	3.52	2.60
Property price trend, commercial real estate									
Sweden	-10.15	-3.37	4.19	1.45	3.88	4.51	8.42	10.22	6.28
Norway	-15.53	-8.28	1.08	-1.93	-1.03	0.65	3.73	4.09	2.00
Finland	-10.56	-5.14	2.13	-1.24	0.62	2.29	3.96	5.60	3.68
Eurozone	-13.40	-6.38	2.60	-0.68	0.67	2.54	4.62	5.85	4.15

Sensitivity analysis, macroeconomic scenarios

The table below shows the percentage increase/decrease in the provision for expected credit losses in Stage 1 and Stage 2, as at 31 December, which arises when a probability of 100% is assigned to the downturn and upturn scenarios, respectively.

	2024		2023	
%	Increase in the provision in a downturn scenario	Decrease in the provision in an upturn scenario	Increase in the provision in a downturn scenario	Decrease in the provision in an upturn scenario
Sweden	34.36	-13.92	32.00	-18.85
Norway	38.99	-15.32	34.77	-18.92
Finland	23.84	-8.85	17.11	-9.88
The Netherlands	47.07	-18.81	36.85	-22.53
USA	77.81	-28.43	57.50	-36.86
Other countries	25.02	-10.66	23.51	-12.04
Total	**35.11**	**-13.91**	**30.81**	**-17.78**

P10 cont.

Sensitivity analysis, significant increase in credit risk
The table below shows how the provision in Stage 1 and Stage 2 as at 31 December is affected if the threshold value applied for the ratio between residual credit risk calculated on the reporting date and on initial recognition were to be set 0.5 percentage points lower and higher, respectively, than the applied threshold value of 2.5. A reduction of 0.5 to the threshold value would increase the number of loans transferred from Stage 1 to Stage 2 and would also entail an increase in the provision for expected credit losses. An increase of 0.5 to the threshold value would have the opposite effect. The Bank uses both quantitative and qualitative indicators to assess significant increases in credit risk.

Change in the total provision in Stage 1 and Stage 2, %

Threshold value	2024	2023
2	3.70	1.85
2.5	0.00	0.00
3	-1.23	-1.66

Credit exposures that are subject to impairment testing, by PD range
Balance sheet items by PD range

	2024			2023		
	Gross volume, SEK m			Gross volume, SEK m		
PD value[1)]	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
0.00 to <0.15	1,736,862	4,800		1,744,372	11,553	
0.15 to <0.25	63,081	827		48,221	3,315	
0.25 to <0.50	65,393	5,591		74,720	7,488	
0.50 to <0.75	12,519	515		25,901	6,757	
0.75 to <2.50	34,226	3,943		39,106	4,142	
2.50 to <10.00	2,265	5,490		3,928	10,047	
10.00 to <100	79	1,328		314	3,316	
100 (default)			2,155			2,476
Total	**1,914,424**	**22,494**	**2,155**	**1,936,562**	**46,619**	**2,476**

Loans to the public by PD range

	2024			2023		
	Gross volume, SEK m			Gross volume, SEK m		
PD value[1)]	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
0.00 to <0.15	454,000	4,788		498,329	11,550	
0.15 to <0.25	16,489	825		13,776	3,315	
0.25 to <0.50	17,093	5,578		21,346	7,486	
0.50 to <0.75	3,272	513		7,399	6,756	
0.75 to <2.50	8,946	3,933		11,172	4,141	
2.50 to <10.00	592	5,477		1,122	10,045	
10.00 to <100	21	1,325		90	3,316	
100 (default)			2,155			2,476
Total	**500,413**	**22,439**	**2,155**	**553,233**	**46,608**	**2,476**

Off-balance sheet items by PD range

	2024			2023		
	Gross volume, SEK m			Gross volume, SEK m		
PD value[1)]	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
0.00 to <0.15	390,514	511		411,184	1,666	
0.15 to <0.25	47,418	173		29,689	152	
0.25 to <0.50	76,469	645		77,603	1,095	
0.50 to <0.75	41,147	309		10,839	3,526	
0.75 to <2.50	16,918	1,041		15,960	1,625	
2.50 to <10.00	1,129	2,785		1,726	1,852	
10.00 to <100	385	272		60	500	
100 (default)			115			122
Total	**573,979**	**5,736**	**115**	**547,062**	**10,415**	**122**

1) Refers to 12-month PD value as at the reporting date.

Assets repossessed for protection of claims

SEK m	2024	2023
Movable property	2	2
Carrying amount	**2**	**2**

P11 Regulatory fees

SEK m	2024	2023
Risk tax	-1,240	-1,257
Resolution fee	-415	-375
Total	**-1,655**	**-1,633**

The risk tax amounted to 0.06% (0.06) of the tax base, which is based on the total liabilities of the credit institution at the beginning of the income year.

The resolution fee amounted to 0.05% (0.05) of the fee base plus a risk adjustment factor. The fee base is based on the institution's liabilities two years before the fee year.

P12 Appropriations

SEK m	2024	2023
Change in accelerated depreciation, machinery, equipment and lease assets	336	
Total	**336**	

No changes in appropriations were made in 2023.

P13 Loans to credit institutions

SEK m	2024	2023
Loans in Swedish kronor		
Banks	1,126	238
Other credit institutions[1]	766,772	740,628
Total	**767,898**	**740,866**
Loans in foreign currency		
Banks	26,656	46,719
Other credit institutions	202,367	220,409
Total	**229,023**	**267,128**
Provision for expected credit losses	-4	-2
Total loans to credit institutions	**996,917**	**1,007,992**
of which reverse repos	*12,665*	*12,815*
of which cash collateral pledged	*3,377*	*5,430*
of which subordinated	*73,749*	*77,146*

Average volumes

SEK m	2024	2023
Loans to credit institutions in Swedish kronor	464,990	497,218
Loans to credit institutions in foreign currency	546,171	549,519
Total	**1,011,160**	**1,046,737**
of which reverse repos	*18,767*	*18,717*

1) Of which SEK 18,045 million (22,079) refers to common equity tier 1 capital loans which Stadshypotek has classified as equity instruments.

P14 Loans to the public

SEK m	2024	2023
Loans in Swedish kronor		
Households	18,721	19,870
Corporates	127,799	143,285
National Debt Office	1,547	6,748
Total	**148,067**	**169,903**
Loans in foreign currency		
Households	93,460	110,270
Corporates	283,480	322,144
Total	**376,940**	**432,414**
Provision for expected credit losses	-836	-1,321
Total loans to the public	**524,171**	**600,997**
of which reverse repos	*17,977*	*17,404*
of which cash collateral pledged	*1,751*	*13,395*
of which subordinated	*0*	*1,142*

Average volumes, excl. National Debt Office

SEK m	2024	2023
Loans to the public in Swedish kronor	167,905	193,609
Loans to the public in foreign currency	420,454	453,155
Total	**588,359**	**646,764**
of which reverse repos	*25,480*	*23,110*

P15 Interest-bearing securities

	2024			2023		
SEK m	Carrying amount	Fair value	Nominal amount	Carrying amount	Fair value	Nominal amount
Interest-bearing securities eligible as collateral with central banks	172,606	172,606	168,407	199,128	199,128	197,474
Bonds and other interest-bearing securities[1)]	53,569	53,569	37,550	50,791	50,791	37,151
Total	**226,175**	**226,175**	**205,957**	**249,919**	**249,919**	**234,625**

1) Bonds and other interest-bearing securities that are subject to impairment testing amounted to SEK 13,259 million (12,709). These are measured at fair value through other comprehensive income. Provision for expected credit losses recognised in the fair value reserve in equity amounted to SEK -2 million (-2).

Interest-bearing securities broken down by issuer

	2024			2023		
SEK m	Carrying amount	Fair value	Nominal amount	Carrying amount	Fair value	Nominal amount
Government	172,606	172,606	168,407	199,128	199,128	197,474
Credit institution	10,428	10,428	6,662	9,733	9,733	7,856
Mortgage institutions	37,713	37,713	26,754	35,083	35,083	25,155
Other	5,427	5,427	4,134	5,975	5,975	4,141
Total	**226,175**	**226,175**	**205,957**	**249,919**	**249,919**	**234,625**

Average volumes

SEK m	2024	2023
Interest-bearing securities eligible as collateral with central banks	257,685	258,785
Bonds and other interest-bearing securities	59,973	55,713
Total	**317,658**	**314,498**

P16 Shares

SEK m	2024	2023
Fair value through profit or loss, mandatory	8,258	5,669
Fair value through other comprehensive income	694	501
Total shares	**8,952**	**6,170**

Holdings at fair value through other comprehensive income

SEK m	2024	2023
Visa Inc	517	330
VIPPS A/S	58	60
Other holdings	119	111
Total	**694**	**501**

Handelsbanken classifies the shareholdings above as measured at fair value through other comprehensive income, as these holdings are not held for trading. The dividends on these shares amounted to SEK 16 million (3) and are recognised in the income statement under Other dividend income. During the year, the Bank divested 41 participations in SWIFT for a value of SEK 3 million (0).

For information about realised and unrealised gains/losses on equity instruments measured at fair value through other comprehensive income, refer to the Statement of changes in equity for the parent company.

P17 Shares in subsidiaries and investments in associates and joint ventures

Shares in subsidiaries and investments in associates and joint ventures

SEK m	2024	2023
Group companies, unlisted	67,101	68,674
Associates, unlisted	369	215
Joint ventures, unlisted	120	97
Total	**67,591**	**68,986**

P17 cont.

Group companies

	Corporate identity number	Domicile	Number of shares	Ownership share, %	Carrying amount, SEK m 2024	2023
Handelsbanken Finans AB[1]	556053-0841	Stockholm	1,550,000	100	6,396	6,942
Stadshypotek AB[1]	556459-6715	Stockholm	162,000	100	26,870	26,870
Handelsbanken Fonder AB	556418-8851	Stockholm	15,000	100	2	2
Handelsbanken Liv Försäkrings AB	516401-8284	Stockholm	100,000	100	6,189	6,189
SHB Liv Försäkringsaktiebolag	2478149-7	Helsinki		100		
Handelsbanken Fastigheter AB	556873-0021	Stockholm		100		
Ecster AB	556993-2311	Stockholm	50,000	100	1,750	1,750
Handelsbanken plc[1]	11305395	London	5,050,401	100	25,029	24,520
Handelsbanken Wealth & Asset Management Limited	04132340	London	1,319,206	100		
Optimix Vermogensbeheer N.V.	33194359	Amsterdam	10,209	100	734	712
Add Value Fund Management BV	19196768	Amsterdam		80		
Other subsidiaries						
EFN Ekonomikanalen AB	556930-1608	Stockholm	100	100	0	0
AB Handel och Industri	556013-5336	Stockholm	100,000	100	12	12
Handelsbanken Markets Securities, Inc.	11-3257438	New York	1,000	100	43	39
Handelsbanken Rahoitus Oy	0112308-8	Helsinki	37,026,871	100		1,561
Handelsbanken Skadeförsäkrings AB	516401-6767	Stockholm	1,500	100	31	31
Rådstuplass 4 AS	910508423	Bergen	40,000	100	0	0
Svenska Re S.A.	RCS Lux B-32053	Luxembourg	20,000	100	35	35
Handelsbanken Ventures AB	556993-9357	Stockholm	50	100	10	11
Total					**67,101**	**68,674**

1) Credit institution.

The list of Group companies contains directly owned subsidiaries and large subsidiaries of these companies.

Associates

	Corporate identity number	Domicile	Number of shares	Ownership share, %	Carrying amount, SEK m 2024	2023
Bankomat AB	556817-9716	Stockholm	150	20.00	67	67
BGC Holding AB	556607-0933	Stockholm	25,542	25.54	81	81
Dyson Group plc	00163096	Sheffield	74,733,672	27.00	24	22
Finansiell ID-teknik BID AB	556630-4928	Stockholm	12,735	28.30	86	24
Getswish AB	556913-7382	Stockholm	10,000	20.00	111	21
USE Intressenter AB	559161-9464	Stockholm	2,448	24.48	0	0
Total					**369**	**215**

Joint ventures

	Corporate identity number	Domicile	Number of shares	Voting power, %	Carrying amount, SEK m 2024	2023
P27 Nordic Payment Platform AB	559198-9610	Stockholm	12,500	20.84	115	92
Tibern AB	559384-3542	Stockholm	4,000	14.29	5	5
Total					**120**	**97**

P18 Derivative instruments

	Nominal amount/maturity			Nominal amount		Positive market values		Negative market values	
SEK m	Up to 1 yr	Over 1 yr up to 5 yrs	Over 5 yrs	2024	2023	2024	2023	2024	2023
Derivatives held for trading									
Interest rate-related contracts									
Options	6,844	18,668	9,544	35,056	35,267	166	263	238	394
FRA/futures	752,147	19,300		771,447	397,991	347	255	310	237
Swaps	461,098	1,752,432	429,678	2,643,208	2,421,363	40,477	49,415	41,208	48,983
Currency-related contracts									
Options	19,498	233	16	19,747	25,693	58	158	89	237
Futures	64,075	5,523	55	69,653	62,370	1,058	1,196	619	1,146
Swaps	683,933	177,741	26,308	887,982	716,068	24,930	14,827	13,424	23,997
Equity-related contracts									
Options	4,789	606	32	5,427	4,882	229	194	113	114
Futures	281			281	215	2	5	2	2
Swaps	7,369	1,391		8,760	5,962	299	101	232	306
Commodity-related contracts									
Options			19	19	17		5	19	22
Futures	134	1		135	180	1	6	4	18
Credit-related contracts									
Swaps	275	3,836	60	4,171	3,069	164	193	147	82
Total	**2,000,443**	**1,979,731**	**465,712**	**4,445,886**	**3,673,076**	**67,732**	**66,618**	**56,404**	**75,538**
Derivatives for fair value hedges									
Interest rate-related contracts									
Swaps	63,665	226,507	69,854	360,026	414,502	9,424	11,911	6,970	9,393
Currency-related contracts									
Swaps		1,046		1,046	983	83	25		
Total	**63,665**	**227,553**	**69,854**	**361,072**	**415,485**	**9,507**	**11,937**	**6,970**	**9,393**
Derivatives for cash flow hedges									
Interest rate-related contracts									
Swaps	20,908	13,727	6,078	40,713	79,813	2,072	2,961	46	78
Currency-related contracts									
Swaps	18,530	120,692	24,524	163,746	228,210	17,519	9,724	1,222	6,486
Total	**39,438**	**134,419**	**30,602**	**204,459**	**308,023**	**19,591**	**12,685**	**1,269**	**6,563**
Total derivative instruments	**2,103,546**	**2,341,703**	**566,168**	**5,011,417**	**4,396,584**	**96,830**	**91,240**	**64,643**	**91,494**
of which exchange-traded derivatives				*133,128*	*70,400*	*155*	*148*	*274*	*419*
of which OTC derivatives settled by CCP				*3,013,450*	*2,172,236*	*44,503*	*52,627*	*34,664*	*45,845*
of which OTC derivatives not settled by CCP				*1,864,839*	*2,153,948*	*52,172*	*38,465*	*29,705*	*45,230*
Amounts offset				-2,368,886	-2,310,691	-44,144	-52,221	-34,331	-45,225
Net amount				**2,642,531**	**2,085,893**	**52,686**	**39,019**	**30,312**	**46,269**
Currency breakdown of market values									
SEK						-295,713	54,626	-40,467	333,073
USD						437,043	-25,673	104,150	-350,125
EUR						178,621	157,332	93,770	73,140
Others						-223,121	-95,045	-92,810	35,406
Total						**96,830**	**91,240**	**64,643**	**91,494**

Derivative contracts are presented gross in the note. Amounts offset consist of the offset market value and the associated nominal amounts of contracts for which the Bank has the legal right and intention to settle contractual cash flows net (including cleared contracts). These contracts are presented on a net basis on the balance sheet per counterparty and currency.

The Bank amortises positive differences between the value measured by a valuation model upon initial recognition and the transaction price (day 1 gains/losses) over the life of the derivative. Such not yet recognised day 1 gains amounted to SEK 500 million (472) at year-end.

P19 Hedge accounting

Hedging instruments in fair value hedges

SEK m	2024 Up to 1 yr	2024 1–5 yrs	2024 Over 5 yrs	2023 Up to 1 yr	2023 1–5 yrs	2023 Over 5 yrs
Interest rate risk						
Interest rate swaps, variable interest paid and fixed interest received						
Nominal amount	20,694	176,443	40,045	44,464	156,862	42,357
Average fixed interest, %	2.45	3.01	2.89	2.21	2.84	2.61
Cross-currency interest rate swaps, variable interest paid and fixed interest received						
Nominal amount		1,046			983	
Average fixed interest, %		3.69			3.69	
Total	**20,694**	**177,489**	**40,045**	**44,464**	**157,845**	**42,357**

Hedging instruments and ineffectiveness in fair value hedges 2024

SEK m	Nominal amount hedging instruments	Carrying amount hedging instruments Assets	Carrying amount hedging instruments Liabilities	Change in fair value used to calculate ineffectiveness	Ineffectiveness recognised in the income statement
Interest rate risk					
Interest rate swaps, variable interest paid and fixed interest received	237,182	2,621	6,712	2,993	-71
Cross-currency interest rate swaps, variable interest paid and fixed interest received	1,046	83		0	6
Total	**238,228**	**2,704**	**6,712**	**2,993**	**-65**
Portfolio fair value hedges					
Interest rate risk					
Interest rate swaps, fixed interest paid and variable interest received	122,844	6,803	258	-3,248	9
Total	**122,844**	**6,803**	**258**	**-3,248**	**9**

Hedging instruments and ineffectiveness in fair value hedges 2023

SEK m	Nominal amount hedging instruments	Carrying amount hedging instruments Assets	Carrying amount hedging instruments Liabilities	Change in fair value used to calculate ineffectiveness	Ineffectiveness recognised in the income statement
Interest rate risk					
Interest rate swaps, variable interest paid and fixed interest received	243,683	1,811	9,357	7,932	66
Cross-currency interest rate swaps, variable interest paid and fixed interest received	983	25		54	7
Total	**244,666**	**1,836**	**9,357**	**7,986**	**73**
Portfolio fair value hedges					
Interest rate risk					
Interest rate swaps, fixed interest paid and variable interest received	170,819	10,100	36	-7,034	-80
Total	**170,819**	**10,100**	**36**	**-7,034**	**-80**

The carrying amount of hedging instruments is included in the item Derivative instruments in the balance sheet. Ineffectiveness recognised in the income statement is included in the item Net gains/losses on financial transactions.

P19 cont.

Hedged items in fair value hedges 2024

SEK m	Carrying amount hedged item		Accumulated fair value adjustment included in the carrying amount of the hedged item		Change in value used to calculate ineffectiveness
	Assets	Liabilities	Assets	Liabilities	
Interest rate risk[1)]					
Issued fixed-interest securities and subordinated liabilities		231,475		-5,727	-3,059
Total		**231,475**		**-5,727**	**-3,059**
Portfolio fair value hedges[1)]					
Interest rate risk					
Fixed-interest loans to the public	-6,399		-6,399		3,257
Total	**-6,399**		**-6,399**		**3,257**

Hedged items in fair value hedges 2023

SEK m	Carrying amount hedged item		Accumulated fair value adjustment included in the carrying amount of the hedged item		Change in value used to calculate ineffectiveness
	Assets	Liabilities	Assets	Liabilities	
Interest rate risk[1)]					
Issued fixed-interest securities and subordinated liabilities		233,072		-8,786	-7,913
Total		**233,072**		**-8,786**	**-7,913**
Portfolio fair value hedges[1)]					
Interest rate risk					
Fixed-interest loans to the public	-9,657		-9,657		6,954
Total	**-9,657**		**-9,657**		**6,954**

1) The volume of the underlying lending portfolio was SEK 122,844 million (170,819) as at 31 December 2024.

No accumulated amount of adjustments to fair value hedges remained on the balance sheet for hedged items which are no longer adjusted for changes in fair value either this year or last year.

Hedging instruments in cash flow hedges

SEK m	2024			2023		
	Up to 1 yr	1–5 yrs	Over 5 yrs	Up to 1 yr	1–5 yrs	Over 5 yrs
Interest rate risk						
Interest rate swaps, fixed interest paid and variable interest received						
Nominal amount	7,588	12,627	6,078	13,568	16,503	8,645
Average fixed interest, %	0.35	0.72	0.77	0.38	0.60	0.67
Interest rate swaps, variable interest paid and fixed interest received						
Nominal amount	13,321	1,099		26,765	14,332	
Average fixed interest, %	3.58	3.98		2.61	3.61	
Foreign exchange risk						
Foreign exchange derivatives, EUR/NOK						
Nominal amount	2,758	45,538	19,512		35,857	17,514
Average exchange rate EUR/NOK	0.1008	0.0958	0.0896		0.0954	0.0728
Foreign exchange derivatives, USD/GBP						
Nominal amount		1,076			989	
Average exchange rate USD/GBP		1.3157			1.3157	
Foreign exchange derivatives, USD/NOK						
Nominal amount	8,923	36,864		2,066	40,077	
Average exchange rate USD/NOK	0.1065	0.1027		0.0509	0.0958	
Foreign exchange derivatives, USD/SEK						
Nominal amount	3,646	11,551	5,011	75,356	14,513	4,776
Average exchange rate USD/SEK	0.1017	0.1003	0.1105	0.0880	0.0782	0.1105
Foreign exchange derivatives, AUD/EUR						
Nominal amount	2,872	10,353			13,016	
Average exchange rate AUD/EUR	1.5287	1.5451			1.5415	
Foreign exchange derivatives, other currency pairs						
Nominal amount	331	15,310		8,574	15,473	
Total	**39,439**	**134,418**	**30,601**	**126,329**	**150,760**	**30,934**

P19 cont.

Hedging instruments and ineffectiveness in cash flow hedges 2024

SEK m	Nominal amount hedging instruments	Carrying amount hedging instruments: Assets	Carrying amount hedging instruments: Liabilities	Change in fair value used to calculate ineffectiveness	Change in the value of the hedging instruments recognised in other comprehensive income	Ineffectiveness recognised in the income statement	Reclassified from the hedge reserve to the income statement
Interest rate risk							
Interest rate swaps, fixed interest paid and variable interest received	26,293	1,779		-695	-689	-6	
Interest rate swaps, variable interest paid and fixed interest received	14,420	293	46	97	97		70
Foreign exchange risk[1)]							
Foreign exchange derivatives, EUR/NOK	67,808	6,888	39	-280	-293	13	
Foreign exchange derivatives, EUR/SEK	7,490	27	114	-8	-8	0	
Foreign exchange derivatives, USD/GBP	1,076	50		6	6		
Foreign exchange derivatives, USD/NOK	45,787	7,249		81	79	2	
Foreign exchange derivatives, USD/SEK	20,208	2,829		95	97	-2	
Foreign exchange derivatives, other currency pairs	21,376	476	1,069	22	24	-2	9
Total	**204,458**	**19,591**	**1,268**	**-682**	**-687**	**5**	**79**

Hedging instruments and ineffectiveness in cash flow hedges 2023

SEK m	Nominal amount hedging instruments	Carrying amount hedging instruments: Assets	Carrying amount hedging instruments: Liabilities	Change in fair value used to calculate ineffectiveness	Change in the value of the hedging instruments recognised in other comprehensive income	Ineffectiveness recognised in the income statement	Reclassified from the hedge reserve to the income statement
Interest rate risk							
Interest rate swaps, fixed interest paid and variable interest received	38,716	2,580	1	-1,831	-1,917	86	
Interest rate swaps, variable interest paid and fixed interest received	41,097	381	77	751	751		80
Foreign exchange risk[1)]							
Foreign exchange derivatives, EUR/NOK	53,371	4,335	445	-194	-196	2	
Foreign exchange derivatives, EUR/SEK	15,566	305	310	-12	-12	0	
Foreign exchange derivatives, USD/GBP	989	30		8	8		
Foreign exchange derivatives, USD/NOK	42,143	3,133	1,048	-22	-20	-2	
Foreign exchange derivatives, USD/SEK	94,645	1,322	3,951	-103	-103	0	
Foreign exchange derivatives, AUD/USD				7	7		-1
Foreign exchange derivatives, other currency pairs	21,496	599	732	15	17	-2	27
Total	**308,023**	**12,685**	**6,563**	**-1,381**	**-1,465**	**84**	**106**

1) When analysing for the purposes of hedge accounting, the conversion to the parent company's functional currency, SEK, is taken into account by imputing nominal derivative legs in the hedging relationships. The imputed derivative legs are not included in the nominal volumes presented in the tables above.

The carrying amount of hedging instruments is included in the item Derivative instruments in the balance sheet.

Ineffectiveness recognised in the income statement is included in the item Net gains/losses on financial transactions.

Reclassified to the income statement is included under Net gains/losses on financial transactions and refers to cash flow hedges terminated before their maturity date.

Hedged items in cash flow hedges

SEK m	2024 Change in value used to calculate ineffectiveness	2024 Hedge reserve	2024 Amounts remaining in the hedge reserve from hedging relationships for which hedge accounting is no longer applied	2023 Change in value used to calculate ineffectiveness	2023 Hedge reserve	2023 Amounts remaining in the hedge reserve from hedging relationships for which hedge accounting is no longer applied
Interest rate risk						
Issued variable-interest securities	689	1,641		1,917	2,333	
Variable-interest loans to the public	-97	329	297	-751	298	366
Foreign exchange risk						
Issued securities and subordinated liabilities in EUR and internal loans in GBP and NOK	301	-395		208	-107	
Issued securities and subordinated liabilities in USD and internal loans in EUR, GBP and NOK	-182	488	58	115	317	68
Securities issued in AUD		-2	-2	-7	-2	-2
Securities issued and internal loans in other currencies	-24	48		-17	37	
Total	**687**	**2,109**	**353**	**1,465**	**2,876**	**432**

P20 Offsetting of financial instruments

2024 SEK m	Derivatives	Repurchase agreements and securities lending	Total
Financial fixed assets subject to offsetting, enforceable master netting arrangements and similar agreements			
Gross amount	96,830	34,890	131,720
Amounts offset	-44,144	-3,735	-47,879
Carrying amount on the balance sheet	**52,686**	**31,155**	**83,841**
Related amounts not offset on the balance sheet			
Financial instruments, netting arrangements	-4,787		-4,787
Financial assets received as collateral	-37,378	-31,112	-68,490
Total amounts not offset on the balance sheet	**-42,165**	**-31,112**	**-73,277**
Net amount	**10,521**	**43**	**10,564**
Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements			
Gross amount	64,643	3,736	68,379
Amounts offset	-34,331	-3,735	-38,066
Carrying amount on the balance sheet	**30,312**	**1**	**30,313**
Related amounts not offset on the balance sheet			
Financial instruments, netting arrangements	-4,787		-4,787
Financial assets pledged as collateral	-3,554	-1	-3,555
Total amounts not offset on the balance sheet	**-8,341**	**-1**	**-8,342**
Net amount	**21,971**	**0**	**21,971**

2023 SEK m	Derivatives	Repurchase agreements and securities lending	Total
Financial fixed assets subject to offsetting, enforceable master netting arrangements and similar agreements			
Gross amount	91,240	35,332	126,572
Amounts offset	-52,221	-4,628	-56,849
Carrying amount on the balance sheet	**39,019**	**30,704**	**69,723**
Related amounts not offset on the balance sheet			
Financial instruments, netting arrangements	-7,781		-7,781
Financial assets received as collateral	-18,880	-30,704	-49,584
Total amounts not offset on the balance sheet	**-26,661**	**-30,704**	**-57,365**
Net amount	**12,358**	**0**	**12,358**
Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements			
Gross amount	91,494	4,631	96,125
Amounts offset	-45,225	-4,628	-49,853
Carrying amount on the balance sheet	**46,269**	**3**	**46,272**
Related amounts not offset on the balance sheet			
Financial instruments, netting arrangements	-7,781		-7,781
Financial assets pledged as collateral	-17,305	-3	-17,308
Total amounts not offset on the balance sheet	**-25,086**	**-3**	**-25,089**
Net amount	**21,183**	**0**	**21,183**

Derivative instruments are offset on the balance sheet when doing so reflects the Bank's expected cash flows upon the settlement of two or more derivatives. This occurs when the Bank has both a contractual right and the intention to settle the agreed cash flows at a net amount. The remaining counterparty risk in derivatives is reduced through netting agreements, i.e. netting positive values against negative values in all derivative transactions with the same counterparty in a bankruptcy situation. Handelsbanken's policy is to sign netting agreements with all bank counterparties. Netting agreements are supplemented with agreements for issuing collateral for the net exposure. The collateral used is mainly cash, but government securities are also used. Collateral for repurchase agreements and borrowing and lending of securities is normally in the form of cash or other securities.

The amount offset for derivative assets includes offset cash collateral of SEK 11,617 million (11,268) derived from the balance sheet item Deposits and borrowing from the public. The amount offset for derivative liabilities includes offset cash collateral of SEK 1,804 million (4,272), derived from the balance sheet item Loans to the public.

P21 Intangible assets

2024 SEK m	Internally developed software	Other	Total
Cost of acquisition at beginning of year	5,478	164	5,643
Cost of acquisition of additional intangible assets	413	45	458
Disposals and retirements	-345		-345
Foreign exchange effect	-7	0	-7
Cost of acquisition at end of year	**5,538**	**210**	**5,749**
Accumulated amortisation and impairment at beginning of year	-2,300	-131	-2,433
Disposals and retirements	345		345
Amortisation for the year according to plan	-597	-40	-637
Impairment for the year	0		0
Foreign exchange effect	-2	0	-2
Accumulated amortisation and impairment at end of year	**-2,554**	**-171**	**-2,726**
Carrying amount	**2,984**	**39**	**3,023**

During the year, development expenses amounting to SEK 2,553 million (2,883) have been recognised.

2023 SEK m	Acquisition assets	Internally developed software	Other	Total
Cost of acquisition at beginning of year	531	5,361	164	6,056
Cost of acquisition of additional intangible assets		684		684
Disposals and retirements	-531	-554		-554
Foreign exchange effect		-12		-12
Cost of acquisition at end of year	**0**	**5,478**	**164**	**6,174**
Accumulated amortisation and impairment at beginning of year	-531	-2,283	-99	-2,913
Disposals and retirements	531	554		554
Amortisation for the year according to plan		-575	-33	-608
Impairment for the year				0
Foreign exchange effect		3		3
Accumulated amortisation and impairment at end of year	**0**	**-2,300**	**-131**	**-2,964**
Carrying amount	**0**	**3,178**	**33**	**3,211**

In the parent company, acquisition assets and other intangible assets with an indefinite useful life are amortised in compliance with the provisions of the above-mentioned Annual Accounts Act for Credit Institutions and Securities Companies. According to experience, the customer relations that the acquisitions have led to, and consequently the useful life of acquisition assets, are very long. The amortisation period has been set at 20 years.

P22 Property, equipment and lease assets

Property, equipment and lease assets

SEK m	2024	2023
Property	30	26
Equipment	616	544
Lease assets	5,227	6,101
Property repossessed for protection of claims	2	2
Total	**5,875**	**6,673**

P22 cont.

Property

SEK m	2024	2023
Cost of acquisition at beginning of year	57	54
New construction and conversion	6	3
Cost of acquisition at end of year	**63**	**57**
Accumulated depreciation and impairment at beginning of year	-31	-29
Depreciation for the year according to plan	-2	-2
Accumulated depreciation and impairment at end of year	**-33**	**-31**
Carrying amount	**30**	**26**

Equipment

SEK m	2024	2023
Cost of acquisition at beginning of year	1,383	1,338
Cost of additional acquisition for the year	371	332
Disposals and retirements	-328	-277
Foreign exchange effect	5	-10
Cost of acquisition at end of year	**1,431**	**1,383**
Accumulated depreciation and impairment at beginning of year	-839	-861
Depreciation for the year according to plan	-288	-253
Disposals and retirements	315	270
Foreign exchange effect	-3	5
Accumulated depreciation and impairment at end of year	**-815**	**-839**
Carrying amount	**616**	**544**

Lease assets

SEK m	2024	2023
Cost of acquisition at beginning of year	10,055	10,548
Cost of additional acquisition for the year	1,864	2,669
Disposals and retirements	-3,206	-2,986
Foreign exchange effect, etc.	-38	-176
Cost of acquisition at end of year	**8,675**	**10,055**
Accumulated depreciation and impairment at beginning of year	-3,954	-4,520
Depreciation for the year according to plan	-1,332	-1,471
Impairment for the year	11	24
Disposals and retirements	1,807	1,940
Foreign exchange effect	20	73
Accumulated depreciation and impairment at end of year	**-3,448**	**-3,954**
Carrying amount	**5,227**	**6,101**

Distribution of future lease payments by maturity

SEK m	Within 1 yr	Between 1 and 5 yrs	Over 5 yrs	Total
2024				
Distribution of future lease payments	1,222	4,015	467	5,704
2023				
Distribution of future lease payments	1,696	4,158	409	6,263

Lease assets mainly consist of vehicles and machines. Lease assets are depreciated during the term of the lease agreement according to the annuity method. Lease payments recognised as income during the financial year amount to SEK 317 million (268), of which the variable part of the lease income is SEK 302 million (268).

The parent company's property and equipment consist of property (owner-occupied properties), equipment and lease assets. These assets are recorded at cost of acquisition less accumulated depreciation and impairment losses. Depreciation is based on the estimated useful lives of the assets. A linear depreciation plan is applied for property and equipment. No material changes were made to the useful lives in 2024. The estimated useful lives are reviewed annually. The useful life of equipment is deemed to be 2-10 years. Separate depreciation plans are applied to the different sub-components of properties. The useful life for the buildings structure is deemed to be 100 years and the remaining sub-components are deemed to have useful lives of between 10 and 35 years. The parent company recognises finance leases as operating leases. Lease assets that primarily comprise vehicles and machinery are depreciated during the term of the lease agreement according to the annuity method. Impairment testing of property and equipment is carried out when there is an indication that the value of the asset may have decreased. There was no indication on the balance sheet date that property and equipment required impairment.

P23 Other assets

SEK m	2024	2023
Claims on investment banking settlements	3,059	5,517
Other	15,038	15,272
Total	**18,097**	**20,789**

P24 Prepaid expenses and accrued income

SEK m	2024	2023
Accrued income	608	538
Prepaid expenses	873	849
Total	**1,481**	**1,386**

P25 Due to credit institutions

SEK m	2024	2023
Due in Swedish kronor		
Banks	13,573	7,222
Other credit institutions	18,289	19,320
Total	**31,862**	**26,542**
Due in foreign currency		
Banks	62,928	73,142
Other credit institutions	74,605	76,459
Total	**137,533**	**149,601**
Total due to credit institutions	**169,394**	**176,143**
of which repos		*0*
of which cash collateral received	*32,374*	*20,078*

Average volumes

SEK m	2024	2023
Due to credit institutions in Swedish kronor	21,411	27,383
Due to credit institutions in foreign currency	202,335	233,225
Total	**223,746**	**260,608**
of which repos	*173*	*177*

P26 Deposits and borrowing from the public

SEK m	2024	2023
Deposits in Swedish kronor		
Households	366,230	361,646
Corporates	298,938	291,500
National Debt Office	1	1
Total	**665,169**	**653,146**
Deposits in foreign currency		
Households	58,748	60,310
Corporates	134,534	155,898
Total	**193,283**	**216,207**
Total deposits from the public	**858,451**	**869,353**
Borrowing in Swedish kronor	160,641	176,759
Borrowing in foreign currency	30,936	63,360
Total borrowing from the public	**191,577**	**240,119**
Total deposits and borrowing from the public	**1,050,028**	**1,109,471**
of which repos	*1*	*2*
of which cash collateral received	*3,708*	*4,924*

Average volumes

SEK m	2024	2023
Deposits from the public		
Deposits from the public in Swedish kronor	631,708	691,097
Deposits from the public in foreign currency	211,316	235,155
Total	**843,024**	**926,252**
Borrowing from the public		
Borrowing from the public in Swedish kronor	209,103	175,907
Borrowing from the public in foreign currency	210,737	191,818
Total	**419,840**	**367,725**
of which repos	*7,042*	*8,978*

P27 Issued securities

SEK m	2024 Carrying amount	2024 Nominal amount	2023 Carrying amount	2023 Nominal amount
Commercial paper				
Commercial paper in Swedish kronor	536	509	1,099	1,055
of which fair value through profit or loss	*536*	*509*	*1,099*	*1,055*
Commercial paper in foreign currency	591,217	351,863	578,821	391,189
of which amortised cost	*591,140*	*351,790*	*578,414*	*390,799*
of which included in fair value hedges	*0*	*0*	*15,500*	*15,745*
of which fair value through profit or loss	*77*	*73*	*407*	*391*
Total	**591,753**	**352,372**	**579,920**	**392,244**
Bonds				
Bonds in Swedish kronor	2,951	2,834	2,668	2,622
of which amortised cost	*2,951*	*2,834*	*2,668*	*2,622*
Bonds in foreign currency	246,162	248,676	223,578	229,835
of which amortised cost	*246,162*	*248,676*	*223,578*	*229,835*
of which included in fair value hedges	*196,755*	*199,455*	*185,172*	*191,582*
Total	**249,113**	**251,511**	**226,247**	**232,457**
Total issued securities	**840,866**	**603,883**	**806,167**	**624,701**

SEK m	2024	2023
Issued securities at beginning of year	806,167	806,013
Issued	873,882	1,004,310
Repurchased	-4,101	-2,103
Matured	-881,213	-985,938
Foreign exchange effect, etc.	46,131	-16,115
Issued securities at end of year	**840,866**	**806,167**

Average volumes

SEK m	2024	2023
Issued securities in Swedish kronor	-2,996	-8,378
Issued securities in foreign currency	872,771	860,275
Total	**869,775**	**851,897**

P28 Short positions

SEK m	2024	2023
Short positions at fair value		
Equities	621	520
Interest-bearing securities	386	1,844
Total	**1,007**	**2,364**

Average volumes

SEK m	2024	2023
Short positions in Swedish kronor	15,433	15,301
Short positions in foreign currency	220	209
Total	**15,653**	**15,510**

P29 Taxes

Tax expenses recognised in the income statement

SEK m	2024	2023
Current tax	-4,961	-6,004
Deferred tax	-158	270
Adjustment of tax relating to prior years	-12	-13
Total	**-5,131**	**-5,747**

Tax expenses recognised in the income statement

SEK m	2024	2023
Profit before tax	32,789	28,110
Tax on profit before tax at Swedish tax rate	-6,755	-5,791
Recognised tax	**-5,131**	**-5,747**
Difference	**1,624**	**44**
The difference is explained by the following items		
Non-taxable income/non-deductible expenses	-36	2
Non-deductible interest on subordinated liabilities	-515	-583
Non-taxable capital gains and dividends	2,584	941
Impairment of shares in subsidiaries	-446	-314
Other	37	-2
Total	**1,624**	**44**

Deferred tax assets 2024

SEK m	Opening balance	Recognised in income statement	Recognised in other comprehensive income	Offsetting	Closing balance
Pensions	291	113			404
Other	422	-239			183
Offsetting	-339			-89	-428
Total	**374**	**-126**		**-89**	**159**

Deferred tax liabilities 2024

SEK m	Opening balance	Recognised in income statement	Recognised in other comprehensive income	Offsetting	Closing balance
Property and equipment	9	1	0		10
Hedging instruments	593		-159		434
Other	73	-35			38
Offsetting	-339			-89	-428
Total	**336**	**-35**	**-159**	**-89**	**54**

Deferred tax assets 2023

SEK m	Opening balance	Recognised in income statement	Recognised in other comprehensive income	Offsetting	Closing balance
Pensions	304	-13			291
Other	313	109			422
Offsetting				-339	-339
Total	**617**	**96**		**-339**	**374**

P29 cont.

Deferred tax liabilities 2023

SEK m	Opening balance	Recognised in income statement	Recognised in other comprehensive income	Offsetting	Closing balance
Property and equipment	11	-2			9
Hedging instruments	915		-322		593
Other	267	-204	10		73
Offsetting				-339	-339
Total	**1,193**	**-206**	**-312**	**-339**	**336**

Unrecognised deferred tax assets and deficits
Deferred tax assets on loss carry forwards and other future deductible temporary differences are recognised only if it is probable that they can be utilised in the foreseeable future. Tax on loss carryforwards in international branches has a limited lifetime of five years and amounted to SEK 50 million. The loss carryfoward has no value because the loss carryfoward was also taxed in the country of the head office.

P30 Provisions

Provisions 2024

SEK m	Provision for expected credit losses on off-balance sheet items[1]	Provision for restructuring[2]	Other provisions[3]	Total
Provisions at beginning of year	292	22	310	624
Provisions during the year			154	154
Utilised		-5	-156	-161
Reversed			-29	-29
Change in expected credit losses, net	-165			-165
Provisions at end of year	**127**	**17**	**279**	**423**

Provisions 2023

SEK m	Provision for expected credit losses on off-balance sheet items[1]	Provision for restructuring[2]	Other provisions[3]	Total
Provisions at beginning of year	283	158	204	646
Provisions during the year			191	191
Utilised		-136	-57	-193
Reversed			-28	-28
Change in expected credit losses, net	9			9
Provisions at end of year	**292**	**22**	**310**	**624**

1) For more information, see notes P10 and P39.
2) The provision for restructuring costs refers to expenses related to the Bank's restructuring.
3) The amounts allocated for future settlement of the claims on the Bank are presented under Other provisions.

P31 Other liabilities

SEK m	2024	2023
Liabilities on investment banking settlements	2,847	5,090
Other	7,945	6,285
Total	**10,792**	**11,374**

P32 Accrued expenses and deferred income

SEK m	2024	2023
Accrued expenses	1,477	1,444
Deferred income	593	955
Total	**2,070**	**2,399**

P33 Subordinated liabilities

Change in subordinated liabilities

SEK m	2024	2023
Subordinated liabilities at beginning of year	43,117	42,404
Issued	5,673	8,753
Matured	-13,369	-8,326
Foreign exchange effect, etc.	1,633	286
Subordinated liabilities at end of year	**37,054**	**43,117**

Average volumes

SEK m	2024	2023
Subordinated liabilities in foreign currency	35,603	42,200

Specification of subordinated liabilities

Year of issuance	Maturity	Original maturity date	First possible redemption date	Currency	Original nominal amount in each currency	Convertible/ Non-convertible	Interest rate, %	Outstanding amount
2020	Perpetual[1), 2)]		1 Mar 2027	USD	500	Convertible[3)]	4,375	5,229
2020	Perpetual[1), 2)]		1 Mar 2031	USD	500	Convertible[3)]	4,750	4,584
2022	Fixed term[4)]	1 Jun 2033	1 Jun 2028	EUR	500	Non-convertible	3,250	5,748
2022	Fixed term[4)]	23 Aug 2032	23 Aug 2027	GBP	500	Non-convertible	4,625	6,722
2023	Fixed term[4)]	16 Aug 2034	16 Aug 2029	EUR	750	Non-convertible	5,000	9,053
2024	Fixed term[4)]	4 Nov 2036	4 Nov 2031	EUR	500	Non-convertible	3,625	5,718
Total								**37,054**

1) Subordinated to all instruments except for equities, the immediately senior is fixed-term subordinated liabilities.
2) Can be redeemed on each subsequent rate fixing date after the initial redemption date.
3) The liabilities are converted to ordinary shares in Svenska Handelsbanken AB if Svenska Handelsbanken AB's common equity tier 1 ratio falls below 5.125% or if the consolidated situation's common equity tier 1 ratio falls below 8.0%.
4) Subordinated to all senior debt.

P34 Untaxed reserves

SEK m	2024	2023
Accumulated accelerated depreciation, machinery, equipment and lease assets	531	867
Total	**531**	**867**

P35 Specification of changes in equity

Change in hedge reserve

SEK m	2024	2023
Hedge reserve at beginning of year	2,284	3,531
Cash flow hedges		
Effective part of change in fair value		
Interest rate risk	-592	-1,165
Foreign exchange risk	-96	-299
Reclassified to the income statement[1]	-79	-106
Tax	158	324
Hedge reserve at end of year	**1,675**	**2,284**

Change in fair value reserve

SEK m	2024	2023
Fair value reserve at beginning of year	197	126
Unrealised value change – equity instruments	159	51
Realised value change – equity instruments	3	0
Unrealised value change – debt instruments	5	19
Change in provision for expected credit losses – debt instruments	0	0
Reclassified to retained earnings – equity instruments[2]	-3	0
Reclassified to the income statement – debt instruments[3]	0	0
Fair value reserve at end of year	**361**	**197**

Change in translation reserve

SEK m	2024	2023
Translation reserve at beginning of year	761	1,847
Change in translation difference	282	-811
Reclassified to the income statement[4]	0	9
Reclassified to retained earnings[5]	-570	-284
Translation reserve at end of year	**473**	**761**

1) Tax reclassified to the income statement pertaining to this item SEK 16 million (22).
2) Tax reclassified to retained earnings pertaining to this item SEK - million (0).
3) Tax reclassified to the income statement pertaining to this item SEK 0 million (0).
4) Tax reclassified to the income statement pertaining to this item SEK 0 million (-2).
5) Tax reclassified to retained earnings pertaining to this item SEK 8 million (19).

P36 Classification of financial assets and liabilities

2024	Fair value through profit or loss						
SEK m	Mandatory	Fair value option	Derivatives identified as hedging instruments	Fair value through other comprehensive income	Amortised cost	Total carrying amount	Fair value
Assets							
Cash and balances with central banks					404,237	404,237	404,237
Interest-bearing securities eligible as collateral with central banks	4,862	167,745				172,606	172,606
Loans to credit institutions	18,045				978,872	996,917	996,629
Loans to the public					524,171	524,171	520,796
Value change of interest-hedged item in portfolio hedge					-6,399	-6,399	
Bonds and other interest-bearing securities	16,389	23,920		13,259		53,569	53,569
Shares	8,258			694		8,952	8,952
Assets where the customer bears the value change risk	2,087					2,087	2,087
Derivative instruments	34,946		17,740			52,686	52,686
Other assets	13				18,084	18,097	18,097
Total	**84,599**	**191,665**	**17,740**	**13,954**	**1,918,965**	**2,226,924**	**2,229,660**
Shares in subsidiaries and investments in associates and joint ventures						67,591	
Non-financial assets						10,539	
Total assets						**2,305,053**	
Liabilities							
Due to credit institutions					169,394	169,394	169,459
Deposits and borrowing from the public					1,050,029	1,050,028	1,049,999
Liabilities where the customer bears the value change risk		2,087				2,087	2,087
Issued securities	614				840,253	840,866	841,682
Derivative instruments	29,088		1,225			30,312	30,312
Short positions	1,007					1,007	1,007
Other liabilities	12				10,780	10,792	10,790
Subordinated liabilities					37,054	37,054	38,263
Total	**30,721**	**2,087**	**1,225**		**2,107,510**	**2,141,540**	**2,143,599**
Non-financial liabilities						2,792	
Total liabilities						**2,144,332**	

P36 cont.

2023	Fair value through profit or loss						
SEK m	Mandatory	Fair value option	Derivatives identified as hedging instruments	Fair value through other comprehensive income	Amortised cost	Total carrying amount	Fair value
Assets							
Cash and balances with central banks					362,536	362,536	362,536
Interest-bearing securities eligible as collateral with central banks	3,534	195,594				199,128	199,128
Loans to credit institutions	22,079				985,913	1,007,992	1,007,967
Loans to the public					600,997	600,997	600,369
Value change of interest-hedged item in portfolio hedge					-9,657	-9,657	
Bonds and other interest-bearing securities	14,255	23,827		12,709		50,791	50,791
Shares	5,669			501		6,170	6,170
Assets where the customer bears the value change risk	1,871				78	1,948	1,948
Derivative instruments	29,183		9,836			39,019	39,019
Other assets	27				20,762	20,789	20,789
Total	**76,618**	**219,421**	**9,836**	**13,210**	**1,960,629**	**2,279,713**	**2,288,717**
Shares in subsidiaries and investments in associates and joint ventures						68,986	
Non-financial assets						11,645	
Total assets						**2,360,344**	
Liabilities							
Due to credit institutions					176,143	176,143	176,307
Deposits and borrowing from the public					1,109,471	1,109,471	1,109,002
Liabilities where the customer bears the value change risk		1,871			78	1,948	1,948
Issued securities	1,506				804,661	806,167	806,692
Derivative instruments	39,781		6,489			46,269	46,269
Short positions	2,364					2,364	2,364
Other liabilities	27				11,347	11,374	11,374
Subordinated liabilities					43,117	43,117	43,227
Total	**43,678**	**1,871**	**6,489**		**2,144,817**	**2,196,853**	**2,197,183**
Non-financial liabilities						4,193	
Total liabilities						**2,201,046**	

P37 Fair value measurement of financial instruments

Financial instruments at fair value 2024

SEK m	Level 1	Level 2	Level 3	Total
Assets				
Interest-bearing securities eligible as collateral with central banks				
Fair value through profit or loss, mandatory	4,778	84		4,862
Fair value through profit or loss, fair value option	167,745			167,745
Fair value through other comprehensive income				
Loans to credit institutions		18,045		18,045
Bonds and other interest-bearing securities				
Fair value through profit or loss, mandatory	15,671	719		16,389
Fair value through profit or loss, fair value option	23,920			23,920
Fair value through other comprehensive income	11,752	1,507		13,259
Shares				
Fair value through profit or loss, mandatory	7,671	586		8,258
Fair value through other comprehensive income	439	94	161	694
Assets where the customer bears the value change risk	2,069		17	2,087
Derivative instruments	52	52,634		52,686
Total	**234,097**	**73,669**	**179**	**307,945**
Liabilities				
Liabilities where the customer bears the value change risk	2,069		17	2,087
Issued securities		614		614
Derivative instruments	39	30,272		30,312
Short positions	992	15		1,007
Total	**3,101**	**30,901**	**17**	**34,020**

Financial instruments at fair value 2023

SEK m	Level 1	Level 2	Level 3	Total
Assets				
Interest-bearing securities eligible as collateral with central banks				
Fair value through profit or loss, mandatory	3,498	36		3,534
Fair value through profit or loss, fair value option	195,594			195,594
Fair value through other comprehensive income				
Loans to credit institutions		22,079		22,079
Bonds and other interest-bearing securities				
Fair value through profit or loss, mandatory	13,950	305		14,255
Fair value through profit or loss, fair value option	23,827			23,827
Fair value through other comprehensive income	11,158	1,551		12,709
Shares				
Fair value through profit or loss, mandatory	5,166	503		5,669
Fair value through other comprehensive income	210	135	156	501
Assets where the customer bears the value change risk	1,794		77	1,871
Derivative instruments	92	38,925	2	39,019
Total	**255,289**	**63,534**	**235**	**319,058**
Liabilities				
Liabilities where the customer bears the value change risk	1,794		77	1,871
Issued securities		1,506		1,506
Derivative instruments	47	46,221	2	46,269
Short positions	2,364			2,364
Total	**4,205**	**47,727**	**79**	**52,010**

The principles applied are described in note G42.

P37 cont.

Change in holdings in financial instruments in level 3 2024

SEK m	Shares	Derivative assets	Derivative liabilities	Assets where the customer bears the value change risk	Liabilities where the customer bears the value change risk
Carrying amount at beginning of year	156	2	-2	77	-77
Acquisitions					
Repurchases/sales	-5				
Matured					
Unrealised value change in income statement	-3	-2	2	-60	60
Unrealised value change in other comprehensive income	13				
Transfer from level 1 or 2					
Transfer to level 1 or 2					
Carrying amount at end of year	161	0	0	17	-17

Change in holdings in financial instruments in level 3 2023

SEK m	Shares	Derivative assets	Derivative liabilities	Assets where the customer bears the value change risk	Liabilities where the customer bears the value change risk
Carrying amount at beginning of year	152	39	-39	525	-525
Acquisitions					
Repurchases/sales					
Matured					
Unrealised value change in income statement	4	0	0	-448	448
Unrealised value change in other comprehensive income					
Transfer from level 1 or 2					
Transfer to level 1 or 2		-37	37		
Carrying amount at end of year	156	2	-2	77	-77

A change in unobservable inputs is not deemed to result in any significantly higher or lower measurement of the level 3 holdings, which is the reason that a sensitivity analysis is not provided.

Fair value of financial instruments at amortised cost 2024

SEK m	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with central banks	404,237			404,237
Loans to credit institutions	16,802	961,420	362	978,584
Loans to the public	27,977	1,137	491,681	520,795
Assets where the customer bears the value change risk				
Total	449,016	962,557	492,043	1,903,616
Liabilities				
Due to credit institutions	39,763	129,695		169,458
Deposits and borrowing from the public	1,042,371	7,628		1,049,999
Liabilities where the customer bears the value change risk				
Issued securities	243,710	597,359		841,069
Subordinated liabilities		38,263		38,263
Total	1,325,844	772,945		2,098,789

Fair value of financial instruments at amortised cost 2023

SEK m	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with central banks	362,536			362,536
Loans to credit institutions	36,854	948,676	358	985,888
Loans to the public	42,262	828	557,279	600,369
Assets where the customer bears the value change risk	78			78
Total	441,730	949,504	557,637	1,948,871
Liabilities				
Due to credit institutions	31,857	144,449		176,307
Deposits and borrowing from the public	1,101,553	7,449		1,109,002
Liabilities where the customer bears the value change risk	78			78
Issued securities	194,404	610,782		805,186
Subordinated liabilities		43,227		43,227
Total	1,327,892	805,907		2,133,800

P38 Pledged assets, collateral received and transferred financial assets

Assets pledged for own debt

SEK m	2024	2023
Cash	6,961	20,707
Government securities and bonds	2,401	5,691
Equities	129	143
Assets where the customer bears the value change risk	17	
Other	779	737
Total	**10,287**	**27,278**
of which pledged assets that may be freely withdrawn by the Bank	*15*	*18*

Other pledged assets

SEK m	2024	2023
Cash	256	239
Government securities and bonds	87,535	63,619
Equities	2,546	4,411
Other	508	399
Total	**90,845**	**68,667**
of which pledged assets that may be freely withdrawn by the Bank	*77,724*	*52,056*

Other pledged assets refers to collateral pledged for obligations not reported on the balance sheet.

Collateral received
As a component in reverse repurchase agreements and securities loans, the Group has received assets that can be sold or repledged to a third party. The fair value of received assets of this type was SEK 45,637 million (46,389) at the end of the financial year, where assets worth SEK 9,250 million (15,721) had been sold or repledged to a third party.

Transferred financial assets reported on the balance sheet

	2024		2023	
SEK m	Carrying amount	Carrying amount associated liability	Carrying amount	Carrying amount associated liability
Shares, securities lending	2,674	106[1)]	4,237	112[1)]
Government securities and bonds, repurchase agreements	1,077	0	4,464	2
Assets where the customer bears the value change risk	17	17	159	159
Total	**3,768**	**123**	**8,860**	**273**

1) Received cash collateral.

P39 Contingent liabilities

SEK m	2024	2023
Contingent liabilities		
Guarantees, credits	15,898	15,688
Guarantees, other	51,333	52,885
Irrevocable letters of credit	665	203
Other	455	
Total	**68,351**	**68,775**
of which subject to impairment testing	*68,352*	*68,775*
Obligations		
Loan commitments	291,399	284,120
Unutilised part of granted overdraft facilities	97,846	96,781
Other[1)]	290,587	273,912
Total	**679,832**	**654,813**
of which subject to impairment testing	*511,478*	*488,824*
Total contingent liabilities	**748,183**	**723,588**
Provision for expected credit losses reported as provisions, see note P30.	127	292

1) “Other” includes internal liquidity guarantees to subsidiaries amounting to SEK 282,918 million (260,581).

Contingent liabilities
Contingent liabilities mainly consist of various types of guarantees. Credit guarantees are provided to customers in order to guarantee commitments in other credit and pension institutions. Other guarantees are mainly commercial guarantees such as bid bonds, guarantees relating to advance payments, guarantees during a warranty period and export-related guarantees. Contingent liabilities also comprise unutilised irrevocable import letters of credit and confirmed export letters of credit. These transactions are included in the Bank’s services and are provided to support the Bank’s customers. The nominal amounts of the guarantees are shown in the table.

Claims
Companies within the Group are subjects of claims in a number of civil actions which are being pursued in general courts of law. The Bank’s Polish operations have a portfolio of mortgages denominated in CHF and EUR, which amounted to approximately SEK 100 million at year-end. There is uncertainty in Polish law regarding the application of various credit terms and conditions involving foreign currency. The aforementioned legal developments may mean that certain contractual terms and conditions in the Bank’s Polish operations cannot be applied and that compensation may have to be paid to certain customers. It is not currently practically feasible to estimate the potential financial impact on the Bank or the likelihood of various outcomes and no disclosure on contingent liabilities is therefore submitted.

The assessment is that the other actions will essentially be settled in the Group’s favour. The assessment is that the amounts in dispute would have no material impact on the Group’s financial position or profit/loss, and no disclosure on contingent liabilities is therefore submitted.

P40 Pension obligations

SEK m	2024	2023
Fair value of plan assets	34,475	33,580
Pension obligations	30,028	29,377
Net pensions[1)]	**4,447**	**4,203**

1) When Net pensions is negative, the deficit is not recognised as a liability on the balance sheet, because the surplus in Pensionskassan SHB, Tjänstepensionsförening can be used to cover the parent company’s pension obligations, and because part of the commitment is conditional. The pension obligations are SEK 7,494 million (7,000) in the Bank’s pension fund (Pensionskassan SHB, Tjänstepensionsförening) and the market value of the assets is SEK 16,718 million (16,323). The surplus value in Pensionskassan SHB, Tjänstepensionsförening is thus SEK 9,224 million (9,324).

Plan assets are held by Svenska Handelsbankens Pensionsstiftelse and similar legal entities regarding foreign commitments. Pension obligations are calculated in accordance with the Swedish Financial Supervisory Authority’s regulations, which for the Swedish obligations means in accordance with the Act on Safeguarding Pension Obligations and for foreign pension obligations in accordance with their corresponding local regulation.

SEK 6,666 million (7,355) of the fair value of the plan assets in Svenska Handelsbankens Pensionsstiftelse consists of the provisions made in the years 1989-2004 to a special supplementary pension (SKP). The obligations include a commitment regarding SKP of the same amount as the fair value of the plan assets.

A part of this commitment, SEK 5,150 million (5,650), is conditional.

Pension costs

SEK m	2024	2023
Pensions paid	-1,813	-1,600
Pension premiums	-840	-667
Social security costs	-376	-276
Compensation from pension foundation	762	720
Total pension costs	**-2,267**	**-1,823**

The expected pensions to be paid next year for defined benefit pension plans amount to SEK 1,200 million. The costs for pension premiums include premiums to the BTPK plan (defined contribution pension) of SEK 141 million (147).

P40 cont.

Plan assets

SEK m	2024	2023
Opening balance	33,580	31,667
Return	1,657	2,633
Compensation from pension foundation	-762	-720
Closing balance	**34,475**	**33,580**
Percentage return on plan assets	5%	8%

Pension obligations

SEK m	2024	2023
Opening balance	29,377	31,616
Technical fee	784	792
Interest	649	367
Indexation[1)]	1,293	2,361
Early retirement	32	230
Pensions paid	-1,778	-1,633
Changed assumptions[2)]	-97	-4,671
Value change conditional obligation	432	622
Other change in capital value	-664	-307
Closing balance	**30,028**	**29,377**

1) The effect of the hedging of pensions has declined since the indexing was reduced from 10.84% as at 1 January 2023 to 6.48% as at 1 January 2024.
2) The decline in the changed assumptions primarily relates to the higher discount rate in 2023 compared with an unchanged discount rate in 2024.

Allocation of plan assets

SEK m	2024	2023
Shares and mutual fund units[1)]	32,937	31,919
Interest-bearing securities	1,409	1,499
Other plan assets[2)]	129	162
Total	**34,475**	**33,580**

1) The mutual fund units are mainly invested in fixed-income funds and amount to SEK 20,898 million (20,270).
2) Other plan assets include both cash and cash equivalents and a liability for compensation that had yet to be disbursed by the pension foundation.

In Sweden, as of 1 March 2020, all new employees and employees younger than 25 years of age at the time accrue pension in a defined contribution plan.

Persons employed before 1 March 2020 are not affected and remain covered by the defined benefit pension plan included in the pension agreement between the Employers' Association of the Swedish Banking Institutions (BAO) and Finansförbundet/Swedish Confederation of Professional Associations (Saco). From the age of 65, a retirement pension is paid in an amount of 10% of the annual salary up to 7.5 income base amounts. On the part of the salary in the interval between 7.5 and 20 income base amounts, the retirement pension is 65%, and in the interval between 20 and 30 income base amounts, it is 32.5% of the annual salary. No retirement pension is paid on the portion of the salary in excess of 30 income base amounts.

With respect to Swedish pension obligations, the value of the pension obligations is calculated on the balance sheet date in accordance with the actuarial grounds stipulated in the Act on Safeguarding Pension Obligations. In Sweden, the most important calculation assumptions are mortality and the discount rate. The discount rate is 1.8% (1.8) after deductions for tax and overhead costs.

Foreign pension obligations are calculated in accordance with local accounting requirements.

P41 Assets and liabilities by currency

2024 SEK m	SEK	EUR	NOK	GBP	USD	Other currencies	Total
Assets							
Cash and balances with central banks	63,478	203,777	4,160	0	132,799	23	404,238
Loans to credit institutions	767,895	54,290	103,585	67,840	3,090	218	996,917
Loans to the public	147,696	184,436	178,195	4,556	6,889	2,399	524,171
of which corporates	*127,518*	*121,090*	*149,366*	*4,555*	*6,730*	*1,498*	*410,757*
of which households	*18,631*	*63,346*	*28,829*	*1*	*160*	*901*	*111,867*
Interest-bearing securities eligible as collateral with central banks	152,122	8,971	74		11,440		172,606
Bonds and other interest-bearing securities	40,114	555	12,900		0		53,569
Other items not broken down by currency	153,552						153,552
Total assets	**1,324,855**	**452,029**	**298,915**	**72,396**	**154,218**	**2,640**	**2,305,053**
Liabilities							
Due to credit institutions	31,862	54,230	36,262	41,027	5,331	682	169,394
Deposits and borrowing from the public	825,810	97,993	103,480	2,829	16,438	3,478	1,050,028
of which corporates	*348,126*	*84,749*	*57,649*	*2,263*	*14,282*	*2,771*	*509,840*
of which households	*477,684*	*13,244*	*45,831*	*566*	*2,156*	*707*	*540,188*
Issued securities	3,487	353,013	47	5,637	456,621	22,062	840,866
Subordinated liabilities		20,519		6,722	9,814		37,054
Other items not broken down by currency, incl. equity	207,710						207,710
Total liabilities and equity	**1,068,869**	**525,754**	**139,789**	**56,215**	**488,204**	**26,222**	**2,305,053**
Other assets and liabilities broken down by currency, net		73,752	-159,117	-16,205	334,007	23,582	
Net foreign currency position		27	8	-23	21	1	33

Note G2 describes the Bank's view of foreign exchange risk.

2023 SEK m	SEK	EUR	NOK	GBP	USD	Other currencies	Total
Assets							
Cash and balances with central banks	67,895	128,820	4,776	0	160,935	109	362,536
Loans to credit institutions	740,864	98,670	77,867	87,385	2,859	347	1,007,992
Loans to the public	169,249	222,221	192,392	5,383	8,753	2,999	600,997
of which corporates	*142,718*	*139,758*	*166,117*	*5,331*	*8,594*	*1,945*	*464,463*
of which households	*19,783*	*82,463*	*26,275*	*52*	*159*	*1,053*	*129,785*
Interest-bearing securities eligible as collateral with central banks	181,752	7,561	36		9,778	1	199,128
Bonds and other interest-bearing securities	37,572	486	12,223		509		50,791
Other items not broken down by currency	138,900						138,900
Total assets	**1,336,232**	**457,758**	**287,294**	**92,768**	**182,835**	**3,456**	**2,360,344**
Liabilities							
Due to credit institutions	26,542	54,242	25,438	58,238	11,103	580	176,143
Deposits and borrowing from the public	829,905	140,722	110,182	5,153	20,062	*3,449*	1,109,471
of which corporates	*351,212*	*112,056*	*75,816*	*4,535*	*17,668*	*2,677*	*563,964*
of which households	*478,693*	*28,666*	*34,366*	*618*	*2,394*	771	*545,508*
Issued securities	3,767	310,003	0	10,604	459,581	22,211	806,167
Subordinated liabilities	0	22,740		6,258	14,120		43,117
Other items not broken down by currency, incl. equity	225,445						225,445
Total liabilities and equity	**1,085,659**	**527,707**	**135,619**	**80,253**	**504,865**	**26,240**	**2,360,344**
Other assets and liabilities broken down by currency, net		69,794	-151,632	-12,536	322,019	22,856	
Net foreign currency position		-155	43	-21	-11	72	-72

P42 Related-party disclosures

Claims on and liabilities to related parties

	Subsidiaries		Associates and joint ventures		Other related parties	
SEK m	2024	2023	2024	2023	2024	2023
Loans to credit institutions	965,998	959,034				
Loans to the public		1,142	434	334		
Derivatives	5,617	8,909				
Other assets	9,020	13,361	23	30	8	13
Total	**980,635**	**982,446**	**457**	**364**	**8**	**13**
Due to credit institutions	84,975	85,791				
Deposits and borrowing from the public	18,726	20,145	919	311	1,214	1,159
Derivatives	14,356	12,060				
Other liabilities	98	83				
Total	**118,155**	**118,079**	**919**	**311**	**1,214**	**1,159**
Contingent liabilities	295,867	272,990			7,494	7,000
Derivatives, nominal amounts	461,984	438,479				

Related parties – income and expenses

	Subsidiaries		Associates and joint ventures		Other related parties	
SEK m	2024	2023	2024	2023	2024	2023
Interest income	34,559	28,525	19	22		
Interest expenses	-4,842	-5,129	-10	-3	-163	-149
Fee and commission income			1	1		
Fee and commission expenses			-202	-223		
Other income	3,673	3,566			19	18
Other expenses	-410	-452	-205	-177		
Total	**32,980**	**26,510**	**-397**	**-380**	**-144**	**-131**

Note P17 contains a specification of subsidiaries, associates and joint ventures. The operations of associates and joint ventures comprise various types of services related to the financial markets. The following companies comprise the group of other related parties: Svenska Handelsbankens Pensionsstiftelse (pension foundation), Svenska Handelsbankens Personalstiftelse (staff foundation) and Pensionskassan SHB, Tjänstepensionsförening (pension fund). These companies use Svenska Handelsbanken AB for normal banking and accounting services. Disclosures concerning shareholders' contributions to Group and associates are provided in note P17.

The pension fund's commitments to the employees of subsidiaries are guaranteed by the parent company, so if the pension fund cannot pay its commitments, the parent company is liable to take over and pay the commitment. The pension fund's obligations amounted to SEK 7,494 million (7,000). Svenska Handelsbanken AB has requested compensation from Svenska Handelsbankens Pensionsstiftelse amounting to SEK 762 million (720) regarding pension costs and from Svenska Handelsbankens Personalstiftelse amounting to SEK 28 million (44) for measures to benefit the employees.

Information regarding loans to executive officers, conditions and other remuneration to executive officers is given in note G8.

P43 Proposed appropriation of profits

The Board proposes a dividend of SEK 15 per share, of which SEK 7.50 in ordinary dividend (SEK 13 of which 6.50 in ordinary dividend for 2023). The Board's proposed appropriation of profits is shown on page 58.

P44 Share information

Share class

31 December 2024	Number	% of capital	% of votes	Share capital	Quota value
Class A	1,944,777,165	98.22	99.82	3,014,404,606	1.55
Class B	35,251,329	1.78	0.18	54,639,560	1.55
	1,980,028,494	**100.00**	**100.00**	**3,069,044,166**	

P45 Events after the balance sheet date

No significant events have occurred after the balance sheet date.

P46 Disclosures regarding assets and liabilities held for sale

Assets and liabilities in the Bank's operations in Finland constitute assets and liabilities held for sale in accordance with IFRS 5, which are attributable to two different disposal groups. During the third quarter of 2024 a partial divestment was carried out of the first disposal group to Oma Sparbank Abp, consisting of the Finnish SME operations. During the last quarter of 2024, the remaining portion of the first disposal group, consisting of private customers including asset management and investment services as well as life insurance operations, was divested to S-banken Abp and the insurance company Fennia Liv. The remaining operations in Finland comprise the second disposal group. The following units in Finland are included in the disposal groups and in the discontinued operations: Handelsbanken AB (publ) international branch in Finland and Handelsbanken Asuntoluottopankki, Stadshypotek AB (publ) international branch in Finland.

Assets and liabilities held for sale

SEK m	2024	2023
Assets		
Cash and balances with central banks	14	10
Other loans to central banks		25,863
Loans to other credit institutions	1	3
Loans to the public	44,267	82,633
of which households	*792*	*22,325*
of which corporates	*43,475*	*60,307*
Intangible assets	37	66
Property and equipment	6	18
Other	2,645	135
Total	**46,969**	**108,727**
Liabilities		
Due to credit institutions	247	980
Deposits and borrowing from the public	9,742	51,556
of which households	*236*	*17,434*
of which corporates	*9,507*	*34,122*
Liabilities where the customer bears the value change risk		
Provisions	182	187
Other	268	968
Total	**10,440**	**53,692**

The translation reserve includes an amount totalling an accumulated SEK 443 million (832) attributable to the translation of assets and liabilities held for sale, refer to Statement of changes in equity, Group.

Measuring each disposal group at the lowest of fair value, less costs to sell, and carrying amount did not result in any impairment.

P46 cont.

Discontinued operations
Income, expenses and profit, discontinued operations
Finland

SEK m	2024	2023
Net interest income	3,169	3,504
Net fee and commission income	306	324
Net gains/losses on financial transactions	15	29
Net insurance result		
Other income	4	9
Total income	**3,493**	**3,866**
Staff costs	-779	-830
Other expenses	-623	-510
Depreciation, amortisation and impairment of property, equipment and intangible assets	-39	-35
Total expenses	**-1,440**	**-1,375**
Net credit losses	54	44
Gains/losses on disposal of property, equipment and intangible assets	-1	-1
Regulatory fees	-102	-70
Profit for the year for Finland, before tax	**2,004**	**2,464**
Taxes	-79	-81
Profit for the year for Finland, after tax	**1,925**	**2,384**
Other expenses attributable to discontinued operations[1]	-11	-73
Taxes	2	15
Profit for the year from discontinued operations, including additional costs after tax	**1,916**	**2,326**
Capital gains on sale of disposal groups constituting discontinued operations, before tax	-131	
Taxes	26	
Capital gain after tax	**-105**	
Profit for the year from discontinued operations, after tax	**1,811**	**2,326**
Material internal transactions with continuing operations, which are eliminated in the income statement above[2]:		
Income	-12	0
Expenses	-117	-115

1) Certain expenses arise in Sweden as a result of the divestment of the discontinued operations, deriving from requirements linked to the discontinuation of the operations. These include, for example, consultancy fees and legal costs.
2) Only external income and expenses are included in profit for the year both from continuing and from discontinued operations. The discontinued operations have material internal transactions with the continuing operations, which are thus eliminated in the accounting. Eliminating internal transactions attributable to the net interest income between the discontinued operations in Finland and Treasury have been adjusted and internal interest income and internal interest expenses are thus presented in continuing and discontinued operations.

Cash flows, discontinued operations

SEK m	2024	2023
Cash flow from operating activities	-2,168	3
Cash flow from investing activities	2,172	-8
Cash flow for the year from discontinued operations	4	-4

P47 Capital adequacy

EU KM1 – Key metrics template

Key metrics		2024	2023
	Available own funds (amounts)		
1	Common equity tier 1 capital	123,977	125,618
2	Tier 1 capital	134,928	140,644
3	Total capital	161,824	168,123
	RWAs		
4	Total risk-weighted exposure amount	394,451	421,681
	Capital ratios (as a percentage of risk-weighted exposure amount)		
5	Common Equity Tier 1 ratio (%)	31.4	29.8
6	Tier 1 ratio (%)	34.2	33.4
7	Total capital ratio (%)	41.0	39.9
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)		
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.2	1.2
EU 7b	of which: to be made up of CET1 capital (percentage points)	0.7	0.7
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	0.9	0.9
EU 7d	Total SREP own funds requirements (%)	9.2	9.2
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)		
8	Capital conservation buffer (%)	2.5	2.5
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)		
9	Institution-specific countercyclical capital buffer (%)	2.0	1.9
EU 9a	Systemic risk buffer (%)		
10	Global systemically important institution buffer (%)		
EU 10a	Other systemically important institution buffer (%)		
11	Combined buffer requirement (%)	4.5	4.4
EU 11a	Overall capital requirements (%)	13.7	13.6
12	CET1 available after meeting the total SREP own funds requirements (%)	26.2	24.6
	Leverage ratio		
13	Total exposure measure	1,544,065	1,609,855
14	Leverage ratio (%)	8.7	8.7
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)		
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)		
EU 14b	of which: to be made up of CET1 capital (percentage points)		
EU 14c	Total SREP leverage ratio requirements (%)	3.0	3.0
EU 14d	Leverage ratio buffer requirement (%)		
EU 14e	Overall leverage ratio requirement (%)	3.0	3.0
	Liquidity coverage ratio		
15	Total high-quality liquid assets (HQLA) (Weighted value – average)	842,356	790,916
EU 16a	Cash outflows – Total weighted value	578,624	595,524
EU 16b	Cash inflows – Total weighted value	154,650	174,788
16	Total net cash outflows (adjusted value)	423,974	420,736
17	Liquidity coverage ratio (%)	201.6	192
	Net Stable Funding Ratio		
18	Total available stable funding	1,306,165	1,320,193
19	Total required stable funding	1,159,673	1,211,510
20	NSFR (%)	112.6	109

P47 cont.

EU OV1 – Overview of total risk exposure amounts
The table shows risk-weighted exposure amounts (RWA) for credit risk, counterparty risk, market risk and operational risk the end of 2023 and the previous year. Credit risk is calculated according to the standardised approach, the foundation IRB approach and the advanced IRB approach. Market risk and operational risk are calculated according to the standardised approach.

		Total risk exposure amounts (TREA)		Total own funds requirements
SEK m		2024	2023	2024
1	**Credit risk (excl. CCR)**	**327,669**	**359,282**	**26,214**
2	*of which standardised approach*	*145,115*	*148,672*	*11,609*
3	*of which the foundation IRB (F-IRB) approach*	*45,550*	*47,163*	*3,644*
4	*of which slotting approach*			
EU 4a	*of which equities under the simple risk-weighted approach*	*2,905*	*2,182*	*232*
5	*of which the advanced IRB (A-IRB) approach*	*106,076*	*139,864*	*8,486*
5a	*of which risk weight floors*	*28,023*	*21,401*	*2,243*
6	**CCR**	**10,980**	**11,827**	**878**
7	*of which standardised approach*	*8,189*	*8,507*	*655*
8	*of which internal model method (IMM)*			
EU 8a	*of which exposures to a CCP*	*266*	*268*	*21*
EU 8b	*of which credit valuation adjustment – CVA*	*2,127*	*2,463*	*170*
9	*of which other CCR*	*398*	*589*	*32*
10	N/A			
11	N/A			
12	N/A			
13	N/A			
14	N/A			
15	**Disability recovery risk**			
16	**Securitisation exposures in the non-trading book (after the cap)**			
17	*of which SEC-IRBA approach*			
18	*of which SEC-ERBA (including IAA)*			
19	*of which SEC-SA approach*			
EU 19a	*of which 1,250% / deduction*			
20	**Position, foreign exchange and commodities risks (Market risk)**	**9,224**	**11,003**	**738**
21	*of which standardised approach*	*9,224*	*11,003*	*738*
22	*of which IMA*			
23	**Operational risk**	**46,577**	**39,569**	**3,726**
EU 23a	*of which basic indicator approach*			
EU 23b	*of which standardised approach*	*46,577*	*39,569*	*3,726*
EU 23c	*of which advanced measurement approach*			
24	Amounts below the thresholds for deduction (subject to 250% risk weight)			
25	N/A			
26	N/A			
27	N/A			
28	N/A			
29	**Total**	**394,451**	**421,681**	**31,556**

Market risk under the standardised approach
The table shows capital requirements for market risk according to the standardised approach at year-end 2024.

	Capital requirements	
SEK m	2024	2023
Outright products		
Interest rate risk (general and specific)	277	243
Equity price risk (general and specific)	1	3
Foreign exchange risk	451	618
Commodity risk	0	0
Options		
Simplified method		
Delta-plus method		
Scenario approach	9	16
Securitisation (specific risk)		
Total capital requirements for market risk	**738**	**880**

Signatures of the Board and CEO

We hereby declare that the consolidated accounts were prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, that the parent company's annual accounts were prepared in accordance with Annual Accounts Act for Credit Institutions and Securities Companies, the regulations and general guidelines issued by the Swedish Financial Supervisory Authority (FFFS 2008:25), and RFR 2 Accounting for legal entities, that the annual accounts and consolidated accounts give a fair presentation of the Group's and the parent company's financial position and performance, and that the statutory administration report provides a fair view of the parent company's and Group's operations, financial position and performance and describes material risks and uncertainties to which the parent company and other companies in the Group are exposed.

STOCKHOLM, 20 FEBRUARY 2025

Pär Boman
Chairman of the Board

Fredrik Lundberg
Deputy Chairman

Jon Fredrik Baksaas
Board member

Hélène Barnekow
Board member

Stina Bergfors
Board member

Hans Biörck
Board member

Kerstin Hessius
Board member

Anna Hjelmberg
Board member

Louise Lindh
Board member

Lena Renström
Board member

Ulf Riese
Board member

Michael Green
Chief Executive Officer

Auditor's report

NOTE: this is an unofficial translation of the report originally issued in Swedish. In case of discrepancies between the original report and this translation the original Swedish version shall prevail.

To the general meeting of the shareholders of Svenska Handelsbanken AB (publ), corporate identity number 502007-7862

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Svenska Handelsbanken AB (publ) for the year 2024 with the exception of the sustainability report on page 15 and the corporate governance statement on pages 40–57. The annual accounts and consolidated accounts of the company are included on pages 10–247 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present fairly, in all material respects, the financial position of parent company as of December 31, 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies. The consolidated accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present fairly, in all material respects, the financial position of the group as of December 31, 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act for Credit Institutions and Securities Companies. Our opinions do not cover the corporate governance statement on pages 40–57 or the sustainability report on pages 15.

The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and the consolidated financial statement for the current period. These matters were addressed in the context of the audit of, and in forming our opinion on, the financial statements and consolidated financial statement as a whole, and we do not provide a separate opinion on these matters. The description below of how the audit was conducted in these areas is provided in this context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements and the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the Key audit matter

Provision for expected credit losses

Detailed information and description of the area are provided in the annual accounts and consolidated accounts. Credit risk exposure and how it is managed is described in note G2. The Group's reported expected credit losses are specified in note G10. Disclosures regarding the parent company are presented in note P2 and P10. The relevant accounting policies for the Group in this area are described in note G1, sections 6 and 13. Note P1 indicates that the parent company's accounting policies regarding lending and provisions for expected credit losses are consistent with the Group´s accounting policies.

As of 31 December, 2024 lending to the public amounts to MSEK 2 297 878 (524 171) for the group (parent) which amounts to 65% (23%) of total assets. The total credit risk exposure, including off-balance commitments, amounts to MSEK 3 699 017 (2 952 370).

Provision for expected credit losses on lending to the public amounts to MSEK 1 609 (836) for which MSEK 538 (169) is based on model and expert based calculations (Stages 1 and 2) and MSEK 1 071 (666) is based on manual calculations (Stage 3). The Bank performs expert based adjustments on the model-based calculations in Stages 1 and 2 to take into consideration factors which are not accounted for in the model.

Expected credit losses shall be measured in a way that reflects an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes and is based on past events, current conditions and forecasts of economic conditions. To determine the provision the Bank is required to make estimates and assumptions regarding for example criteria to identify a significant increase in credit risk and methods to calculate expected credit losses. Due to the complexity of the calculation and the fact that it requires the Bank to make estimates and assumptions with a significant impact on reported amounts, the valuation of the provision for expected credit losses is considered a key audit matter.

We have evaluated whether the Bank's assessment of probability of default, loss given default, exposure at default and expected credit loss as well as significant increase in credit risk is in accordance with IFRS 9.

We have obtained an understanding of and tested the design of key controls in the credit process including credit decision, credit review, rating classification as well as identifying and determining credits deemed to be in default. We have also tested controls related to model data input and general IT controls including system access management for affected systems.

Furthermore, we have on a sample basis reviewed the Bank's initial and current credit rating. We have tested that data used from supporting systems used in the model is complete and accurate.

We have reviewed and assessed the model including assumptions and parameters and verified the functionality of the model. We have assessed the reasonableness of the macroeconomic data used. We have assessed the reasonableness of the manual adjustments, including the expert-based provision, performed by the Bank. As part of our audit, we used our internal model specialists to support us with the audit procedures performed.

We have also reviewed that the disclosures in the financial reports regarding provisions for expected credit losses are appropriate.

Fair value measurement of financial instruments with no market prices available

Detailed disclosures and descriptions of this area are provided in the annual report and consolidated accounts. Financial instruments measured at fair value are described in Note G42 for the Group and Note P37 for the parent company. The relevant accounting policies for the Group in this area are detailed in Note G1, section 5, on page 72. Note P1 indicates that the parent company's accounting policies regarding financial instruments measured at fair value align with the Group's accounting policies.

Key audit matter	How our audit addressed the Key audit matter

The Bank has financial instruments where market price is missing, thus fair value is determined using valuation models based on market data. These financial instruments are categorized as level 2 under the IFRS fair value valuation hierarchy. Svenska Handelsbanken has also, to some extent, financial instruments whose valuation to fair value is determined using valuation models for which the value is affected by input data that cannot be verified by external market data. These financial instruments are categorized as level 3 under IFRS fair value valuation hierarchy.

The group (parent company) has financial assets and financial liabilities in level 2 amounting to MSEK 52 852 (73 669) and MSEK 19 390 (30 901) respectively. Financial assets and liabilities in level 3 amounts to MSEK 194 (179) and MSEK 17 (17) respectively.

The main part of the financial instruments in level 2 is made out of derivative contracts, among them interest rate swaps and various types of linear currency derivatives, fund shares, and interest bearing instruments. These instruments are valued through the use of valuation models based on market rates and other market prices. Financial instruments in level 3 primarily consist of unlisted shares in joint ventures,and investments in the insurance business. Due to the complexity of calculations and the fact that the Bank has to make assessments with a significant impact on reported amounts, valuation of financial instruments with no market prices is considered to be a key audit matter.

We have assessed whether the Bank's method for valuation of financial instruments where market prices are unavailable, including the classification within the valuation hierarchy, is in accordance with IFRS 13.

We have tested key controls in the valuation process, including the Bank's assessment and approval of assumptions and methods used in model-based calculations, controls over data quality as well as change management regarding internal valuation models. We have also tested general IT-controls, including system access management for affected systems.

Further, we have evaluated the methods and assumptions made during the valuation of financial instruments with no market prices available. We have compared the valuation models with valuation guidelines and appropriate industry practice. We have compared assumptions used against appropriate benchmarks and price sources and examined any significant discrepancies. We have verified the reasonableness of the calculations by conducting our own independent valuations on a sample basis. During the audit, we have engaged our internal valuation specialist to assist us with selected audit procedures.

We have also reviewed the adequacy of the disclosures in the financial statements regarding the fair value measurement of financial instruments.

Other Information than the annual accounts and consolidated accounts

This document contains other information besides the annual report and consolidated financial statements, which is found on pages 1–9 and 254–382. The remuneration report for the financial year 2024 also constitutes other information. The Board of Directors and the CEO are responsible for this other information.

Our opinion on the annual report and consolidated financial statement does not cover this information, and we do not express any form of assurance conclusion on this other information.

In connection with our audit of the annual report and consolidated financial statements, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual report and consolidated financial statements. During this review, we also consider the knowledge we have gained during the audit and assess whether the information otherwise appears to contain material misstatements.

If, based on the work we have performed on this information, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual report and consolidated financial statements and that they give a fair presentation in accordance with the Swedish Annual Report Act for Credit Institutions and Securities Companies and, concerning the consolidated financial statement, in accordance with IFRS accounting standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual report and consolidated financial statements, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the

Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual report and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual report and consolidated financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual report and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion about the annual report and consolidated financial statement. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual report and consolidated financial statement, including the disclosures, and whether the annual report and consolidated financial statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statement. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement confirming that we have complied with relevant ethical requirements regarding independence, and to disclose any relationships and other matters that could reasonably be thought to bear on our independence, as well as, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual report and consolidated financial statements, including the most significant assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation preclude public disclosure about the matter.

Report on other legal and regulatory requirements

The auditor's audit of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual report and consolidated financial statement, we have also audited the administration of the Board of Directors and the Managing Director of Svenska Handelsbanken AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal regarding the allocation of the company's profit or loss. In the case of a proposed dividend, this includes, among other things, an assessment of whether the dividend is justifiable considering the requirements that the nature, scope, and risks of the company's and the Group's operations impose on the size of the parent company's and the Group's equity, the need for consolidation, liquidity, and overall financial position.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Banking and Financing Business Act, the Swedish Annual Report Act for Credit Institutions and Securities Companies or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment, focusing on risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular significance for the company's situation. We review and evaluate decisions made, supporting documentations, actions taken, and other circumstances relevant to our opinion on discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting documents in order to be able to assess whether the proposal is in accordance with the Swedish Companies Act.

The auditor's examination of the ESEF report

Opinion
In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Svenska Handelsbanken AB (publ) for the financial year 2024.

Our examination and our opinion pertain solely to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion
We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Svenska Handelsbanken AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firms apply International Standard on Quality Management 1, which requires the company to design, implement and manage a quality management system including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual report and consolidated financial statements.

Furthermore, the procedures also include an assessment of whether the Group´s income statement, balance sheet, statements of changes in equity, cash flow statement and notes in the Esef report have been marked with iXBRL in accordance with the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for the corporate governance report on pages 40–57 and for ensuring that it has been prepared in accordance with the Swedish Annual Report Act.

Our review has been conducted in accordance with FAR's recommendation RevR 16, The Auditor's Examination of the Corporate Governance Report. This means that our examination of the corporate governance report has a different focus and significantly lesser scope than the focus and scope of an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this review provides us with a sufficient basis for our opinion.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Swedish Annual Report Act and chapter 7 section 31, second paragraph of the same act, are consistent with the other parts of the annual report and consolidated financial statements and are in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies.

Auditor's report on the statutory sustainability report

It is the board of directors who is responsible for the statutory sustainability report on page 15 and that it has been prepared in accordance with the previous wording that applied prior to 1 July 2024 of the Swedish Annual Report Act.

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion on the statutory sustainability report. This means that our review of the sustainability report has a different focus and significantly lesser scope than the focus and scope of an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this review provides us with a sufficient basis for our opinion.

A statutory sustainability report has been prepared.

PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, was appointed auditor of Svenska Handelsbanken AB (publ) by the general meeting of the shareholders on 20 March 2024 and has been the company's auditor since 29 March 2017.

Deloitte AB, Rehnsgatan 11, 113 57 Stockholm, was appointed auditor of Svenska Handelsbanken AB (publ) by the general meeting of the shareholders on 20 March 2024 and has been the company's auditor since 22 March 2023.

Stockholm February 26, 2025

PricewaterhouseCoopers AB	Deloitte AB
Magnus Svensson Henryson Authorized Public Accountant	Malin Lüning Authorized Public Accountant

4.0

Sustainability at Handelsbanken

Introduction

New sustainability regulations

New sustainability legislation has been gradually implemented in a number of different areas, mainly, but not solely, related to the EU's aim of making Europe the first climate-neutral continent. Handelsbanken offers its customers financial products, services and advisory services that enable them to make sustainable choices, comply with applicable regulations and prepare for future legislation. Handelsbanken's 2024 Sustainability Report is presented on pages 259–370 and has been prepared in accordance with the requirements of the European Sustainability Reporting Standards (ESRS), with the exception that the Sustainability Report is presented outside the administration report. Parts of this Report also constitute the Bank's statutory sustainability report.

Handelsbanken has integrated sustainability as a natural part of its operations for a long time, focusing on long-term responsibility and close customer relationships. The five Group-wide sustainability targets, which were developed based on the UN global initiative Principles for Responsible Banking (PRB), have played an important role in driving the progress of the Bank's sustainability work. We are proud of how these targets have helped us strengthen our efforts, develop business products and services, build processes and working methods, and position ourselves as a responsible actor. Given the new laws and regulations in the field of sustainability, the Bank now sees a need to align its objectives even more with its core values and unique working methods.

The Bank aims to achieve higher profitability than the average of peer competitors in our home markets. We use two means to achieve this: lower costs and more satisfied customers than our competitors. By further integrating sustainability into these pillars, the Bank can contribute to long-term stable and responsible development that benefits customers, society and the environment.

The Bank's ambition is to ensure that its operations can fully support our customers in their transition in line with current science and the climate targets of our home markets and the EU. Our aim is to provide capital and liquidity to meet customers' funding needs and to offer products, services and advisory services that enable a sustainable transition. Handelsbanken will thus enhance its ability to integrate sustainability into all customer meetings, regardless of where and how our customers choose to meet us.

The Science Based Targets initiative (SBTi) is an independent initiative that helps companies set science-based climate targets in line with the Paris Agreement. According to the SBTi's general methodology, the current assessment is that our customers' properties in which the Bank holds collateral should achieve a standardised indicated emission reduction of 56 per cent for residential properties and 53 per cent for commercial properties by 2030 (base year 2021), based on the market and property distribution of the portfolio. The Bank continuously monitors the development of its collateral portfolio to ensure an efficient funding structure for the Bank and to evaluate its pace towards a climate-neutral portfolio. Handelsbanken has a high ambition to make funding available to creditworthy property owners and thereby support their transition. With appropriate products, services and advisory services, and by ensuring sufficient capital and liquidity, the Bank ensures its ability to promote the necessary energy efficiencies and emission reductions. Moving forward, the Bank is focusing on improving both its analysis and its offering to continuously provide even more help to customers in their transition.

However, the real estate sector faces significant challenges to achieve the desired transition. Handelsbanken is well-positioned to be a leader in supporting development in the sector.

The Bank's previous sustainability targets will no longer be separate priorities, and instead are integrated into the Bank's core business. As previously, the focus of these efforts is on supporting customers in their transition journey through three key areas: lending, asset management and payment services. This means that our sustainability offering, which includes responsible lending and gender-equal advisory services, is fully integrated into the Bank's operations – in customer meetings, in our product development, in various local initiatives and in our knowledge exchanges. By providing advisory services and information, we improve the financial literacy of our customers and in doing so empower them to make well-informed financial decisions. The integration of sustainability thus increases the Bank's ability to better meet the individual needs of our customers. Handelsbanken strengthens its sustainability efforts by remaining close to the market and customers while maintaining its unique characteristics – long-term relationships, strong cost awareness and low risk-taking. Handelsbanken sees this as a natural step forward in further strengthening its role as a long-term and stable partner in a changing world.

In addition to adhering to the regulations that apply to the financial sector, Handelsbanken wants to raise its own ambitions in the area of sustainability, not least in terms of the direct climate impact of its own operations.

Sustainable working methods

A cornerstone of Handelsbanken's business model is the processing of credit applications through a customer-oriented, highly decentralised approach. The local branch decides whether or not the credit is to be granted following a careful assessment and analysis, which includes the important factors of local connection and in-depth market knowledge. The Bank is financed by funding and equity. In addition, the Bank offers customers the opportunity to purchase and acquire various kinds of securities and savings products. Finally, the Bank processes payments, mainly in Sweden. Handelsbanken's value chain is described in more detail on page 267.

A variety of risks arise in the banking operations. A bank that fails to manages these risks adequately will quickly become a problem for its customers and owners. In the past, this has often had such far-reaching consequences that costs for restoring a functioning banking system had to be shouldered by society, central banks and, ultimately, taxpayers. Handelsbanken has never needed financial support from either central banks or taxpayers. We want to be a long-term, stable and accessible player – never part of the problem, always part of the solution. Handelsbanken's robust resilience to crises has been achieved over a long period of time, based on low risk tolerance and stable finances, combined with high know-how and expertise in credit management, and a strong corporate culture.

Extensive experience in lending

Handelsbanken has over 150 years of experience in managing changes in the nature of credit risk, such as changes in technology. This takes place at the local level, but within the framework of a Bank-wide credit policy.

When granting credit, the Bank assumes that the relevant licensing authorities have made decisions in accordance with the applicable regulatory framework and that they issue permits and licences to meet publicly stated sustainability objectives. Besides assessing credit risk, the Bank ensures that the necessary permits are in place and considers their validity. The Bank's role is not to scrutinise legislation or government decisions since this would risk conflicting with democratically enacted laws and regulations. The Bank currently integrates climate risks into its credit assessments and overall risk management in accordance with the requirements of the Swedish Financial Supervisory Authority, read more in note G2 on pages 119–121.

In addition, Handelsbanken lends to public sector actors such as municipalities, counties and regions, sovereigns and central banks, and thereby also helps build strong and stable societies.

In accordance with the Taxonomy Regulation (EU 2020/852), Handelsbanken also reports how its activities and financing contribute to the Taxonomy's six environmental objectives, such as climate change mitigation and climate change adaptation. The Bank's Taxonomy reporting can be found on pages 293–295 and 326–370.

A comprehensive savings offering

Handelsbanken offers its customers the opportunity to invest in a wide range of bonds, shares and funds. The Bank's own products, mainly funds, have been developed based on what the Bank regards as the most sought-after investment opportunities, which means that the range is primarily governed by customer needs and wishes. The same principles as for lending – complying with applicable laws and regulations – also apply to deposits and other investment services. As always at Handelsbanken, the range of products and services is curated based on customer needs. All securities offered are traded on regulated marketplaces, such as Nasdaq. The Bank is in regular contact with various exchanges to ensure that the listing agreements are produced so that customers can be confident that their investments correspond to an actual asset, and that relevant information on issuers is available so that informed investment decisions can be made.

Fast and secure payments

Nowadays, payments are mostly made electronically, which is both fast and resource-efficient. One of the Bank's key priorities is to ensure that the payments systems are protected from being used for criminal activities. This includes working proactively to prevent payment flows from being used for money laundering, terrorist financing or other illegal activities.

Looking ahead

Handelsbanken is well equipped to support its customers in their efforts to adapt themselves and their businesses to both current and future legislation. Following the requirements of the ESRS, the Bank has performed a double materiality assessment (DMA) which can be read on pages 273–277. In summary, Handelsbanken considers its social responsibility to ensure good availability of credit, offering customers relevant investment opportunities and preventing criminals from accessing payment services. Yet it is also natural for the Bank to support its customers in their transition process through close dialogue and advice on matters relating to the EU's net-zero emissions target. It is a natural extension of the Bank's business model, which focuses on a long-term approach and customer benefit.

Our community engagement

Our many years of engaging with the community, in the form of supporting independent knowledge sharing, research into finances and supporting the local initiatives and activities of clubs and associations, is part of our different approach to running a bank, based on long-term personal customer relationships and a strong local connection. We want to contribute to the strength and stability of the communities in which we operate. This is where we can find the most favourable conditions.

Knowledge at the centre of Handelsbanken's community engagement

Handelsbanken's operations are based on an in-depth and broad knowledge of finances. The Bank sees that customers who have good financial knowledge often make more informed and better decisions, and thus pose a lower credit risk. It is therefore entirely natural that Handelsbanken wants to enhance knowledge about finances through education and research.

It is also important for the Bank that this knowledge, together with other insights and analysis of finances and society, is widely and impartially shared, without any influence from the Bank or motivated by other interests. Handelsbanken supports research and the dissemination of knowledge in both its foundation form and in its daily work. More than 1,200 post-doc researchers receive financing in various ways under these initiatives.

An independent media house has also been established to share new knowledge, insights and analysis through books, magazines, TV and podcasts. Collaborations take place with relevant knowledge centres to create more platforms for generating and disseminating knowledge. Scientific education is an area in which the Bank is dedicating extra resources over the next few years, and several ongoing projects will result in various forms of teaching materials. Research grants from the Handelsbanken-supported foundations in 2024 amounted to SEK 265 million, focusing mainly on research into business economic and economic science.

Handelsbanken has a major opportunity to make a difference in society within the areas of research and the dissemination of new knowledge. For this reason, Handelsbanken intends to focus its community engagement on research, with the aim of sharing new insights that be given to and benefit many people. This is how the Bank creates the highest value for its customers while providing significant public benefit. At the same time, Handelsbanken is a highly decentralised organisation, with deep connections in its local markets. The branches know local needs the best, and therefore they know how to best support developments in their areas and choose how best to channel their community engagement locally.

Handelsbanken as a taxpayer

Handelsbanken is a responsible taxpayer that contributes to the communities in the countries where the Bank operates. This takes place by withholding, paying and accounting for the Bank's own tax, on behalf of its co-workers and on behalf of its customers, in accordance with national and international laws and regulations. It is then the task of elected decision-makers to distribute this income to the public for the common good.

One of Sweden's largest taxpayers

Handelsbanken's profit before taxes and regulatory fees amounted to SEK 38.2 billion in 2024.

This generated the following value:

- SEK 7.9 billion in total tax, making Handelsbanken one of the largest payers of corporate tax in Sweden
- SEK 2.9 billion in resolution fees and other regulatory fees
- SEK 29.7 billion in proposed dividends to shareholders.

Transparent and responsible taxpayer

Handelsbanken complies with the OECD Transfer Pricing Guidelines, meaning that the Group's earnings are taxed where value is created. As part of this, the Bank produces a country-by-country report that includes information on earnings and tax paid by country. This report is submitted to the tax authority in Sweden, which then shares the report with the tax authorities in the other countries where the Bank operates. As a financial institution under the supervision of the Swedish Financial Supervisory Authority, Handelsbanken is required to publish geographical information by country in accordance with FFFS 2008:25. This public report provides essentially the same information as the country-by-country report that is shared with tax authorities as described above.[1)]

In all countries in which Handelsbanken is established, the Bank conducts real operations with profits from local business operations for which the Bank is taxed locally in accordance with the normal local tax regulations. This also applies to the Bank's operations in Luxembourg, which consequently are not subject to local Luxembourg tax regimes that allow for lower tax rates.

Handelsbanken's tax management framework

Handelsbanken's tax management framework consists of Handelsbanken's policy for sustainability, Handelsbanken's policy for ethical standards and Handelsbanken's CEO guideline on managing taxes. These serve as an important starting point for the Bank's work on tax-related matters and are published on the Bank's external website.

Under the framework, Handelsbanken dissociates itself from tax evasion and the Bank must manage tax in accordance with local and international tax laws and regulations and their intent. A fundamental principle is that the transactions carried out by the Bank as part of its own operations as well as the transactions carried out or participated in by the Bank in relation to its customers must always have a commercial purpose. The Bank is not to carry out or participate in artificial transactions, as part of its own operations or in relation to its customers, that have a primary objective of obtaining tax advantages in conflict with the intent of the tax regulations. If there is doubt, the Bank must refrain from participating.

Taxes withheld for customers and employees 2024, SEK 11,492 m

	%
Taxes withheld for customers	63
Taxes withheld for employees	37

Corporate tax and charges 2024, SEK 14,829 m

	%
Corporate tax	53
Social security costs	18
Fees for resolution fund, deposit insurance and risk tax	20
Non-deductible input VAT	10

1) Annual Report, Note G47.

Sustainability Report

General information

Disclosure Requirements

ESRS 2 General disclosures

Datapoints related to other EU legislation

General information

Handelsbanken's Sustainability Report 2024 is based on the European Sustainability Reporting Standards (ESRS) and aims to provide an insight into the Bank's environmental, social and governance impacts, and how these aspects may affect the Bank's development.

This section presents the basis on which sustainability work is structured and the governance processes and strategies that support the Bank's role in the financial market. Sustainability at the Bank is integrated into all parts of the operations, including lending, asset management and advisory services, and is governed by Handelsbanken's overarching principles and strategy of a long-term approach, trust in the individual, local connection and low risk tolerance.

ESRS 2 General disclosures

Basis for preparation

BP-1: General basis for preparation of sustainability reports

Handelsbanken's 2024 Sustainability Report is presented on pages 259–370 and has been prepared in accordance with the requirements of the European Sustainability Reporting Standards (ESRS), with the exception that the Sustainability Report is presented outside the administration report and it is the Executive Team of the Bank that is responsible for preparing the Report. Parts of this Report also constitute the Bank's statutory sustainability report, which also includes the Taxonomy reporting, and is defined in the table on page 11. The Sustainability Report aims to strengthen the Bank's sustainability work, enhance reporting and ensure greater transparency for external stakeholders.

The Sustainability Report was prepared at Group level in line with the financial statements. The subsidiaries included in the Group and that reference the Group's Sustainability Report are: Handelsbanken Finans AB, Stadshypotek AB, Handelsbanken Fonder AB, Ecster AB and Handelsbanken Liv Försäkring AB. The Report covers both Handelsbanken's own operations and upstream and downstream activities in the value chain. More information about the value chain is provided in SBM-1 Strategy, business model and value chain on page 266.

No information on intellectual property rights, know-how or innovation results has been omitted. This also includes information on any future developments or ongoing negotiations.

BP-2: Disclosures in relation to specific circumstances

One of the changes from previous years is that the Sustainability Report was prepared in accordance with the ESRS, with the exception that the Sustainability Report is presented outside the administration report. This entailed new processes for the preparation of the Sustainability Report and also the development of the Bank's material sustainability matters and targets. See more information on page 278.

The Group-wide sustainability targets, based on the UN Principles for Responsible Banking (PRB) have been important to sustainability at the Bank. Given the new regulations, the Bank now sees a more urgent need to align its objectives with its core values and working methods. This does not mean changing the Bank's fundamental way of working, but rather further integrating sustainability into the Bank's business strategy. Previous Group-wide sustainability targets are no longer addressed separately and are now incorporated with the Bank's overall corporate goal: to have better profitability than the average of peer competitors in its home markets, achieved though lower costs and more satisfied customers. Read more about the previous sustainability targets on page 278.

The time perspectives used is in line with ESRS definitions, short term is one year, medium term is between one and five years, and long term is more than five years. Any value chain estimates and/or uncertainties used in metrics are indicated in the information presented. This also applies to any changes in comparative information. The following information is incorporated by reference to other parts of the administration report:

- Contribute to society (ESRS 2 MDR-M)
- Financial stability (ESRS 2 MDR-M).

For 2024, the Bank's reporting under the Task Force on Climate-related Financial Disclosures (TCFD) is part of the Sustainability Report, meaning that some information in section E1 Climate Change is derived from the TCFD. Some of the information in the E4 Biodiversity section is from the Bank's *Nature and Biodiversity Progress report* published for the first time in 2024, partly guided by the Taskforce on Nature-related Financial Disclosures (TNFD). Handelsbanken has previously reported on sustainability in accordance with the GRI and some ESRS metrics correspond to previously used GRI indicators. Taxonomy reporting is part of the statutory Sustainability Report. Information related to other EU legislation is presented in the table Relationship to other EU legislation on pages 280–283.

Governance

GOV-1: The role of the administrative, management and supervisory bodies

The Board is Handelsbanken's highest administrative body and is responsible for establishing the overall goals and strategy of the Bank. The Board was composed of nine elected members in 2024. In addition, there are two workers' representatives and two deputy members representing the employees, in accordance with Swedish law. All Board members are non-executive. Several members have worked on the Bank's Board for a long time and are very familiar with the Bank's operations. The corporate governance structure of Handelsbanken, including the Board's roles and experience, is described in more detail in the Corporate Governance Report on pages 40–57. During the 2024 financial year, the percentage of women on the Board of the Bank was 44 per cent of the elected members, and the percentage of the elected members with a different geographical origin than Sweden was 11 per cent. The proportion of elected members who were independent of the Bank, its management and major shareholders was 78 per cent. The Board members have broad and extensive experience from the business community. Several are, or have been, chief executive officers or CFOs of major companies, and most of them are also board members of major companies.

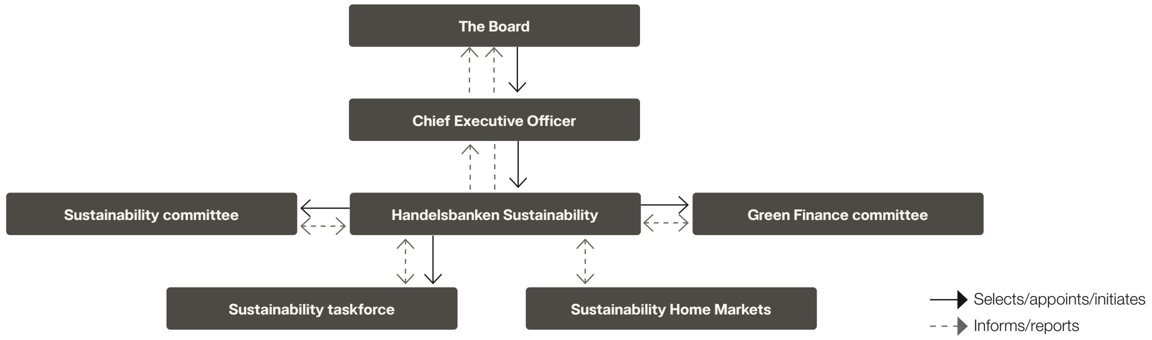
The Board has access to relevant sustainability expertise through the specialists employed in the organisation, including a dedicated sustainability and climate unit. This enables the Board to understand the strategic and operational challenges of the business operations and to make informed decisions on sustainability matters. The skills and expertise available to address sustainability matters are directly related to the Bank's operations and material sustainability risks and opportunities. The Bank's Chief Sustainability and Climate Officer (CSO) is a member of the Executive Team and reports every quarter to the Board and the CEO on the progress and development of sustainability, including issues of particular concern to the Bank.

The Board issues overarching policies that govern the entire Group's operations, serving

Selection of steering documents

Steering documents	Established by	Public	Climate change	Bio-diversity	Own workforce	Workers in the value chain	Consumers and end-users	Contribute to society	Business conduct	Counteract financial crime	Financial stability
Credit policy for the Handelsbanken Group	The Board	No	•			•					•
Policy for remuneration at the Handelsbanken Group	The Board	No			•						
Policy for ethical standards at the Handelsbanken Group	The Board	Yes			•			•	•	•	
Policy for the Handelsbanken Group on actions against financial crime	The Board	Yes								•	
Policy for management of conflicts of interest at the Handelsbanken Group	The Board	Yes							•		
Policy for sustainability at the Handelsbanken Group	The Board	Yes	•	•	•	•			•	•	
Policy for complaints management at the Handelsbanken Group	The Board	No					•				
Policy for operational risk at the Handelsbanken Group	The Board	No					•				•
Policy against corruption	The Board	Yes							•	•	
Handelsbanken's guidelines – Environment and climate change	CEO	Yes	•	•							
Human rights and working conditions – Handelsbanken's guidelines	CEO	Yes			•	•	•				
Guidelines for work environment at the Handelsbanken Group	CEO	Yes			•						
Guidelines for Handelsbanken's offering in forestry and farming	CEO	Yes		•							
Guidelines for supplier arrangements at the Handelsbanken Group	CEO	No				•					
Guidelines for security and data protection at the Handelsbanken Group	CEO	No					•				
Guidelines for actions against financial crime at the Handelsbanken Group	CEO	No								•	
Policy on governance and steering documents	The Board	No						•			•
Financial policy for the Handelsbanken Group	The Board	No									•
Capital policy for the Handelsbanken Group	The Board	No									•

Sustainability governance at Handelsbanken



as a framework for the work processes of both management and employees. These policies are reviewed annually, but may be updated more frequently to ensure that the Bank can react quickly to changing conditions or new risks.

For example, **Handelsbanken's credit policy** describes the Bank's risk tolerance and strategies for managing credit risks. This policy ensures that the Bank's low risk tolerance for credit losses is maintained over time. The policy clarifies that sustainability risks and related environmental, climate, social and governance factors are to be an integral part of the credit risk assessment. The credit policy states that Handelsbanken's lending must be responsible and meet high ethical standards, and that the Bank puts customers first, not the Bank's products and services. The Bank's job is to satisfy customer needs, not to sell specific services.

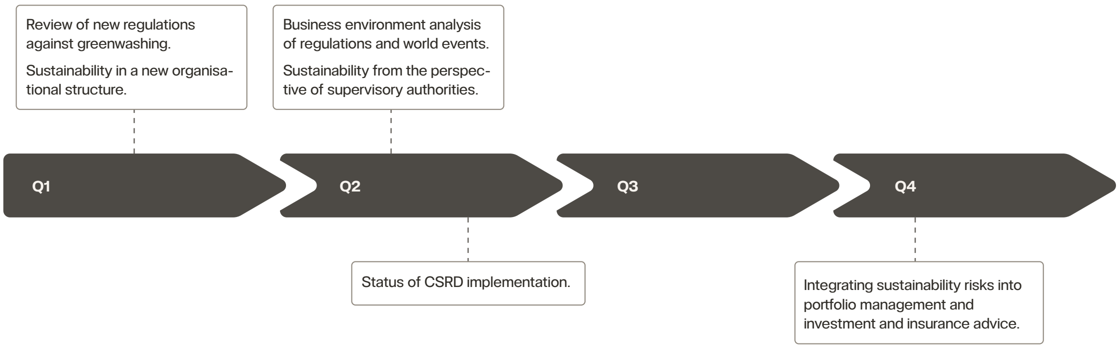
Risk management is further strengthened by the **policy for risk control**, which sets out the basic principles for the independent monitoring and control of the Group's risk management. This policy emphasises that all material risks to which the Bank is exposed, or can be expected to be exposed to, must be identified and managed systematically and transparently. This is reflected in the way business units are responsible for monitoring their respective risks and how this is followed up through the Bank's internal control functions.

The **policy for ethical standards** states that all Handelsbanken employees must act in a way that upholds confidence in the Bank. All operations within the Group are to observe high ethical standards. Discrimination, victimisation, sexual harassment or other forms of harassment based on gender, transgender identity or expression, ethnicity, religion or other beliefs, disability, sexual orientation, age or on any other grounds must not occur within the Bank, either internally towards and between employees or towards customers, suppliers and other external parties. The policy also describes how employees and other stakeholders should act in case of suspected fraud or other irregularities. Handelsbanken has an established whistleblower system that can be used to report something anonymously. Identity and personal data must be protected at all times, and there must be no form of unfair treatment of the whistleblower.

Handelsbanken's policy against corruption emphasises the importance of preventing and never accepting corruption in any form. The policy covers all types of corrupt behaviour, including bribery, breach of trust and improper use of one's position to gain advantages for oneself or others. All employees of the Group, as well as others representing the Bank, are expected in all their activities to act in a manner that maintains confidence in Handelsbanken and must avoid participating in actions that may involve improper influence or corruption.

The Bank follows the recommendations of the Swedish Anti-Corruption Institute's Code on Business Conduct, and rules regarding

The Sustainability committee's work in 2024



bribery and other improper influence are applied in all contexts, including gifts, corporate hospitality and events.

The joint approval process for new and amended products is governed by the Bank's **policy for products and services** and adheres to an established checklist specifying the product's characteristics, risks and other relevant information. This process is designed to ensure that the Bank's sustainability matters are taken into account in product development.

The policy for sustainability sets the direction for the Bank's work and clearly sets out the Bank's view of sustainability. The policy encompasses all activities in relation to co-workers, customers, suppliers and other business partners. It states that sustainability matters should be integrated throughout the Bank's operations and that the Bank should strive to minimise negative impacts on the environment and society. This policy reflects the Bank's commitment to operate in a way that supports a transition to an economy with net-zero GHG emissions. The policy also states that Handelsbanken is to protect human rights and workers' rights and not contribute to violations of these. Gender equality, diversity and inclusive culture are to be part of Handelsbanken's core values. Handelsbanken does not accept corruption, money laundering or terrorist financing and conflicts of interest are to be managed.

The aim of the **policy on governance and steering documents** is to define the overall organisation and to describe the goals, steering documents and division of responsibilities that form the basis of the governance of the Group. The policy highlights Handelsbanken's targets, concept and corporate culture, which include the central pillars of trust in the individual, a strong local commitment and a decentralised way of working. The Bank endeavours to create value through personal meetings and long-term customer relationships. This is supplemented with a working method and remuneration system that support responsible and risk-conscious operations.

By running the banking operations in a responsible and sustainable manner and with stable finances, Handelsbanken earns the confidence of customers, shareholders and other stakeholders. Satisfied customers are required to ensure sustainable profitability and the ability to develop the Bank's business and customer offerings, regardless of changes in the world. The policy thus serves as a framework for good governance and a platform for creating value and contributing to the society in which the Bank operates.

The Bank's CEO also issues guidelines and instructions that complement the Board's policies. These steering documents cover many areas, from actions against financial crime to guidelines on human rights, the environment and climate change.

In summary, these policies and guidelines show how the Board's and management's responsibilities for managing impacts, risks and opportunities are integrated into Handelsbanken's governance structure. A comprehensive framework of policies, guidelines and instructions ensures that all parts of the organisation have clear and effective processes to monitor, manage and report risks and opportunities. A summary of the Bank's steering documents can be found on Handelsbanken.com. Certain policies and guidelines are also available in their entirety on the website.

Handelsbanken's sustainability work is decentralised and carried out wherever the Bank's business and operational decisions are made. Handelsbanken's Chief Sustainability and Climate Officer (CSO) leads sustainability work and reports directly to the CEO. The CSO is responsible for ensuring that sustainability work is conducted in accordance with internal and external rules and that identified sustainability risks are managed. The function also reports on sustainability matters to the Board's Audit Committee and coordinates the Bank's sustainability work through the Sustainability committee.

The CSO is Chair of the Bank's Sustainability committee, which was established in 2010. The committee's role is to analyse and, when necessary, coordinate the Group's sustainability efforts. The scope of the Sustainability committee's work includes proactively identifying and addressing potential issues and business opportunities. The committee comprises decision-makers from both business and central departments, many of whom are also members of the Bank's Executive Team. The Sustainability committee convenes at least three times per year, or more often if necessary.

In 2024, in conjunction with the implementation of CSRD, a steering group was established to complement the Sustainability committee. The steering group comprises the Bank's CSO, CFO and the Bank's former Chief Strategy Officer who is now Head of Financial Crime Prevention. The steering group assumes the overall responsibility for making decisions on establishing boundaries, priorities and the focus of implementing the CSRD. The CSO has reported to the Board's Audit Committee on several occasions, on identified material sustainability matters and on the sustainability targets developed in line with the reporting requirements.

The management of sustainability matters and risks is integrated into the Bank's risk management, which follows a three-line-of-defence structure. This is described in more detail in the Corporate Governance Report on pages 48–49 and covers responsibility of the business operations (first line), risk control (second line), and independent review (third line). For more information on the management of sustainability risks, see note G2 on pages 119–121, and the Bank's report *Risk and Capital Information according to Pillar 3*.

The CSO reports regularly to the Board or relevant committees on the progress of the Bank's sustainability work, the achievement of the sustainability targets established in line with the ESRS and the strategic issues raised by them. The Audit Committee has a key role in overseeing the implementation of the CSRD and adjusting and developing sustainability targets on behalf of the Board. These targets and progress are regularly monitored to ensure that they are in line with the Bank's overall business goals and risk management.

GOV-2: Information provided to and sustainability matters addressed by Handelsbanken's administrative, management and supervisory bodies

Reporting on the Bank's overall sustainability work, including key issues related to regulatory frameworks, policies and actions, is provided on a quarterly basis to the Board, or the committee designated by the Board, and to the CEO by the CSO. Any significant deviations are also reported, which includes progress in the sustainability work. No significant deviations were reported in 2024.

Handelsbanken's Board of Directors considers impacts, risks and opportunities in a number of key sustainability areas primarily through the steering documents issued by the Board, including on overall strategy, transactions and risk management. These steering documents set out the fundamental principles of the Bank's operations and provide a framework for its sustainability work, including how the Bank manages sustainability-related risks and opportunities. These steering documents are complemented by detailed internal rules that provide instructions and guidance on how sustainability work is to be conducted in practice.

The following items have been addressed by Handelsbanken's Board or relevant committees in 2024:

- **Governance:** The Bank's policies, guidelines and organisation have been assessed, and the Board was informed of the Bank's climate transition plan.
- **CSRD and double materiality assessment:** Handelsbanken has conducted a double materiality assessment to identify which sustainability matters are of greatest importance to the Bank.
- **Sustainability targets in accordance with CSRD:** Definition of targets and internal preparation, including timetable, in relation to new requirements under the CSRD.

- **Sustainability targets in accordance with PRB:** Reporting and fulfilment of the sustainability targets adopted by the Bank's CEO in 2021 in connection with Handelsbanken joining the Principles for Responsible Banking (PRB).
- **Gender-equal finances:** Updated goals for gender-equal advisory services, particularly in financial literacy and perceived expertise.
- **External initiatives and commitments:** Significant external initiatives and commitments affecting the Bank's sustainability work.
- **Fossil fuel commitments:** The Bank's commitments related to reducing exposure to fossil fuels.
- **Greenwashing:** Risks related to the Bank describing its activities and products as more sustainable than they actually are.

GOV-3: Integration of sustainability-related performance in incentive schemes

Handelsbanken's remuneration system is designed to promote sound and sustainable operations and is linked to the Bank's business goals and culture. It includes fixed remuneration, pension, and some salary benefits. Variable remuneration is generally applied with great caution in Handelsbanken and is not applied to members of its administrative, management and supervisory bodies. There is therefore no significant proportion of variable remuneration directly linked to sustainability targets. The Oktogonen profit-sharing scheme applies to the Bank's Executive Team on the same terms as all other employees and aims to reward long-term, stable and sustainable operations.

The Bank's remuneration policy emphasises the importance of sustainability by aligning remuneration to the Bank's business strategy and the policy is designed to ensure that sustainability aspects are an integral part of the company's business model. There are no specific sustainability targets linked to variable remuneration, as the focus is on promoting long-term interests and a sustainable business model by applying fixed remuneration as a general rule. As remuneration is fixed, and variable remuneration is applied very cautiously, sustainability-related performance is mainly assessed through the Bank's general principles for sound and sustainable operations rather than specific performance metrics or benchmarks.

The decision-making process for the remuneration system takes place through the Bank's Remuneration committee, which is responsible for preparing proposals for guidelines for remuneration to executive officers. The Board of Directors decides on any changes to the guidelines and draws up new guidelines at least every four years if there is a need for significant changes. The committee also evaluates compliance with the guidelines and reviews remuneration structures and levels. If necessary, the Board of Directors may deviate from the guidelines in order to safeguard the long-term interests of Handelsbanken.

Read more about Handelsbanken's approach to variable remuneration and the Bank's remuneration policy in the Corporate Governance Report on page 49 and in Handelsbanken's Remuneration Report on Handelsbanken.com.

GOV-4: Statement on due diligence

The Due diligence table presents an overview of how the elements of due diligence for people and the environment are handled in Handelsbanken and where in the Sustainability Report these disclosures can be found.

Due diligence

Core elements of due diligence	Disclosure Requirements	Page
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2	264
	ESRS 2 GOV-3	265
	ESRS 2 SBM-3	268
b) Engaging with affected stakeholders	ESRS 2 SBM-2	268
	ESRS 2 IRO-1	273
	ESRS 2 MDR-P	301, 309, 313
c) Identifying and assessing adverse impacts for the environment and people	ESRS 2 IRO-1	273
	ESRS 2 SBM-3	268
d) Taking action to address negative impacts on people and the environment	Environmental:	287, 297
	Social:	302, 314, 316
	Governance:	320, 322, 324
e) Tracking the effectiveness of these efforts	Environmental:	289, 297
	Social:	304, 311, 315, 316
	Governance:	321, 323, 325

GOV-5: Risk management and internal controls over sustainability reporting

Handelsbanken Sustainability has overall responsibility for sustainability reporting, including responsibility for ensuring that effective processes are in place for the risks that have been identified. To minimise risks and increase the quality and traceability of the Bank's sustainability reporting, Handelsbanken has improved its processes in connection with the transition to ESRS reporting. Responsibilities have been clarified for the internal stakeholders that provide information, and stricter traceability requirements have been introduced for data sources and supporting documentation, including expanded requirements for internal controls on reported information wherever deemed appropriate. For example, a duality requirement was introduced for information related to Taxonomy reporting for the reconciliation of information, which in turn is derived from systems with previously established control functions. Handelsbanken's internal control process for sustainability reporting is based on a clearly defined division of responsibilities and steering documents, whereby decision-making paths, authority and responsibility in sustainability are specifically defined and communicated. Handelsbanken Sustainability and Handelsbanken Finance are responsible for identifying and evaluating operational control activities linked to sustainability and taxonomy reporting, where controls in business processes and systems are deemed essential to reduce the risk of significant errors in sustainability reporting. The greatest risk of significant errors is that operational errors are made in the preparation of information for reporting.

Strategy

SBM-1: Strategy, business model and value chain

Handelsbanken's operations are based on a fundamental respect and trust in individuals. The customer relationship is at the very core of the business, with the Bank following customers through different stages of life and designing its business models according to their needs. The Bank's strategy integrates sustainability into a decentralised working method with a focus on risk mitigation and a long-term approach on customer relationships. This includes providing lending, investment and advisory service products and services that are tailored to customers' sustainability requirements.

The Bank aims to achieve better profitability than the average for banks in our home markets. We use two means to achieve this: lower costs and more satisfied customers than our competitors. By further integrating sustainability into these pillars, the Bank can contribute to long-term stable and responsible development that benefits customers and society. Customer surveys carried out by EPSI/SQI have confirmed that sustainability efforts lead to satisfied customers, with sustainability and social responsibility highlighted as an important factor. At the same time, effectively managing sustainability risks contributes to lower costs, for example, by mitigating credit losses.

A sustainable society requires a robust financial system that is protected from being abused. For this reason, the fight against money laundering and terrorist financing are central elements of the 2030 Agenda and the SDGs. Handelsbanken regards the prevention of financial crime as a fundamental condition for ensuring safe and stable banking operations.

Handelsbanken's home markets are Sweden, the UK, Norway and the Netherlands. The Bank also does business in Luxembourg and the USA. At the end of 2024, Handelsbanken had 424 branches and meeting places.

Characteristics of Handelsbanken's employees, including the number of employees in home markets, are presented in section S1-6 Characteristics of Handelsbanken's employees, see page 305.

In 2021, the decision was made to initiate a process to divest the operations in Finland. In 2023, an agreement was signed to sell the Finnish private, SME and life insurance operations. These transactions were completed in 2024. Handelsbanken's remaining operations in Finland are being handled in a separate sales process.

Handelsbanken's customers are private individuals and companies, with a particular focus on property companies and owner-managed companies. Handelsbanken primarily offers lending, asset management and payment solutions of various kinds and is always developing its sustainable products and services to ensure a competitive offering, and thus to improve profitability while maintaining a low level of risk.

Loans to the public – by sector

31 December 2024	SEK bn	Proportion of total lending, %
Private individuals	1,172	49.4
Housing co-operative associations	283	11.9
Property management	730	30.8
Manufacturing	32	1.3
Retail	25	1.1
Hotel and restaurant	8	0.3
Passenger and goods transport by sea	0	0.0
Other transport and communication	6	0.3
Construction	16	0.7
Electricity, gas and water	10	0.4
Agriculture, hunting and forestry	22	0.9
Other services	15	0.6
Holding, investment, insurance companies, mutual funds, etc.	28	1.2
Sovereigns and municipalities	2	0.1
Other corporate lending	25	1.1
Total	**2,372**	**100**

Loans to the public 2024 – Geographical breakdown

	%
Sweden	68.1
UK	10.4
Norway	13.5
Finland	3.2
The Netherlands	4.4
Other countries	0.3
Total	**100**

Loans to the public 2024 – Sector breakdown

	%
Private individuals	49.4
Corporates	38.6
Housing co-operative associations	11.9
Sovereigns and municipalities	0.1
Total	**100**

Handelsbanken's funding offering includes:
- **Green loans for corporate customers:** aimed mainly at property companies and companies financing projects with defined environmental benefits, such as energy-efficient buildings, renewable energy or actions to improve the environment.
- **Loans with ESG-linked features:** these loans are tailored for companies and the loan terms are linked to the customer achieving specific sustainability targets. These loans are particularly relevant for larger companies that actively work to integrate sustainability into their business model.
- **Climate and energy loans:** Tailored for investments aimed at reducing energy consumption or implementing solutions that reduce climate impact. These loans are aimed at both businesses and private individuals.
- **Green mortgages:** For private individuals who own a home that meets high environmental standards.

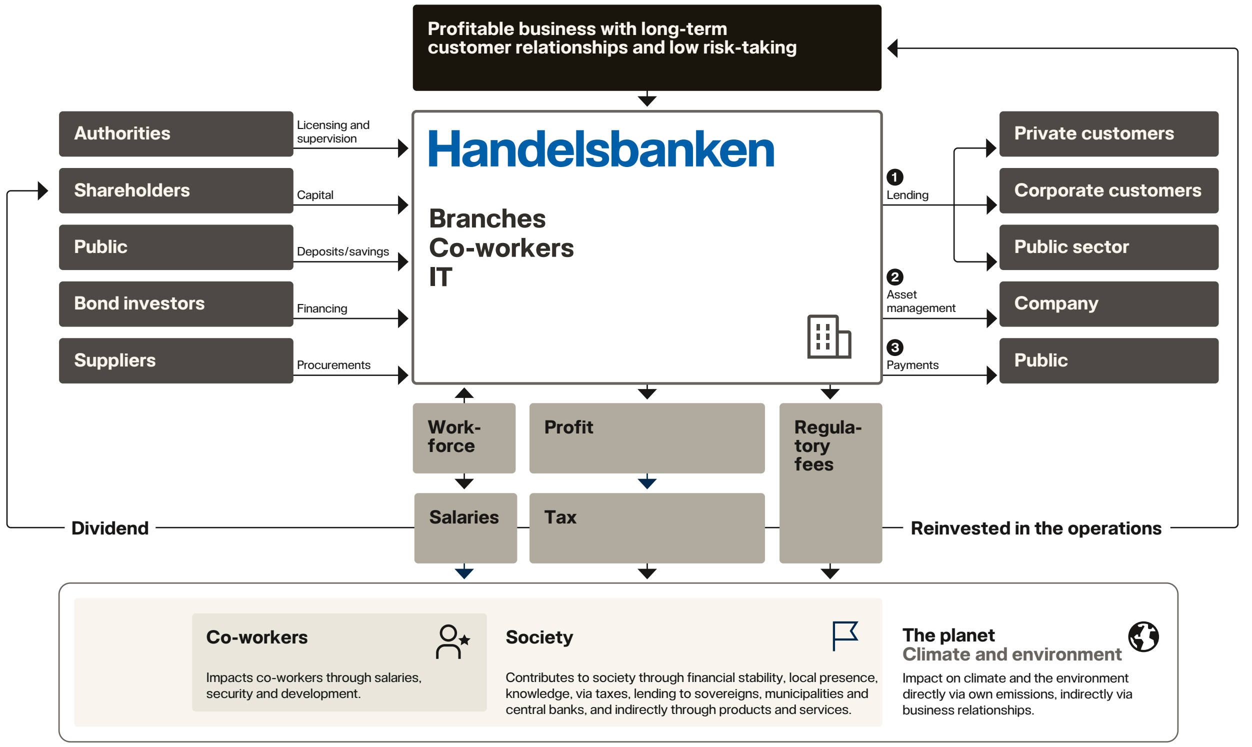
Handelsbanken has a wide range of funds for customers to choose from. For customers wanting to invest in funds with a sustainability focus, Handelsbanken's offering includes:
- **Article 9 funds:** funds that have sustainable investments or reductions of carbon emissions as their objective, targeting private and corporate customers who are looking for a distinct sustainability profile in their investments.
- **Article 8 funds:** funds that promote environmental or social characteristics and target both private and corporate customers.

Handelsbanken's greatest impact on sustainable development, whether in a positive or negative direction, lies in its business operations: through financing customers' projects and businesses, and in managing customers' assets.

On issues such as the climate, environment, biodiversity, human rights and inclusivity, the Bank has the greatest chance to make a positive difference by supporting customers through their sustainable transition. By assisting our customers – whether large companies, SMEs or private customers – to be more sustainable, Handelsbanken itself becomes more sustainable. The decentralised working model and local connection enable Handelsbanken to adapt to sustainability-related requirements and changes in the market.

The Bank is facing a continued transition to a low-carbon economy. This includes addressing risks related to both climate change and the global transition towards sustainable energy consumption. The Bank must ensure that the financing of the property sector, which accounts for a large share of its lending, is in line with future energy

Handelsbanken's value chain



❶ Loans

Upstream lending comprises the sources of funding that enable the Bank to grant credit. This includes bonds issued and deposits from the public. Downstream lending encompasses the impacts and effects arising from the Bank's lending on customers and society, as well as sovereigns, municipalities and central banks. Products such as mortgages, property lending and other corporate and public sector lending are examples of lending downstream in the value chain.

❷ Asset management

Upstream asset management includes customers' savings and deposits in various savings products, such as mutual funds. The capital is further invested downstream through the fund's investments in shares, bonds and other assets in various companies. The Bank's role here is to offer advisory services and products to customers that enables them, based on their choice of products, to consider sustainability aspects and the impact on society.

❸ Payments

Upstream payments consist of deposits of customers' funds into payment accounts, as well as the technical infrastructure and service providers that enable the transaction flows and the Bank's connection to payment service providers and card networks. Downstream, it consists of processing payments for customers' purchases and invoices, whereby the Bank mediates transactions with a focus on security and efficiency.

Mapping and understanding the company's value chain is crucial in the context of sustainability, particularly for double materiality under the CSRD. This assessment identifies impacts, risks and opportunities both upstream, downstream and own operations, and the effects this has on the company's stakeholders.

Handelsbanken's value chain can be divided into three main value chains: lending, asset management and payments, which together constitute the Bank's overall business operations. Upstream lending refers to the sources of funding that enable the Bank to grant credit, with the input mainly consisting of bonds issued and deposits from the public. Downstream, lending comprises the products offered to customers, such as mortgages, personal loans, property lending and other corporate lending. Furthermore, lending comprises lending to customers in the public sector, such as municipalities, counties and regions as well as sovereigns and central banks. Asset management includes upstream activities that are based on customer savings and deposits in savings products, such as mutual funds. These monetary funds are then invested downstream through the funds' purchase of shares, bonds and other assets in companies around the world. Upstream payments include deposits into payment accounts, as well as the technical infrastructure and the service providers that enable the transaction flows and the Bank's connection to payment service providers and card networks. Downstream, payments involve the processing of transactions for customers' purchases and invoices when the Bank acts as mediator. The Bank's own operations comprise internal processes, procedures and IT systems that support business flows and related activities. These are handled by the Bank's co-workers with a focus on stability, efficiency, low risk and long-term customer relationships. The business activities carried out within this value chain create value that is shared between the Bank's shareholders and society through taxes and regulatory fees, while some of the value benefits co-workers in the form of remuneration, and some is reinvested in the operations to support its long-term development.

efficiency and climate change adaptation requirements.

Handelsbanken wants to meet customers' growing expectations about the sustainability performance of the financial industry. Handelsbanken can see continuing strong demand for green and ESG-linked financing products, as well as sustainable investment alternatives.

To achieve this, Handelsbanken has intensified its efforts to offer green solutions and investment opportunities by developing and expanding its green offering. This includes products such as green loans, which finance projects that benefit the environment, and loans with ESG-linked features, whose loan terms are linked to the borrower achieving specific sustainability targets. In asset management, Handelsbanken offers a wide range of funds, including funds reported as Article 9, funds with sustainable investment or a reduction in carbon emissions as their objective, or Article 8, funds that promote environmental or social characteristics.

Handelsbanken has also developed digital tools, such as Energikollen, which helps customers make their properties more energy efficient, and Hållbarhetskollen, which allows the Bank's corporate customers to automatically calculate their carbon emissions based on their accounting records. The Bank has long since reduced its exposure to fossil fuels has and this now represents a very limited share of the Bank's total lending. The Bank works continuously to continue reducing its exposure and has reduced its lending to the fossil fuel sector 87 per cent since 2021. For more information on the Bank's lending, see table Lending (Gross) to TCFD sectors under section ESRS 2 IRO-1 E1 on page 276.

By combining a long-term business strategy with responsible solutions, Handelsbanken is helping to accelerate the sustainable transition in the sectors and markets that are most critical to achieving the Bank's climate and sustainability ambition.

SBM-2: Interests and views of stakeholders

Handelsbanken's principal stakeholders are customers, co-workers, owners and investors, trade unions, and the rest of society, including special interest organisations, public authorities and legislators. These stakeholder groups have been identified on the basis of their significant impact on, or impact from, the Bank's activities. The Bank also maintains continual dialogue with other stakeholders, such as equity research analysts, trade associations, sustainability analysts, non-profit organisations, international organisations, municipalities and regions, suppliers, press and media, students and educational establishments, including schools and universities. Further details on how Handelsbanken incorporates perspectives from workers in the value chain can be found in the section S2-2, see page 309. For Handelsbanken, business conduct means that the Bank meets the expectations of these stakeholders and acts in a way that maintains their continued trust. Based on the dialogues conducted with key stakeholders, Handelsbanken gains a deeper understanding of their views and expectations of the Bank's sustainability work. These insights are embedded into the Bank's strategy and business model, with sustainability integrated into the decentralised way of working and governed by long-term customer care and a focus on low risk. By actively listening to customers, investors and other social actors, the Bank can tailor its offerings, guidelines and processes to meet both business and sustainability-related challenges. By integrating stakeholder perspectives into ongoing strategy development, the Bank can ensure that its business model is adjusted to changing conditions, customer preferences and regulatory requirements. When affected stakeholders have views or where other external factors emerge that have a bearing on the Group's sustainability activities and business operations, the standard reporting process is that the CSO informs the Bank's Board.

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

13 sustainability matters, presented in table IRO definitions and descriptions, have been identified as material to Handelsbanken based on the double materiality assessment, read more about the process behind the result in the section IRO-1 on page 273. These matters will be addressed in the sections E1 Climate

Stakeholder dialogue

Stakeholders	How stakeholder engagement and dialogue takes place	Purpose of dialogue
Co-workers	• Annual activity plan linked to a co-worker's goals through the Planning and Development Interview (PLUS). Group-wide work environment survey. • Employee representatives on the Board. • Joint health and safety forum comprising employer and workers' representatives.	• That each employees has an individual action plan that is followed up during the year and which forms the basis for salary negotiations. • Ensure that employee perspectives and interests are taken into account in strategic decisions at the highest level. • Promote a safe and healthy work environment through continuous dialogue and follow-up between employers and co-workers.
Customers	• Daily meetings, both advisory services and customer support. Meetings take place physically at branches, by phone, digitally and on social media. • Regular customer surveys.	• Have more satisfied customers than peer competitors. • Maintain a close relationship with customers and adapt services to their needs. • Ensure that customer needs and queries are handled quickly and efficiently across all channels. • Collect feedback to better understand customer expectations and improve the Bank's products and services.
Owners and investors	• Annual General Meeting. • Quarterly and annual reports are presented followed by investor calls. • Individual investor meetings.	• Present financial results and allow shareholders to vote on important issues. • Provide information about the company's profits and strategy, followed by talks with investors to answer questions. • Opportunity to discuss specific issues, such as sustainability.
Authorities and legislators	• Ongoing dialogue with stakeholders including supervisory authorities, central banks and regulatory bodies.	• Ensure compliance with laws and regulations and contribute to the development of new regulations for a stable and sustainable financial sector.
Trade unions	• Ongoing dialogue with trade unions at national level and via the European Works Council on common cross-border issues. • Regular meetings to discuss health and safety issues and conduct risk assessments.	• Ensure cooperation on labour practices, health and safety and strategic issues, both at national and international level. • Promote a safe work environment.
Society	• Cooperation on local community projects. • Partnerships with NGOs. • Grants for research via foundations. • Offer independent journalism through the subsidiary EFN.	• Support and contribute to community development through local initiatives. • Collaborate with non-profit organisations to drive social and environmental issues. • Promote economic and social research and higher education through grants from the Bank's foundations. • Raise awareness about finances to empower people to make informed financial decisions and thereby improve their economic and social situation.
Suppliers	• Continuous dialogue. • Implementation of the Code of Conduct. • Monitoring key performance indicators.	• Enhance sustainability work at the Bank and its suppliers. • Ensures compliance with the Bank's high ethical and social standards.

change, E4 Biodiversity, S1 Own workforce, S2 Workers in the value chain, S4 Consumers and end-users, G1 Business conduct and the entity specific matters of Contribute to society, Counteract financial crime and Financial stability.

In summary, the Bank has both a direct and indirect impact on the environment, people and society in these areas. A well-run and responsible bank can have a significant positive impact on the economy, not only through direct economic impacts such as corporate tax payments, but also through indirect impacts. For example, the conditions under which the Bank lends money can make a difference, to both the individual and society. On issues such as the climate, environment, biodiversity, human rights and inclusivity, the Bank has the greatest chance to make a positive difference by supporting customers through their sustainable transition. Handelsbanken thus works actively to support and accelerate its customers' sustainable development. This takes the form of dialogue and advice, within the framework of financing, in discussions regarding savings and by building close relationships with customers.

Although banking operations have a relatively small direct impact on the environment and climate, the Bank works continuously to streamline energy consumption, reduce unnecessary paper consumption and reduce travel by car and air, and is instead investing in digital solutions and remote meetings to reduce its climate footprint. These digital solutions also help customers to reduce their climate impact.

Handelsbanken currently sees no significant changes in the business model, value chain, strategy or decision-making as a result of identified positive and negative impacts, risks and opportunities. These aspects are continuously addressed within the scope of day-to-day work, with ongoing assessments and adjustments where necessary. The Bank is taking action to address the identified positive and negative impacts, risks and opportunities in different areas, but currently sees no need for major strategic changes. The actions identified for each ESRS area and the entity specific matters are presented in more detail in later sections of the Sustainability Report.

The Bank has a robust strategy and business model that is well-positioned to manage material impacts and risks and capitalise on identified opportunities. By working on long-term business relationships, low risk-taking and cost-consciousness, the Bank is able to address the challenges posed by sustainability matters, such as climate change and social risks. Handelsbanken considers the prevention of direct and indirect risks as part of its sustainability work. The Bank is aware that social and environmental matters can significantly increase credit risk, investment risk and reputation risk. Sustainability risks are thus integrated into normal processes and procedures.

For more information on quantitative resilience in the context of climate change work, see ESRS 2 SBM-3 E1 Climate change section on page 286.

The IRO definitions and descriptions table presents the results of the double materiality assessment and shows where in Handelsbanken's business model the identified issues can be found. It clarifies whether the impacts, risks and opportunities related to sustainability matters are in the Bank's own operations or whether they are upstream or downstream in the Bank's value chain.

Summary of material impacts, risks and opportunities

ESRS	Material sustainability matter	Material impacts, risks and opportunities	Value chain	Upstream (U) Downstream (D)[1]	Time horizon
E1	**Climate change adaptation**	Potential positive impact	Asset management & lending	U & D	Short/medium/long
		Potential negative impact	Asset management & lending	U & D	Short/medium/long
		Risk	Lending	D	Long
		Opportunity	Lending	D	Short/medium/long
E1	**Climate change mitigation**	Actual positive impact	Asset management & lending	U & D	Short/medium/long
		Actual negative impact	Asset management & lending	U & D	Short/medium/long
		Risk	Lending	D	Long
		Opportunity	Lending	D	Long
E1	**Energy**	Potential positive impact	Payment, own operations & downstream	U & D	Short/medium/long
		Actual negative impact	Payment, own operations & downstream	U & D	Short/medium/long
E4	**Direct impact drivers of biodiversity loss**	Actual negative impact	Asset management	D	Long
S1	**Working conditions (Own workforce)**	Actual positive impact	Own operations		Short/medium/long
		Actual negative impact	Own operations		Short/medium/long
S1	**Equal treatment and opportunities for all (Own workforce)**	Actual positive impact	Own operations		Short/medium/long
		Potential negative impact	Own operations		Short/medium/long
S2	**Working conditions for workers in the value chain**	Potential positive impact	Asset management, suppliers & lending	U & D	Medium/long
		Potential negative impact	Asset management, suppliers & lending	U & D	Short/medium/long
S4	**Information-related impacts for consumers and end-users**	Potential positive impact	Payment & lending	D	Short/medium/long
		Potential negative impact	Payment & asset management	U & D	Short/medium/long
		Risk	Payment, asset management & lending	U & D	Short/medium/long
-	**Entity specific Contribute to society**	Actual positive impact	Own operations, asset management & lending	U & D	Short/medium/long
		Opportunity	Own operations, asset management & lending	U & D	Short/medium/long
G1	**Corporate culture**	Actual positive impact	Own operations		Short/medium/long
		Opportunity	Own operations		Short/medium/long
G1	**Corruption and bribery**	Actual positive impact	Own operations		Short/medium/long
		Actual negative impact	Own operations		Short/medium/long
-	**Entity specific Counteract financial crime**	Actual positive impact	Payment, own operations & downstream	D	Short/medium/long
		Potential negative impact	Payment & own operations	D	Short/medium/long
		Risk	Payment & lending	D	Short/medium/long
-	**Entity specific Financial stability**	Actual positive impact	Own operations & lending	U & D	Short/medium/long
		Opportunity	Own operations & lending	U & D	Short/medium/long

1) U = upstream and D = downstream.

Environmental information

E1 Climate change

Climate change adaptation

Definition	Impact, risk, opportunity	Description
Provide information and support customers on physical climate risk	Potential positive impact	The Bank can make a positive contribution to customers' adaptation to climate change through products, services and advisory services as well as in funding and investing.
Finance/invest in projects with high climate-related risk	Potential negative impact	The Bank can potentially have a negative impact by financing operations or investing in companies that operate in locations that prove unsuitable due to climate change.
Unmanaged climate-related risk can pose a financial risk	Financial risk	Particularly in the long term, climate change may pose new and higher risks to geographies, industries and sectors that are relevant to the Bank, not least flood risk linked to the Bank's collateral in property.
Reducing physical climate risk requires investment	Financial opportunity	To retain or reduce risks linked to a changing climate may require investments that could be financed by Handelsbanken, which normally generates a business opportunity.

Climate change mitigation

Definition	Impact, risk, opportunity	Description
Enabling transition	Actual positive impact	Through its products and services, the Bank can accelerate and streamline the transition of customers by supporting them in making long-term sustainable investment decisions and financing climate-smart solutions.
Financing/investing in companies with excessive climate impact	Actual negative impact	The Bank can have a negative impact by financing operations or investing in companies that do not reduce their climate impact at the required rate.
Unmanaged transition risk can pose a financial risk	Financial risk	The transition to net-zero GHG emissions will require investments and emission reductions. If the Bank's customers are unable to make the transition, or are unable to bear the costs of necessary investments, the transition may pose financial risks to the Bank, especially in the long term.
Financing climate-smart investments	Financial opportunity	The transition to net-zero GHG emissions will in many cases require increased investment, not least in the property sector where the Bank has many customers, which may bring new business opportunities for the Bank.

Energy

Definition	Impact, risk, opportunity	Description
Energy transition	Potential positive impact	Energy transition encompasses both energy efficiency and the use of renewable energy. Upstream and in own operations this could include the purchase of renewable energy. Downstream, this could include offering financing solutions that enable or encourage customers to make the energy transition, or investing in companies that provide energy transition solutions.
Energy consumption	Actual negative impact	Energy consumption throughout the Bank's value chain risks having a negative impact. Fossil energy consumption in particular contributes to climate change, geopolitical tensions and loss of nature and biodiversity.

E4 Biodiversity and ecosystems

Direct impact drivers of biodiversity loss

Definition	Impact, risk, opportunity	Description
Invest in companies with activities that negatively affect biodiversity	Actual negative impact	Handelsbanken's negative impact is mainly indirectly in the value chain. This could be through investing in activities that contribute negatively to climate change, land-use change, direct exploitation, invasive alien species, environmental pollution, and other impacts.

Social information

S1 Own workforce

Working conditions for own employees

Definition	Impact, risk, opportunity	Description
Safe labour practices and positive work environment	Actual positive impact	The Bank strives to be a secure employer by offering competitive terms and benefits to promote long-term employment. Terms and conditions are based on collective bargaining agreements, laws, regulations or other local agreements. The Bank creates the conditions for a positive work environment where employees feel good, develop and perform their work optimally and have a balanced life.
Risk of work-related incidents	Actual negative impact	There is a risk of work-related incidents occurring in the Bank's operations.

Equal treatment and opportunities for all

Definition	Impact, risk, opportunity	Description
Skills development	Actual positive impact	The Bank creates the conditions for each co-worker to develop their skills in line with the needs and wishes of the business.
Promoting diversity	Actual positive impact	Handelsbanken endeavours to reflect the diversity of the communities where the Bank operates, and to achieve and maintain a balanced gender representation in different roles and parts of the Bank. Through an inclusive culture, the Bank can best harness the advantages inherent to gender equality and diversity.
Unfair pay gaps	Potential negative impact	An unfair pay gap between women and men is an injustice and may affect the economic position of employees now and in the future. This could also negatively affect the work environment and employee engagement. In addition, unfair pay gaps may damage the Bank's reputation, reduce its attractiveness as an employer, and lead to difficulties in retaining and recruiting competent co-workers, which in turn could affect the Bank's long-term success.

S2 Workers in the value chain

Working conditions for workers in the value chain

Definition	Impact, risk, opportunity	Description
Promote good labour practices for workers in the value chain	Potential positive impact	The Bank can work to promote good labour practices in the value chain. Influence can be achieved through a structured approach in relation to the Bank's suppliers and the companies it finances and invests in.
Business relationships with companies where poor management of working conditions may occur	Potential negative impact	The Bank may also potentially have a negative impact by financing operations, investing in companies or entering into contracts with suppliers that fail to manage working conditions for their workers.

S4 Consumers and end-users

Information-related impacts for consumers and end-users

Definition	Impact, risk, opportunity	Description
Active and dynamic security work	Potential positive impact	Proactive and dynamic management of IT security that meets identified potential threats, and to ensure that procedures are in place for managing changes in the IT environment so that no breaches occur and various transactions can be carried out.
Disruption in service deliveries	Potential negative impact	Disruptions in service deliveries to customers could be caused either directly or indirectly as a result of a cyber-attack or inadequate procedures when introducing changes to the IT environment.
Leakage of customer data	Potential negative impact	Leakage of customer data, such as personal data, may result from a cyber-attack or inadequate procedures.
Fines or sanctions	Financial risk	Failure to handle customer data properly, or significant disruptions in service delivery, may result in fines or sanctions.

Entity specific Contribute to society

Contribute to society

Definition	Impact, risk, opportunity	Description
Responsible and local banking operations create value and growth through access to good advisory services and capital	Actual positive impact	The Bank makes a positive contribution through responsible risk management, advisory services and lending that promote economic growth. Its local presence provides a deeper understanding of customers, meaning that support can be offered for the different stages of business and life. In addition, the Bank strengthens the national economy through taxes and fees.
Responsible banking operations close to customers creates customer satisfaction, distribution and business opportunities and thus income	Financial opportunity	By providing responsible banking services and a local presence, the Bank can attract and retain customers, strengthen its brand, create long-term business opportunities and establish a strong foundation for distributing our products and services.

Governance information

G1 Business conduct

Corporate culture

Definition	Impact, risk, opportunity	Description
Strong corporate culture	Actual positive impact	Our decentralised ways of working, with trust and respect for individuals, permeates our corporate culture. Our co-workers have great responsibility and authority to make decisions in all kinds of matters that concern our customers. The strong corporate culture creates commitment, a clear structure for development and gives every co-worker an opportunity to influence the Bank's operations.
Attracting talent	Financial opportunity	The Bank's strong corporate culture may be a strong contributing factor to attracting more talent to Handelsbanken as an employer and to low staff turnover. Internal recruitment spreads our way of working and strengthens the culture in all parts of the organisation. When employees develop, the Bank develops. It can lead to financial opportunities.

Corruption and bribery

Definition	Impact, risk, opportunity	Description
Counteracting corruption and bribery	Actual positive impact	Handelsbanken is committed to high ethical standards, which include active efforts to prevent bribery and corruption.
Risk of incidents linked to corruption and bribery	Actual negative impact	In Handelsbanken's operations, there is a risk of incidents linked to corruption and bribery and certain specific roles are more exposed to risk.

Entity specific Counteract financial crime

Counteract financial crime

Definition	Impact, risk, opportunity	Description
Contribution to counteract financial crime in society	Actual positive impact	Financial crime continues to be an enormous problem for society, and more collaboration and exchange of information is needed to prevent it. As part of the financial sector, the Bank has the opportunity, together with other stakeholders, to counteract the negative impact of financial crime.
Risk of incidents link to financial crime	Potential negative impact	The risk of incidents where the Bank's customers, products or services are exploited for financial crime.
Risk of loss of revenue and/or fines	Financial risk	Reduced confidence in the Bank with fewer customers and possible fines if there are shortcomings in the Bank's work.

Entity specific Financial stability

Financial stability

Definition	Impact, risk, opportunity	Description
Contribute to financial stability	Actual positive impact	Handelsbanken contributes to financial stability by maintaining stable finances and conducting banking operations with low risk tolerance and a long-term approach.
Financial stability enables business with existing and new customers	Financial opportunity	With stable finances, low credit losses and solid management of its operations, the Bank creates the conditions for doing business with our customers and supporting them in the long term regardless of the external environment. This also presents an opportunity to attract customers and investors who value a bank with a business model featuring low risk tolerance and stability.

Impact, risk and opportunity management

IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities

Handelsbanken initiated its double materiality assessment in autumn 2023 and the final results of the assessment were adopted in 2024. The method and implementation were based on the requirements of ESRS and the implementation guide provided by EFRAG, which at the time of conducting the materiality assessment was still a draft[1]. The purpose of the assessment was to identify and understand which sustainability matters are material to the Bank, based on impacts, risks and opportunities.

The double materiality assessment was based on two dimensions: impact materiality and financial materiality. Impact materiality entails an assessment of how the company's operations and management of sustainability matters impact the macro environment, including society, people and the climate. This assessment covers both actual and potential, positive and negative impacts. Financial materiality aims to analyse how various sustainability matters affect the company's financial position and financial performance, focusing on risks and opportunities over the short, medium and long term.

The method for the assessment was mainly based on a qualitative approach. This was partly motivated by the lack of complete and reliable data and the absence of accepted models to assess the nature of different sustainability matters, as opposed to more established models for assessing and monitoring financial risks, for example. The method for the double materiality assessment will evolve over time as the quality of models and data improves.

The double materiality assessment was based on the sustainability matters previously reported under the principles of the Global Reporting Initiative (GRI), as well as the material matters defined in ESRS at the sub-topic level. In addition, sector-specific sustainability matters identified by the Sustainability Accounting Standards Board (SASB) and other sustainability matters relevant to the banking sector were included.

The materiality assessment covered all value chains within Handelsbanken, taking into account aspects such as the Bank's lending in various sectors, investments of customer savings, payment processing, suppliers and the impact that arises in the Bank's own operations in all home markets. These aspects were also taken into account when assessing business conduct matters. The assessment of upstream and downstream impacts, risks and opportunities was limited to the first stage since the Bank's main opportunity to have an impact essentially takes place in relation to the first stage, meaning in direct dialogue with customers and suppliers, but also because access to relevant data is deemed to be insufficient for analysis in multiple stages. The same applies from a risk and opportunity perspective. The materiality assessment did not result in the Bank identifying any elevated risk linked to geographical aspects or business relationships. However, financial crime is an area that is generally associated with elevated risk in the banking sector. The Bank has long-established procedures and processes in place to counteract this.

Part of the assessment was to consider sustainability matters in terms of the elements of the Bank's business model, which reflect a long-term approach, low risk tolerance and satisfied customers. The Bank has also taken into account its own operations and where they are conducted. The Bank's operations have little direct impact compared to the indirect impact the Bank has through, for example, lending to customers. Therefore, Handelsbanken's sites were not considered in terms of direct impact on the environment for the disclosure requirements of ESRS E2, E3, and E5. Nor were the sites of the Bank's customers taken into account for these disclosure requirements since relevant and complete information was not available to perform such an analysis.

In order to provide a quantitative basis for the assessment of any material sustainability matters, data on the Bank's loans to the public was used, with sectoral and industry breakdowns by geographical area. For the Bank's primary asset management volumes, portfolio data was used to map investment sectors and geographical spread. For the payments value chain, no corresponding quantitative basis was used, and instead the assessment was based on the Bank's business model and general geographical presence.

The materiality assessment process was led by Handelsbanken Sustainability, and takes into account the Bank's entire operations and its various value chains, and forms the basis for Handelsbanken's sustainability reporting in 2024. Several central staff functions, support functions and product owners were involved to ensure that multiple perspectives on sustainability matters were taken into account, from a risk and impact perspective as well as business opportunities. The steering group responsible for the implementation of the CSRD was also involved in the analysis process. The Bank's internal control functions have reviewed the methodology, assumptions and process for the materiality assessment. The final outcome of the assessment was established in 2024.

The involvement of the Bank's CSO in the materiality assessment ensured that the opportunities identified as material were forwarded to the relevant business development units and to the Bank's Executive Team for further preparation and actions, if necessary.

In conjunction with the double materiality assessment, several stakeholder dialogues were held with various stakeholder groups affected by the Bank's operations. These dialogues involved stakeholders, such as customers, employees, owners and non-governmental organisations (NGOs). The purpose of the dialogues was to validate the results of the assessment, but also to gather views and opinions on the sustainability matters identified as material. The stakeholder dialogues were conducted sequentially after the groundwork of identifying the Bank's material sustainability matters, which is why the starting point for the dialogues was primarily a validation of the results. The outcome of the dialogues did not lead to any changes in the sustainability matters considered material for the Bank to report on. Comments received during the dialogues will be used as a basis for updating the materiality assessment for future sustainability reporting.

Impact materiality

The assessment of material impacts on people and the environment in Handelsbanken's double materiality assessment was carried out to identify both actual and potential impacts of the Bank's operations in different parts of the value chain. This assessment used the existing due diligence processes in each value chain.

Scale and scope were assessed for actual positive impacts. The assessment of negative impacts also considered severity, which was based on scale, scope and irremediable character. Potential impacts were assessed based on the likelihood of their occurrence, with positive impacts graded according to scale, magnitude and likelihood, while negative impacts were assessed based on the likelihood combined with severity.

All factors were used to calculate an overall assessment value for each sustainability matter, which was then compared against thresholds to determine materiality. The factors rated

1) Draft ESRG 1 Double materiality conceptual guidelines for standard-setting Working paper, January 2022

according to five-point qualitative and quantitative scales were:
- **Scale:** Assessment of the extent of the Bank's impact, graded from minimal to absolute impact.
- **Scope:** Assessment of the extent to which the Bank's stakeholders are affected, including the spread and frequency of the event, graded from minimal to global impact.
- **Likelihood:** Assessment of the likelihood of an impact occurring, graded from very unlikely to very likely.
- **Irremediable character:** For negative impacts, the ease of remedying or restoring the damage was assessed, graded from very easy to remedy to irremediable character.

Financial materiality
The double materiality assessment took into account the interdependence between impact materiality and financial materiality by first assessing impact materiality and then performing a risks and opportunities analysis. This ensured that the impact materiality became a central part of the assessment of potential financial risks and opportunities.

The assessment of financial materiality focused on sustainability risks and business opportunities could impact the Bank's financial position and financial performance, and the likelihood of their occurrence. The assessment used both qualitative and quantitative scales. To strengthen the link to financial reporting, monetary thresholds were applied as a basis for quantifying the financial impact. This meant that each sustainability matter assessed was assigned a score based on a multiplication of the assessed financial impact and the likelihood of its occurrence, which was then set against a threshold to determine materiality.

The factors used were graded as follows:
- **Likelihood:** The likelihood of an impact occurring, graded on a five-point scale from very unlikely to very likely.
- **Financial impact:** Financial impact was assessed on a five-point scale, with minimal to critical impact graded on the basis of monetary thresholds linked to the Bank's balance sheet, income statement and risk management processes.

To determine the appropriate thresholds for Handelsbanken in the assessment of financial materiality, they were linked to the conceptual framework for materiality levels described in EFRAG's guide[1]. The Bank used already established monetary thresholds, such as those used to determine what constitutes a material impact on the balance sheet and income statement. In addition, monetary limits applied in the Group Risk Control function were used to measure risks in different risk classes.

These monetary limits were then linked to the Bank's profit and loss account to determine what is material for the financial position at Group level. The information was compiled to determine the final monetary levels that were graded on a scale, which was then used in the assessment of financial risks and opportunities.

The Bank's Group Risk Control function participated in the materiality assessment to analyse impacts, risks and opportunities. The function's participation ensured that the assessment of risks related to financial materiality was linked to the Bank's existing risk management processes and the Bank's low risk tolerance was taken into account in the assessment. Sustainability risks were evaluated in a broader perspective in this assessment since these risks are considered to be integrated into other risk classes, such as credit risk, financial risk and compliance risk. The Bank's work of managing sustainability risks takes place within the framework of the Bank's decentralised model, where the business operations are responsible for identifying and managing sustainability risks through established risk management processes and associated tools. For more information about the Bank's risk management, see note G2 Risk and capital management on page 80.

To ensure that the materiality assessment remains relevant, the annual update of the double materiality assessment is planned ahead of reporting in 2025.

The double materiality assessment identified the 13 material sustainability matters presented in the section SBM-3, see page 269. The other sustainability matters covered by the remaining ESRSs have not been assessed as material since Handelsbanken has no significant direct impact on them through its own operations or in the value chain.

ESRS 2 IRO-1 E1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities

The determination of material climate-rated impacts, risks and opportunities followed the same process and methodology as the overall process for determining other sustainability matters. See section IRO-1 on page 273.

Lending
For a bank, the main climate-related risk lies at business level, rather than in the supply chain or internal operations. Handelsbanken's core business is lending, and a high proportion of the Bank's total lending is collateralised with real estate. Handelsbanken therefore choses to primarily focus its assessment of physical climate risks and transition risks on risks related to real estate in the credit risk area. Physical climate risk can cause damage to property, which could reduce the value of the property or reduce the income generated from the property if it is used for rentals or any other activity. Similarly, transition risk due to, for example, new regulations requiring energy efficiency improvements in buildings, can result in adjustment costs or reduce the value of collateral if investments are not made. In both cases of climate risk, the credit risk could potentially increase by the effect on repayment capacity or the value of the collateral.

The assessment of potentially adverse financial impact on the Bank associated with climate risks in the double materiality assessment was based on an internal analysis of flood risks in Sweden. Further climate scenario analyses were performed in 2024, the results of which confirmed the outcome of the double materiality assessment and thus did not lead to any change in material sustainability matters. For definitions of the short, medium and long term perspectives used, see BP-1 – General basis for preparation of sustainability reports on page 261.

Physical climate risk can stem from a variety of factors, such as floods, storms, drought, fires, landslides and subsidence. To assess these risks, stress tests can be conducted assuming climate scenarios. Due to the lack of relevant scenario data and some property-specific data, it is not possible to make quantitative assessments of all identified risks at present. For non-financial undertakings, the total exposure to factors analysed is available in the Bank's *Risk and Capital Information according to Pillar 3* Report, Table ESG 5.

The Bank focused its analysis of physical climate risks on flood risk. An estimate of the flood risk both from watercourses and from sea level rise, and in some cases surface water, was carried out in the Bank's four home markets for loans to the public, a large share of which is collateralised with real estate. It is based on climate scenario data with the aim of getting as close to RCP 8.5 as possible and with long time horizons up to 2050–2100. The physical climate risk scenarios used in the analysis for each home market are described in the table Applied scenarios – Lending on page 275. For example, the flood risk from

1) Draft ESRG 1 Double materiality conceptual guidelines for standard-setting Working paper, January 2022.

seas in Sweden is calculated by determining the highest sea level that has historically occurred at an interval of 100 years. This level is then adjusted based on the RCP 8.5 scenario for 2100, while taking land elevation into account. Data from the Swedish Meteorological and Hydrological Institute (SMHI) is used to estimate future sea level rise, while data from the Swedish Civil Contingencies Agency (MSB) is used to identify the geographical areas that would be affected by the new sea level.

The Physical risk - Lending table on page 275 shows Handelsbanken's total loans to the public in the four home markets, followed by the share of the exposure collateralised with real estate that is exposed to flood risk from watercourses and sea level rise. Due to differences in scenario data, the two risks are assessed separately in Sweden and Norway, while they are assessed collectively in the UK and the Netherlands.

The uncertainty in this analysis is generally considered high, primarily due to uncertainties in inputs such as climate scenarios and flood data for different geographical areas. The scenario data used by Handelsbanken also originates from several different providers and varies somewhat in its assumptions and models. Consequently, the quantitative assessments are not fully uniform between the countries and should therefore be considered indicative rather than directly comparable. Nor does the analysis distinguish between different levels of flooding.

The analysis indicates that the Bank's real estate collateral in Sweden has limited exposure to flood risk both from watercourses and seas, partly because the land elevation compensates for the sea level rise. For Norway, the exposure to flood risk from the sea is slightly higher but still limited. The Netherlands has extensive flood protection facilities and the analysis shows a limited exposure despite the fact that large parts of the country are below sea level. The risk of flooding is generally higher in the UK than in the other home markets, which is also reflected in Handelsbanken's exposures. The risk of flooding is already higher today and is expected to increase further as a result of climate change. It is the climate-related increase that is shown in the table for the UK. However, this risk may be overestimated since the analysis for the UK is based on postcode areas for the location of properties, unlike the other home markets where individual property coordinates are used.

The analysis shows the size of the exposure to flood risk, but does not estimate the risk of credit losses since these depend on the borrower's financial position, the vulnerability of the property and insurance coverage. Handelsbanken assesses the credit risk of individual counterparties via an internal rating. An analysis of the distribution of flood risk exposures across the rating grades shows that the volumes are minor for the weaker rating grades. The risk of credit losses due to flood risk is therefore considered limited.

In the context of society's transition to a sustainable economy, regulations regarding, for example, energy performance and GHG emissions, as well as new technologies and public preferences, may entail financial risks, known as transition risks.

Handelsbanken assesses that the Bank has no significant exposure to activities that are directly incompatible with the transition to a climate-neutral economy. The Bank has relatively limited exposure to sectors often considered difficult to transition, such as steel, cement and petrochemicals. For more information about the Bank's sectoral lending exposure, refer to the table on page 266. However, the Bank is exposed to sectors where considerable investment will be required to achieve climate neutrality, such as the real estate sector. The Bank's lending to private individuals mainly comprises mortgages collateralised by real estate.

Transition risks from real estate financing are therefore considered central to the evaluation of Handelsbanken's exposure to transition risks. In order to evaluate these transition risks, Handelsbanken performed scenario analyses for both mandatory energy efficiency improvements to real estate collateral and for how the impact of the climate transition on the real economy could affect the Bank's customers.

The revised EU Energy Performance of Buildings Directive (EPBD) sets out the requirements for energy efficiency improvements for commercial buildings and the implementation of country-specific plans for residential buildings. The investments required to improve a building's energy performance can be financed by Handelsbanken, which presents a business opportunity. In exceptional cases, when the customer is in financial difficulty, credit risk may increase from the deterioration in the value of the property used as collateral for the loan, if the investment is not made.

Physical risk – Lending

SEK m	Sweden	Norway	UK	The Netherlands
Lending	1,614,796	320,219	260,363	104,739
of which collaterised by real estate	*1,480,946*	*300,751*	*241,200*	*104,049*
Flooding, watercourses	10,582	525		
	0.7%	0.2%	7,040	477
Flooding, sea level rise	7,832	5,322	2.7%	0.5%
	0.5%	1.7%		

Applied scenarios – Lending

Risk type	Home market	Climate scenario	Time horizon	Data source	Geographical position	Frequency
Flooding from watercourses	Sweden	Expected climate at end of time horizon	2100	Swedish Civil Contingencies Agency (MSB)	Geographic coordinates	1/200
Sea level rise	Sweden	RCP 8.5	2100	Swedish Civil Contingencies Agency (MSB) Swedish Meteorological and Hydrological Institute (SMHI)	Geographic coordinates	1/100
Flooding from watercourses	Norway	Expected climate at end of time horizon	2100	NVE (Norwegian Water Resources and Energy Directorate)	Geographic coordinates	1/200
Sea level rise	Norway	RCP 8.5	2080–2100	Norwegian Mapping Authority	Geographic coordinates	1/200
Flooding from watercourses, sea level rise and surface water	UK	RCP 8.5	2100	JBA Risk Management	Postcode	Several
Flooding from watercourses, sea level rise	The Netherlands	Warm High (WH)	2050	Climate Impact Atlas	Geographic coordinates	1/300

Lending (gross) to TCFD sectors 31 December 2024	SEK m
Energy	**7,649**
Oil and gas	367
Coal	0
Electric utilities	7,283
Transportation	**3,188**
Air freight	12
Passenger air transportation	0
Maritime transportation	324
Rail transportation	638
Trucking services	1,946
Automobiles and components	268
Materials and buildings	**747,018**
Metals and mining	1,652
Chemicals	1,859
Construction materials (excluding wood products)	397
Capital goods	64
Real estate management and development	743,046
Agriculture, food, and forest products	**29,728**
Beverages	678
Agriculture	12,881
Packaged foods and meats	3,786
Paper and forest products	12,383
Total	**787,584**

Scenario analyses to estimate the effects of regulatory changes related to energy efficiencies in properties were carried out for loans to Swedish and Norwegian real estate companies and to Swedish households. The analyses indicated low credit losses due to transition risks. The analyses are based on scenarios with a five-year time horizon, in which each counterparty is analysed on the basis of their individual income statement and balance sheet, to determine whether the new economic situation would cause a default and what the potential credit loss would be. The analyses are based on an expected or stressed macro-scenario created by Handelsbanken. The expected macro-scenario is based on the Bank's published economic forecasts, while the stressed macro-scenario corresponds to a severe recession scenario. To evaluate the transition risk, it is assumed that investments are required in the counterparty's properties to achieve energy classes in line with the regulatory requirements for energy performance. The analyses study the effect of reducing the value of the real estate collateral by an amount equal to the investment cost. The analyses indicated low credit losses in both the expected and stressed scenarios.

Data on energy classes for individual buildings was obtained from completed energy declarations. Energy classification vary depending on the time and the country in which they are carried out. Properties with no energy class are assigned modelled energy classes based on the Bank's other real estate collateral. The investment costs per square meter assumed for different property types are based on expert authorities' assessments.

The scenario analysis to assess the impact of the climate change transition on the economy and, by extension, the Bank's customers, is based on a macroeconomic scenario developed by the Network for Greening the Financial System (NGFS). The scenario is called Net Zero 2050 and is based on the introduction of a climate policy where the world commits to reaching net-zero GHG emissions by around 2050 and to limiting global warming to 1.5°C. In this scenario, the introduction of costs for GHG emissions is central and the analysis assumes that counterparties pay for the GHG emissions generated by their properties. The emissions data was obtained from energy declarations, and estimates from the Partnership for Carbon Accounting Financials (PCAF). Based on the same scope and methodology with an impact on the counterparty's income statement and balance sheet and with a five-year time horizon as described above, low credit losses are expected to arise in this scenario.

In its lending, the Bank conducts an individual credit assessment of each customer based on the customer's circumstances. This methodology, called Business Assessment, includes a credit risk assessment that evaluates repayment capacity and collateral. Relevant sustainability risks are also integrated into the credit risk assessment, and these risks are then analysed and assessed as they may affect both the repayment capacity and value of the collateral. Climate scenarios or scenario analysis are not used in the credit process. Climate-related physical risks and climate-related transition risks that may affect customers in the Bank's credit portfolio over different time horizons are described in the Bank's credit risk assessment instructions. The risks relevant to the credit risk of an individual customer depend on the industry in which the customer operates and other circumstances of the customer's business. The branch responsible for the customer is responsible for identifying and analysing the risks relevant to the credit risk assessment. A customer may be more or less exposed to a risk and also more or less sensitive to its impact. A reconciliation is made against the guidelines set by the CEO regarding business relationships with certain industries.

Climate-related physical risks and transition risks are important sustainability aspects that are taken into account in the credit risk assessment of different customers, such as property companies. The assessment includes an analysis of the risk of climate-related damage to properties and requirements for energy efficiency improvements to buildings in the property portfolio. The magnitude of these risks to the customer and the customer's ability to manage them are key factors in the Bank's credit risk assessment in each individual case. The Bank used evidence from expert authorities and external monitoring to identify opportunities for the Bank in relation to the climate transition.

In assessing the business opportunities presented by the transition, the Bank examined changes in climate regulations and policies, concentrating on those affecting fossil fuel use, renewable energy and the real estate sector. The Bank also analysed potential technological advances in renewable energy, energy efficiency and carbon capture, which create opportunities to finance innovative projects. Furthermore, the Bank took market changes into account, such as shifting consumer and investor preferences towards sustainable practices, which may create financial opportunities for companies transitioning to a low-carbon economy.

One example is the EU Renovation Wave and Energy Performance of Buildings Directive (EPBD), which creates business opportunities for banks in the real estate sector. The EPBD aims to improve the energy performance of buildings and reduce GHG emissions by setting minimum standards and targets for both new and existing buildings. The European Commission estimates that annual investments of more than EUR 300 billion will be required to meet the energy efficiency targets for 2030, including building renovation targets. Increased investment in energy efficiency in buildings can lead to increased business volumes for the Bank, thanks to its strong market position, with a significant share of loans to the sector, combined with good and long-term customer relationships.

The real estate sector is generally exposed to climate-related physical risks. The sector is also exposed to transition risks, driven by the EPBD, for example, which affects legislation on the Minimum Energy Performance Standards (MEPS). However, there are very few customers in the Bank's portfolio where the credit risk is considered high due to these types of sustainability risks.

Handelsbanken integrates scenario analysis to evaluate the potential effects of transition events on its business. The Bank uses scenarios developed by the International Energy Agency (IEA), for example, and frameworks such as the Net-Zero Banking Alliance (NZBA) to assess how well its portfolio aligns with the 1.5°C goal, and to identify risks and opportunities related to the climate transition.

Asset management
The double materiality assessment primarily considered analyses from ISS ESG for Handelsbanken Fonder's investment portfolio regarding both physical risk and transition risk. For physical climate risks, an analysis is carried out of the current and future risk exposure to six of the most costly physical climate threats: coastal floods, droughts, heat stress, river floods, tropical cyclones and wild fires. Future risk exposure extends up to 2050 and is assessed for both a likely scenario, Representative Concentration Pathway (RCP) 4.5, corresponding to a temperature increase of 1.7–3.2°C by 2100, and a worst-case scenario, RCP 8.5, corresponding to a temperature increase of 3.2–5.4°C by 2100, based on two scenarios from the IPCC Fifth Assessment Report (AR5). The potential impacts of climate threats in each scenario were simulated using advanced scientific climate models. The risks were then assessed in terms of company specific geographical exposure of both revenue streams and assets. This was quantified in terms of operational risks, such as business interruption and repair costs, and market risks. The financial risk arising from these operational risks and market risks was used in a forward-looking valuation to derive the company's Physical Value at Risk (PVaR), meaning the estimated change in the share price due to the impact of physical climate risks. In a likely scenario, an increase in PVaR from 0.08 per cent to 0.50 per cent is predicted for Handelsbanken Fonder's total portfolio, compared with 0.55 per cent for a global broad benchmark. In a worst-case scenario, the PVaR of Handelsbanken Fonder's portfolio could rise to 0.76 per cent, which is still below the global benchmark of 0.84 per cent. This estimate does not capture all important climate-related physical risks, and a real worst-case scenario would probably have a greater impact on the portfolios than estimated.

The analysis shows varying levels of risk across the portfolio's exposure to different sectors, with manufacturing sectors showing the highest potential risk exposure, with a current PVaR of 0.04 per cent that could increase to 0.40 per cent in the worst-case scenario. The sector-specific results enable Handelsbanken Fonder to identify areas with higher climate-risk exposure and take this into account in its risk management strategies.

Transition risks and opportunities are also identified through a model from ISS ESG based on the Net Zero by 2050 scenario (NZE2050) from International Energy Agency's World Energy, which corresponds to a temperature increase of 1.5°C. Risks and opportunities are assessed on the basis of a long-term (2050) scenario, although impacts are expected to be realised gradually in both the short and medium term. Through changes in demand and costs, the model estimates the financial impact and derives the company's Transition Value at Risk (TVaR) resulting from transition-related events. The model covers three types of transition risks:

- **Policy transition risks:** Changes in costs and revenue due to changing policy environments.
- **Market risks:** Impact of carbon prices on relevant sectors.
- **Technological risks:** Changes in relative prices and demand for fossil fuel technologies and low-carbon technologies.

The analysis shows that Handelsbanken Fonder's Transitional Value at Risk (TVaR) for the investment portfolio was 2.41 per cent. This is lower than the corresponding value of 4.57 per cent for the unscreened global benchmark, which indicates that Handelsbanken Fonder's portfolio is potentially less exposed to transition risks compared with the broader market in the transition to a low-carbon economy. As with physical risks, manufacturing companies represent the largest share of the risk exposure, with a total of 1.73 per cent. The electricity, gas, steam and air conditioning supply sector showed a negative TVaR (-0.21 per cent), indicating opportunities in the transition and that the companies that represent sector exposure would be positively impacted by an increase in value. Read more in the fund company's Climate and Nature Report published annually on Handelsbankenfonder.se.

ESRS 2 IRO-1 E4: Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities

The identification of impacts, risks and opportunities for biodiversity and ecosystems is based on the qualitative analysis carried out as part of the Bank's double materiality assessment. More information on the process for identifying and assessing Handelsbanken's impacts, risks and opportunities is provided in the IRO-1 section on page 273.

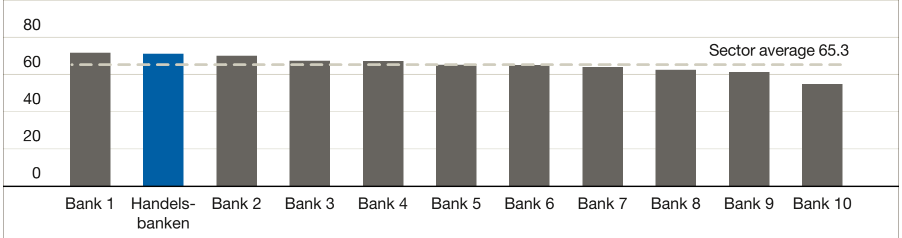
Handelsbanken has identified the direct impact drivers of biodiversity loss as a material topic from an impact perspective in the double materiality assessment. This is based on the indirect impact of the Bank's investing activities in its downstream value chain, as well as the recognition of the urgency of the biodiversity crisis and the need for businesses, including financial institutions such as Handelsbanken, to take a proactive role in protecting and restoring the natural environment that is fundamental to economies, societies and stability. The physical locations of Handelsbanken's own operations are mainly situated in long-standing, developed urban areas which can be assumed to be locations that are not situated in or in close proximity to biodiversity-sensitive areas, and therefore the own operations have not been deemed to be material. The direct impact drivers of biodiversity loss are land use, climate change, resource use, pollution and invasive species.

It should be noted that methods for assessing and evaluating nature and biodiversity in financial terms are still under development. This makes it challenging to quantify risks and opportunities when assessing the potential financial materiality of biodiversity. The same applies to the assessment of dependencies, transition and systemic risks in the value chain that cannot be fully assessed until better methods are available, for example, for assessing the dependencies of the value chain on natural resources and ecosystem services. Based on Handelsbanken's low risk focus, and that the impact and dependency on biodiversity is mainly indirect through the Bank's lending and investments, it was concluded that financial impacts in this area are unlikely for Handelsbanken in the time horizon assessed, whereby this was not deemed material from a financial perspective. Affected communities were not consulted in this assessment.

IRO-2: Disclosure requirements in ESRS covered by Handelsbanken's Sustainability Report

A list of the disclosure requirements that the Sustainability Report contains, based on the results of Handelsbanken's double materiality assessment and the materiality assessment at datapoint level, can be found in the introduction to each topic area. See page 260 for ESRS 2, page 284 for E1 and E4, page 298 for S1, S2 and S4 and the entity specific matter Contribute to society, as well as page 318 for G1 and the entity specific matters Counteract financial crime and Financial stability. A description of the Bank's identification of material information to be disclosed in relation to IROs is presented in the section IRO-1, see page 273. The materiality assessment at datapoint level was based on the regulations and involves an assessment of the materiality of each datapoint for the user. A list of datapoints provided from other EU legislation can be found on pages 280–283.

Weighted average of sustainability surveys[1]



1) Based on a weighted average of sustainability ratings for peer competitors in our home markets from four global sustainability surveys converted to a scale of 0–100 for all four surveys.

Metrics and targets

In connection with the work to report in accordance with ESRS, Handelsbanken will stop reporting on the sustainability targets that were adopted in 2021 and previously governed the Bank's sustainability activities. These targets played an important role in the Bank's sustainability strategy to govern and measure the Bank's impact in its business areas: investment, funding and advisory services.

To ensure transparency and follow the principle of materiality, Handelsbanken reports the final outcome of the previous targets here. This information provides an indication of progress made in 2024, and serves as a bridge to the new targets. Handelsbanken believes that this final report is important for the Bank's stakeholders since it provides an overview of priorities and performance in 2024, and it forms the basis for the Bank's development going forward. The information supplements the reporting of the new targets and reinforces Handelsbanken's ambition to maintain transparency and responsibility in its sustainability work.

Handelsbanken's previous sustainability target was "to be, and to be recognised as the most sustainable bank among peer competitors." Furthermore, Handelsbanken has had sustainability targets in three areas: investment, financing and advisory services and a target for net-zero GHG emissions from Handelsbanken's operations, including relevant parts of the lending and investment portfolio. The Bank has developed several new products and services to meet customer needs. See section SBM-1: Strategy, business model and value chain on page 266 for examples of products and services. Compared with last year, the volume of green loans[1)] increased 42 per cent to SEK 123.4 billion (87.2), of which green mortgages increased 16 per cent to SEK 40.6 billion (35.0). In addition, lending facilities with ESG-linked features amounted to SEK 144.0 billion (105.4), of which drawn loans accounted for SEK 66.2 billion. Regarding the net-zero target and interim targets for 2030 that the Bank has worked towards, see page 291 for Handelsbanken's total GHG emissions disaggregated by Scope 1, Scope 2 and Scope 3 and for financed emissions.

Handelsbanken Fonder will continue to follow the alignment of the investment portfolios with regards to the targets and transition pathway of the Paris Agreement (net zero GHG emissions by 2040), and the investments' contribution to the 2030 Agenda. In addition to the reporting on page 289, Handelsbanken Fonder also reports its progress in a Sustainability and Engagement Report available at Handelsbankenfonder.se

The Bank's targets for advisory services can be found in a final report The savings gap – where we are now can be found on the Bank's website, Handelsbanken.com. Handelsbanken is making progress in the area of advisory services, and will focus on increasing the know-how of the Bank's customers in financial literacy. Webinars and customer events were arranged on this subject in 2024. In 2025, the Bank intends to continue to increase advisors' knowledge on the subject and publish additional information for customers.

In 2024, Handelsbanken reviewed and adjusted the current sustainability targets to applicable regulations and reporting requirements, and to the Bank's business model and way of working. Handelsbanken has worked systematically to develop and set sustainability targets as part of efforts to integrate sustainability into all aspects of its operations and report in line with the ESRS requirements. More detailed information about the new targets can be found under each material sustainability topic. The process has only involved internal stakeholders and was carried out in close cooperation with various business specialists, ensuring that the targets are both relevant to the Bank and feasible, taking into account the relevant ESRS.

The work was based on the outcome of the Bank's double materiality assessment, and the process started with a review of the existing sustainability targets. Based on this, draft sustainability targets were developed, which were then iterated in the business to allow for a broader discussion and collection of views from different departments.

1) Criteria for green loans according to the Bank's Green Bond Framework handelsbanken.com/handelsbankens-green-bonds, aligned with the 2021 ICMA Green Bond Principles and adapted to, but not fully aligned with, the EU Taxonomy.

Datapoints related to other EU legislation

The table Relationship to other EU legislation shows the datapoints in the Sustainability Report that derive from other EU legislation. References are made to the SFDR, Pillar III, the Benchmark Regulation, and the European Climate Law.

Relationship to other EU legislation

Disclosure Requirement and related datapoint	SFDR reference[1)]	Pillar 3 reference[2)]	Benchmark Regulation reference[3)]	EU Climate Law reference[4)]	Material / Not material	Page
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816[5)], Annex II		Material	262
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Material	262
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Material	265
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453[6)], Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818[7)], Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Material	285
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		Material	285
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate Change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	289
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Not material	
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Material	290
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Not material	

Disclosure Requirement and related datapoint	SFDR reference[1]	Pillar 3 reference[2]	Benchmark Regulation reference[3]	EU Climate Law reference[4]	Material / Not material	Page
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	291
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate Change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	292
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	a. Not material b. Material	292
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk			Not material	
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral			Not material	
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Not material	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material	
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material	
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material	
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material	
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material	
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material	
ESRS 2 – IRO 1 – E4 Paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material	
ESRS 2 – IRO 1 – E4 Paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material	
ESRS 2 – IRO 1 – E4 Paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material	

Disclosure Requirement and related datapoint	SFDR reference[1)]	Pillar 3 reference[2)]	Benchmark Regulation reference[3)]	EU Climate Law reference[4)]	Material / Not material	Page
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Material	296
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Material	297
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Material	296
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material	
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material	
ESRS 2 – SBM3 – S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex 1				Not material	
ESRS 2 – SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex 1				Not material	
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indi-cator number 11 Table #1 of Annex I				Material	300
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Material	301
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Material	301
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex 1				Not material	
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex 1				Material	302
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex 1				Not material	
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	307
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex 1				Material	307
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex 1				Material	307
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS 2 – SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and 13 Table #3 of Annex 1				Not material	

Disclosure Requirement and related datapoint	SFDR reference[1)]	Pillar 3 reference[2)]	Benchmark Regulation reference[3)]	EU Climate Law reference[4)]	Material / Not material	Page
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material	308
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicators number 11 and 4 Table #3 of Annex 1				Material	308
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	308
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Material	308
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex I				Material	310
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material	
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex I				Not material	
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material	313
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	313
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex I				Not material	
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex I				Not material	
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Not material	
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	321
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex I				Material	321

1) Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9.12.2019, p. 1).
2) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation “CRR”) (OJ L 176, 27.6.2013, p. 1).
3) Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).
4) Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 (‘European Climate Law’) (OJ L 243, 9.7.2021, p. 1).
5) Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).
6) Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324,19.12.2022, p.1.).
7) Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

Environmental information

Disclosure Requirements

ESRS E1 Climate change

EU Taxonomy

ESRS E4 Biodiversity and ecosystems

Environmental information

Handelsbanken works systematically to reduce its climate impact and contribute to the global transition to a low-carbon economy, at the same time as the Bank develops its work to reduce the negative impact on biodiversity.

This section describes how Handelsbanken impacts, and is impacted by, climate and nature-related changes. In addition, it presents the Bank's management and progress in environmental and climate issues, including the reduction of emissions from its own operations, the Bank's indirect impact through financed emissions, the impact of the investment portfolios, and actions to prevent, mitigate, and avoid the negative impact on biodiversity. By integrating the climate and environment into business decisions and risk management, Handelsbanken is strengthening its role as a long-term and sustainable player in the financial market.

ESRS E1 Climate change

Summary of material impacts, risks and opportunities

Material sustainability matter	Material impacts, risks and opportunities	Value chain	Time horizon
Climate change adaptation	Potential positive impact Potential negative impact Risk Opportunity	Asset management & lending Asset management & lending Lending Lending	Short/medium/long Short/medium/long Long Short/medium/long
Climate change mitigation	Actual positive impact Actual negative impact Risk Opportunity	Asset management & lending Asset management & lending Lending Lending	Short/medium/long Short/medium/long Long Long
Energy	Potential positive impact Actual negative impact	Payment, own operations & downstream Payment, own operations & downstream	Short/medium/long Short/medium/long

Strategy

E1-1: Transition plan for climate change mitigation

In 2023, Handelsbanken published its Transition Plan, which will be updated in 2025. The Transition Plan builds on the Bank's unique corporate culture and ambition to contribute to the achievement of the EU's climate targets, national climate targets in each home market, and the Paris Agreement's goal of limiting global warming to 1.5°C. The transition plan describes how Handelsbanken intends to address the climate issue. It focuses primarily on the Bank working with and supporting its customers and portfolio companies in their transition towards net zero, which will be vital to Handelsbanken's contribution to the transition of society. The Bank has developed several products and can offer its customers incentives in the form of loan terms and practices as well as contacts to technical and local experts for the provision of technical advice and support services. Handelsbanken uses these tools to drive positive change and will continue to focus on improving their efficiency moving forward. The implementation of the Bank's transition plan is decentralised and may require additional resources, based on the any needs that may be identified. This is part of the ongoing business development process that will continue in the years ahead.

Based on the Bank's decentralised approach, all home markets and relevant business areas will operate in line with the Group's sustainability agenda and the transition plan will be integrated into their annual business planning.

The aim is to prioritise activities with the greatest positive impact on the real economy, such as reducing GHG emissions.

Each home market has a Steering Committee that brings relevant decision-makers and local sustainability experts together. These committees develop the national roadmaps and guide and coordinate the implementation of the activities. As at Group level, the national roadmaps should have an impact approach. The national roadmaps define the activities, business developments, training courses and customer groups that will be prioritised during the transition process. A successful transition for Handelsbanken is based on local implementation, business integration and decentralised development and ownership. The activities identified in the national roadmaps will be integrated into the business plans of the relevant units. The roadmaps will be updated regularly.

The implementation of the national roadmaps is coordinated by Handelsbanken Sustainability through the Group-wide Task force on Climate, which brings together representatives from each home market. The working group is led by the Chief Sustainability and Climate Officer (CSO), who is part of the Executive Team and regularly reports on progress to Handelsbanken's Board, CEO and Executive Team.

Handelsbanken's shares are included in the EU Paris-Aligned Benchmarks.

ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Handelsbanken's strategy, business model and way of banking are based on a combination of a local connection, long-term customer relationships, low risk-taking, a decentralised approach, a focus on stable finances and sustainability. Climate change and the transition to a low-carbon economy present new risks and opportunities for the Bank. This means that the Bank must continue to develop its operations by, for example, raising competencies, new products and services, deeper customer dialogues and improved processes for identifying, measuring and managing climate-related risks and opportunities. This is nothing new for Handelsbanken. The process has been ongoing and evolving for many years, and will continue to do so. The Bank's assessment is that the foundations of its way of doing banking are well-suited to managing the new risks and opportunities presented by climate change and the green transition, and that the business development that is required can be performed within the framework of the Bank's established working methods.

Lending

Handelsbanken's core business is lending, and a large part of the Bank's total lending is collateralised with real estate. The Bank therefore choses to mainly focus its assessment of physical climate risks and transition risks on risks related to real estate in the credit risk area.

Among other things, the Bank's resilience to climate risks is analysed based on stress tests, which were performed on 31 December 2024. For physical climate risks, exposure to mainly flood risk from watercourses and sea-level rise was examined. This was performed for all four home markets – Sweden, the UK, Norway and the Netherlands – under climate scenarios and with long time horizons until 2050-2100. For transition risk, the change in the risk of credit losses per counterparty was examined following the EU's revised Energy Performance of Buildings Directive (EPBD), which sets requirements for energy efficiency improvements in buildings. This was carried out for real estate companies in Sweden and Norway, and for households in Sweden, under a recession scenario developed by Handelsbanken, and with a medium-term time horizon of five years. A stress test was also carried out to determine how the climate transition's impact on the real economy could affect the Bank's customers. The stress test is based on the Network for Greening the Financial System's (NGFS) Net Zero 2050 scenario and also includes the costs of the GHG emissions generated by the customer's property. For a more detailed description of the stress tests and their results, refer to ESRS 2 IRO-1 E1 on page 274 for a description of the processes to identify and assess material climate risks.

Asset management

As a part of the financial system and as a manager of customers' savings, Handelsbanken plays a role in enabling society's transition and sustainable development. Handelsbanken's asset management consists of the fund companies Handelsbanken Fonder, Handelsbanken Wealth & Asset Management (HWAM) and Optimix, the life insurance company Handelsbanken Liv and discretionary management. HWAM has been a wholly owned subsidiary of Handelsbanken in the UK since 2013. It has been owned by Handelsbanken plc since 2018 and is responsible for asset management operations on behalf of the subsidiary's customers. Optimix Vermogensbeheer NV is a Dutch asset management firm and a wholly owned subsidiary of Handelsbanken. Optimix operates under its own, separate brand, and is responsible for all asset management undertaken on behalf of Handelsbanken in the Netherlands.

Handelsbanken Fonder, HWAM and Optimix manage a total of approximately SEK 1,107 billion, which represents about 93 per cent of total assets under management at Handelsbanken. Handelsbanken's subsidiary Handelsbanken Liv has largely chosen Handelsbanken Fonder's products for its insurance policies. This also applies to parts of Handelsbanken's discretionary management, which means that much of the reporting carried out by Handelsbanken Fonder also becomes part of the value chain of these operations.

Here, a description is provided of the various subsidiaries' risks and opportunities linked to climate change in relation to strategy and business model, focusing on the subsidiary with the greatest impact, Handelsbanken Fonder. Handelsbanken Fonder manages just over SEK 1,058 billion, which represents approximately 89 per cent of total assets under management at Handelsbanken.

As a tool to identify and assess climate-related risks and opportunities, Handelsbanken Fonder uses a scenario analysis to stress test the investment portfolios with respect to various future climate scenarios. These analyses were carried out on 31 December 2024. The analysis for physical climate risks calculates current and future risk exposure for six of the most costly physical climate risks on the basis of an intermediate scenario (Representative Concentration Pathway (RCP) 4.5) and a worst-case scenario (RCP 8.5), with long-term time horizons up to 2050. The risks are then assessed in terms of company specific geographical exposure for both revenue streams and assets. This is quantified in terms of operational risks and market risks. Handelsbanken Fonder's total investment portfolio shows strong resilience, and compares favourably with an unscreened global benchmark. The analysis showed varying levels of risk across the portfolio's exposure to different sectors. These sector-specific insights allow Handelsbanken Fonder to identify areas of higher climate-risk exposure and adapt its risk management strategies accordingly. However, a stress test does not capture all material climate-related physical risks, and an actual worst-case scenario would probably have a greater impact on Handelsbanken Fonder's portfolios than estimated. For a more detailed description of the physical climate risk stress tests, see section E1 IRO-1 on page 274.

Transition risks and opportunities are assessed in relation to a long-term scenario up to 2050, although the impacts are expected to be realised gradually in both the short and medium term. The analysis was based on the Net Zero 2050 scenario (NZE2050) from the International Energy Agency's World Energy Outlook series, which corresponds to a temperature increase of 1.5°C. The analysis for transition risks identifies three types of transition risks: policy risks, market risks and technological risks. The financial impact is estimated based on changes in demand and costs, which results in an assessment of the company's transition risk. In the stress tests, Handelsbanken Fonder's investment portfolio shows strong resilience, or low exposure, to transition risks – both in terms of the assessed risk as a whole and in comparison with a global unscreened benchmark. For a more detailed description of the transition risk stress tests, see section E1 IRO-1 on page 274.

A key factor in Handelsbanken Fonder's resilience to transition risks is the fossil fuels exclusion strategy. Handelsbanken Fonder excludes companies involved in the exploration, production and refining of fossil fuels, with an upper limit of five per cent of revenue for such activities. Handelsbanken Fonder also excludes companies where more than 50 per cent of revenue is derived from fossil-fuel related services. For power generation based on fossil fuels, the fund company has a restrictive approach and applies specific transition criteria for companies operating in this sector.

This is the reason that other sectors, such as manufacturing, represent the largest exposure to transition risk in Handelsbanken Fonder's portfolio.

Handelsbanken Fonder integrates the scenario analysis into its investment processes to build resilience in portfolios, support the transition to a low-carbon economy and deliver long-term value to customers. The results obtained from the scenario analysis for physical and transition risks can be integrated into investment decision-making processes in several ways, for example, in risk management where the results of the scenario analysis are used to identify and quantify the potential climate-related risks in the investment portfolios. This information is used to develop risk mitigation strategies and adjust portfolio allocations where necessary. Sector exclusion is the first line of defence in the risk management process. Handelsbanken Fonder applies exclusion primarily when a sector has high sustainability risks, is not compatible with long-term sustainable asset management, and when the ability to influence a company to adapt to sustainable development is deemed limited. Handelsbanken Fonder engages with companies to understand their climate-risk management strategies, encourage the adoption of best practices, and support their transition process.

Integration takes place in various ways depending on the management approach. In active management, the analysis of sustainability risks, as well as their assessment and management, is integrated into the investment processes. In passive management, climate risks are managed in product development and through asset stewardship. Given the rules-based nature of passive investments, it is the choice of benchmark in product development that includes sustainability factors. Choosing the Paris-Aligned Benchmarks is a tool for identifying and managing high-emitting portfolio companies which, in turn, is a strategy for managing climate risks. In active allocation management, climate-related risks are handled in the portfolio manager's selection process by integrating climate-related risks and opportunities and broader sustainability metrics into the portfolio manager evaluation process.

Handelsbanken Fonder pursues active stewardship with regard to actively and passively managed funds, for example, by voting at general meetings where sustainability-related matters are often addressed. In the Nordic region, but mainly in Sweden, Handelsbanken Fonder also participates in a large number of nomination committees. The fund company's view is that each board should be well-informed and able to establish strategies for the company that entail long-term sustainable operations.

Handelsbanken Wealth & Asset Management and Optimix have not yet carried out climate-based resilience analyses.

Impact, risk and opportunity management

E1-2: Policies related to climate change mitigation and adaptation

The steering documents that primarily address the Bank's material sustainability matters related to climate change and energy are:

- Policy for sustainability, for more information, see page 264
- Credit policy, for more information, see page 263
- Guidelines regarding the environment and climate change.

The Bank's policy for sustainability, as adopted by the Bank's Board, is complemented by the CEO's guidelines regarding the environment and climate change. The guidelines apply to the entire Handelsbanken Group and are intended to provide guidance for decision-making. The guidelines and the policy for sustainability have been published on the Bank's website. According to Handelsbanken's guideline regarding the environment and climate change, the Bank's GHG emissions should be reduced over time in line with the 1.5°C goal. Handelsbanken has developed specific criteria for business relationships with fossil energy companies, in line with the International Energy Agency's (IEA) Net Zero by 2050 scenario. Among other things, these criteria require the Bank not to enter into new business relationships with, or finance or invest customers' funds in, companies involved in coal mining, or to finance new oil and gas exploration. For more information about the Bank's criteria and definition of transition companies, refer to *Sector Framework – Fossil Energy* on handelsbanken.com. Handelsbanken shall take into account risks related to the transition and physical climate change in its business activities, where such risks are deemed relevant. Handelsbanken expects companies with which it has business relationships to operate in line with the long-term goals of the Paris Agreement by, for example, switching to renewable energy production and improving energy efficiency.

The guidelines regarding the environment and climate change refer to several international initiatives such as the UN Global Compact, the Equator Principles, the Principles for Responsible Banking that the Bank takes into account when working with climate change adaptation and energy.

In addition to the Group-wide steering documents, Handelsbanken's subsidiary Handelsbanken Fonder has a policy for shareholder engagement and responsible investment. The policy aims to establish guidelines for the fund company's active stewardship and its work on responsible investment. For more information on the policy, see section S2-1 on page 308.

E1-3: Actions and resources in relation to climate change policies

Handelsbanken endeavours to support its customers and portfolio companies on their journey towards net-zero GHG emissions. An important part of this work is to develop and adapt products that facilitate and support their transition. This, combined with Handelsbanken's own efforts to reduce its climate impact, is central to the Bank's contribution to the climate transition.

This section describes the activities that Handelsbanken carried out during the year and planned initiatives aimed at supporting customers in their climate transition. These activities are considered to be some of the most central to the Bank's climate work and their impact is evaluated at an aggregate level. Activities are regularly reviewed and developed to ensure continued relevance.

Own operations

Energy efficiency is a crucial factor in reducing the Bank's own emissions. During the year, the Bank completed a number of measures to reduce energy consumption, such as starting to replace fluorescent tubes and low-energy light bulbs with LEDs, and recycling around 1,600 fittings by converting them to LEDs. During the year, the Bank established a sustainability group for systems management and development with the task of creating measures to make IT systems more efficient, which will reduce the need for hardware and lower energy consumption. The Bank has held training sessions for IT department co-workers to raise awareness of digital and electronic waste and how managing this waste can help reduce the climate footprint.

As part of its transition plan, the Bank will work over the next year to identify and implement activities within its own operations. Some elements of this work have already started with a review of existing activities and processes.

In Norway, the process to certify bank branches with the Norwegian Eco-Lighthouse label continued and a total of 23 branches were certified during the year. This means that environmental and climate work must be monitored and integrated into their corporate governance. The aim is that all 39 bank branches in Norway will be certified by 2027.

During the year, the Bank set a target to reduce energy consumption per square meter by an average of at least 2.5 per cent per year at its headquarters and internal departments. The outcome for 2024, and the average per year to date, was an increase of 1.9 per cent. Since 2018, the Bank has purchased 100 per cent renewable electricity for its operations. The aim is to continue to maintain that level.

Lending

As a financial institution, Handelsbanken can influence its customers' business decisions, including how they approach the transition to net-zero emissions. The Bank has access to several tools, such as advisory services, training and incentives linked to loan terms. As part of this process, new products were launched in 2024 to support customers' transition. Green transition loans were introduced in Norway and the UK to improve energy efficiency in properties. A green loan was also launched in Norway for the construction of buildings that meet the criteria for green financing under the Bank's Green Bond Framework.

To enable a more structured assessment of customers' sustainability performance, the Bank launched a digital tool in the UK during the year to collect information about customers' sustainability plans, progress and risks related to sustainability. The tool is used in customer meetings with both existing and new customers and is initially aimed at real estate customers, with plans to extend its use to other corporate customers in the future.

In Sweden, Hållbarhetskollen (the Sustainability Check) service was launched during the year to help companies calculate their carbon emissions based on their accounts. The service supports companies in meeting the increased requirements to report their carbon footprint and also provides a clear overview of where emissions arise. In addition, the service offers specific proposals on action to reduce emissions.

To further strengthen support for customers in their transition, the Bank has focused intently on raising know-how among branch employees. The aim of such action is to improve advisory services and increase the ability of employees to address sustainability in customer meetings. In the UK, this included the introduction of sustainability advisers to support branch advisers in dealing with more complex sustainability matters in client dialogues. In Sweden, monthly meetings were introduced for sustainability managers at the branches. These meetings aim to share information to improve skills, provide inspiration and establish knowledge of regulations and current external issues.

As a bank with significant lending to the real estate sector, Handelsbanken attaches great importance to offering tools that support real estate customers in their efforts to enhance energy efficiency. One example is Energikollen (Energy Check), a digital service that Handelsbanken Sweden offers its mortgage customers, as well as owners of apartment buildings as of 2024. The service helps customers identify the right energy efficiency measures tailored to their home's specific conditions.

In collaboration with a Swedish engineering consultancy, the Bank conducted training on physical climate risks, which increased internal skills and enabled more informed discussions with major real estate customers on climate challenges and potential solutions. This partnership also offers in-depth expertise to customers who require further guidance.

With these initiatives, Handelsbanken seeks to reduce emissions linked to real estate financing while supporting customers in complying with regulations such as the Energy Performance of Buildings Directive (EPBD).

During the year, the Bank also further clarified instructions on the assessment of climate risks, physical and transition risks in the credit process for companies. The purpose is to provide guidance to the organisation to consistently identify, analyse and assess the sustainability risks relevant to the credit risk assessment. In the Netherlands, the Bank also updated the local credit instructions to ensure that new real estate funding contributes to the Bank's transition plan.

Over the next year, the Bank plans to continue to develop products and services that support customer transitions and to further develop standard processes to follow up and engage customers on sustainability. A key focus area going forward is to encourage and support customers in preparing credible and ambitious transition plans. Such plans will be increasingly required, especially from customers and portfolio companies in sectors where the Bank can make the greatest impact.

The Bank also intends to further integrate climate issues into its standard real estate financing process, with a particular focus on the energy classes of buildings. These initiatives are part of the Bank's work on identifying opportunities, evaluating the direction of progress and contributing to the climate transition.

Asset management

Handelsbanken Fonder integrates established climate targets and their outcome in the investment process and develops and offers products that are in line with its emissions targets, for example, index funds that follow Paris Aligned Benchmarks. Handelsbanken Global Index Criteria, which belongs to this category of funds, was recognised by Bloomberg in May 2024 as the world's largest Article 9 fund[1]. The fund's assets under management at year-end amounted to just over SEK 108 billion. Handelsbanken Fonder engages with portfolio companies on their climate targets and transition plans.

The Bank's asset management activities also apply the Group's guidelines regarding the environment and climate change for coal, for example, which means that no new business relationships or investments are made in companies engaged in coal mining or building new coal-fired power plants.

In addition to what the fund company excludes according to the policy for shareholder engagement and responsible investment, the fund company offers funds in two different levels of exclusion: basic and enhanced level (criteria). Read more under "Follow our work" at handelsbankenfonder.se. Handelsbanken Fonder applies enhanced exclusion criteria to 99.4 per cent of the fund company's assets under management, which limits investments in companies involved in the extraction, production or distribution of fossil fuels, including coal, oil and natural gas.The fund company's risk control function monitors compliance with exclusion criteria in the fund company's investments on a daily basis.

Companies that derive more than five per cent of revenue from the production or distribution of fossil fuels and more than 50 per cent from related services are excluded, except for the companies classified as transition companies, read more under companies in transition under "Follow our work" at handelsbankenfonder.se.

The level of sustainable investment is stated in the fund rules of each fund and is reported every year in accordance with the SFDR regulations, which provides transparency to customers and discloses the fund's investments and any sustainability focus it has.

During the year, Handelsbanken Fonder identified the companies that account for 70 per cent of the fund company's financed emissions and that have not yet shown that they are in line with net-zero emissions. Handels-

1) Total assets under management in May amounted to SEK 120 billion and at year-end to approximately SEK 145 billion. This volume refers to the total fund assets under management, not adjusted for the volume of own holdings as stated in the text above.

banken Fonder conducted climate dialogues with 13 of these companies in 2024.

Handelsbanken Fonder was involved in various international climate dialogue initiatives during 2024.

Handelsbanken Fonder pursues active stewardship with regard to both actively and passively managed funds. The most direct means of exercising stewardship is by voting at general meetings. During the 2024 general meeting season, the fund company voted at around 1,275 meetings. Ahead of annual general meetings in 2024, fund company participated in 66 nomination committees. Through its participation in nomination committees, the fund company has an influence on the boards elected by the general meetings.

Work is taking place in Handelsbanken Wealth & Asset Management to further develop the company's sustainability strategy, which includes the exclusion criteria in the company's policy for responsible investment. This process is expected to be completed in 2025. During the year, Handelsbanken Wealth & Asset Management raised the minimum level in its responsible funds so that these must invest at least 70 per cent (65 per cent for one of the funds) of their portfolio in assets that display positive environmental and/or social themes.

Work is taking place in Optimix to further develop the company's sustainability strategy.

Metrics and targets

E1-4: Targets related to climate change mitigation and adaptation

Contributing to the EU's climate targets, the Bank's home markets national climate targets, and the Paris Agreement's goal of limiting warming to 1.5°C requires that the Bank's customers reduce their emissions in line with the targets set for their respective sectors in the EU and in these countries. Handelsbanken's ambition is to use products, services and advisory services to support its customers on their transition journey.

Handelsbanken's target is to reduce its absolute Scope 1 and 2 emissions by 50 per cent by 2030 from 2021 levels. The base year was decided based on recommendations from the Science Based Targets initiative (SBTi) for setting base years. In addition to the absolute reduction target, the Bank has also set targets for electricity procurement, which means that 100 per cent renewable electricity will continue to be purchased until 2030.

Working to enhance energy efficiency is crucial for Handelsbanken to reduce its climate impact in its own operations, which means using less energy to achieve the same result. The aim is to reduce energy consumption per square meter in the headquarters and internal departments by an average of at least 2.5 per cent per year between 2023 and 2030. By reducing energy consumption in buildings and facilities, Scope 1 and 2 emissions can be reduced. The target is aligned with national and international targets and it exceeds the EU energy saving requirements for public buildings and the level set in Sweden's national contribution. The target is not science-based, although energy efficiency is a recognised method for reducing carbon emissions. Stakeholders were not involved in setting the target, which was adopted in 2024 and will be followed up annually.

Handelsbanken has also set an aspirational goal for climate adaptation, where the Bank actively contributes to spreading knowledge about climate-adaptation measures. Information can be disseminated through mailings and by engaging with customers about climate adaptation.

Lending

In 2025, Handelsbanken will conduct a more in-depth analysis of the lending operating area based on the specific conditions applicable to each home market. The analysis will result in a description of how the Bank's business model supports the climate transition and how the Bank's assets are expected to develop over time. The Bank aims to further integrate climate risk factors into current risk management methods and processes. For more information, refer to section IRO-1 on page 273 and G2 on page 119. In the 2025 Sustainability Report, Handelsbanken intends to report on how the Bank's transition plan is aligned with the EU Climate Law in conjunction with the inclusion of the Sustainability Report in the administration report following the requirements of the ESRS. A follow-up of the climate targets for lending that applied in 2024 is reported in the General information section on page 278.

The Bank's main tool for reducing financed emissions is to support customers and portfolio companies in their transition journey. This includes products, services and support to customers and portfolio companies to encourage ambitious transition strategies and plans tailored to achieve net-zero emissions.

Handelsbanken has strict criteria for lending to high-emitting sectors such as oil, gas and coal. The Bank does not finance new coal mines, oil or gas extraction projects or companies heavily involved in fossil fuel infrastructure, as such activities are not considered in line with a global reduction of carbon emissions according to the 1.5°C goal. Exceptions can be made for companies classified as transition companies, which requires clear and credible decarbonisation plans.

Asset management

To serve our customers with relevant products that support a transition and to consider material sustainability risks in investment decisions, Handelsbanken Fonder has set an interim target of reducing its carbon footprint for the investment portfolio, measured in tCO_2e per enterprise value including cash (EVIC) for the portfolio companies, by 50 per cent by 2030, based on the 2020 level. The target covers all emissions in the companies' value chain, i.e. Scopes 1, 2 and 3. The base year has been chosen based on the availability of data, with 2020 being the earliest possible year that has updated Scope 3 data available from the fund company's data provider.

Handelsbanken Fonder reports financed GHG emissions, carbon footprint and GHG intensity for investments in equities and corporate bonds, including direct and indirect investments via fund-of-funds structures.

Handelsbanken Fonder conducts a review of its emissions targets every five years, which commenced in 2024. The fund company is continuing to develop, on an ongoing basis, and ensure a relevant product offering based

GHG emission reduction targets

	Base year	Target year	Metric	Target	Scope included	Change since preceding year	Change since base year
Scopes 1 + 2 – Own operations	2021	2030	tCO_2e	-50%	Scopes 1 + 2	-4%	-23%
Scope 3.15 – Asset management							
Investments	2020	2030	tCO_2e/EVIC	-50%[1]	Scopes 1 + 2 + 3	-18%	-31%

1) The target covers assets under management within Handelsbanken Fonder, corresponding to 89% of total assets under management.

on customer demand and to work towards its emissions targets in line with Handelsbanken's overall transition plan. As part of this, the fund company is continuing to review the exclusion criteria in its product offering to ensure that these criteria are aligned with customer needs and preferences and enable effective management of sustainability risks.

E1-5: Energy consumption and mix

Energy consumption and mix

	2023	2024
Total fossil energy consumption (MWh)	42,791	39,539
Share of fossil sources in total energy consumption (%)	60	59
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	436	317
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	27,533	26,594
The consumption of self-generated non-fuel renewable energy (MWh)1)	55	61
Total renewable energy consumption (MWh)	28,024	26,973
Share of renewable sources in total energy consumption (%)	40	41
Total energy consumption (MWh)	70,815	66,512

1) Refers to self-generated solar energy.

Handelsbanken has not signed any agreements to purchase nuclear energy in any of its markets. However, nuclear energy can be part of the local energy mix consumed by Handelsbanken, but its share has not been calculated separately and is included in the total energy volume. Similarly, renewable energy, mainly in the form of renewable district heating, can be included in the energy purchased on the local market. As long as the energy is not originally labelled as renewable, it has been classified as fossil in the accounts.

E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions

Handelsbanken calculates and reports emissions from its four home markets, broken down by own operations and lending and investments in asset management. The vast majority of emissions are in the value chain through the Bank's financed emissions.

Own operations

Emissions from activities within the consolidated Group are categorised under three different Scopes, depending on the Bank's operational control over the specific activities. Scope 1 includes direct emissions from refrigerant leaks, stationary combustion of fuels used for heat production and backup generators, and mobile emissions from company vehicles. Scope 2 are indirect emissions from purchased electricity, heating and cooling in both company-owned and leased facilities. Scope 3 emissions are all indirect emissions that occur in parts of the Group's supply chain. Read more in the table Scope 3 content on page 290.

The climate calculations are based on the GHG Protocol, an internationally recognised standard. In the first instance, primary data is used directly from the supplier. In the absence of primary data, the result is calculated using the emissions of neighbouring units or, in the absence of data, using average data or estimates. Underlying data, such as energy consumption in kWh, is multiplied by an emission factor to produce an emission figure. Emission factors can be obtained from national authorities, industry bodies or licensed data sources.

Handelsbanken uses renewable energy for its electricity consumption by purchasing 92 per cent guarantees of origin from hydropower, 4 per cent from solar energy and 4 per cent from wind power.

The Bank's biogenic emissions come mainly from two sources: Scope 1 emissions from the use of renewable gas, through the purchase of biogas, and Scope 2 emissions from the purchase of district heating fired with organic materials. Only biogenic emissions from biogas are reported, as the emission factor used for district heating in the Scope 2 calculations does not separate biogenic and fossil emis-

Scope 3 content

Scope 3 category	Included?	Share of primary data	Justification and method
3.1 Purchased goods and services	Partly1)	90%	Encompasses the most material suppliers in the areas of IT equipment, paper consumption and water consumption. Emissions from cloud services are omitted due to data shortages.
3.2 Capital goods	No	n/a	Handelsbanken does not operate or control any capital goods to any significant extent from a GHG accounting perspective.
3.3 Fuel and energy-related activities	Partly1)	66%	Includes transmission and distribution losses from electricity consumption. Estimated using emissions factors. Other sources in this category have so far been omitted, such as Well-to-Tank (WTT) emissions.
3.4 Upstream transportation and distribution	Partly1)	88%	Includes postal and transportation services internally and to customers.
3.5 Waste generated in operations	No	n/a	As a financial services provider, the Bank does not generate significant waste. For the waste generated in day-to-day operations, there are few practical ways to measure this, and the results for the Bank would probably not be material.
3.6 Business travel	Yes	98%	Includes business travel by air, rail and road, as well as hotel stays. Taxi journeys and other business travel are not included.
3.7 Employee commuting	No1)	n/a	This category is material but the Bank has not yet adopted a calculation method.
3.8 Upstream leased assets	No	n/a	Handelsbanken does not lease upstream assets to any significant extent from a GHG accounting perspective.
3.9 Downstream transportation	No	n/a	All distribution services for communicating with customers are reported under transportation and upstream distribution. Emissions from customers' transport to the office are not included, as this is difficult to measure and most customer activities take place digitally.
3.10 Processing of sold products	No	n/a	Handelsbanken does not sell physical products that require any significant processing from a GHG perspective.
3.11 Use of sold products	No	n/a	Handelsbanken does not sell physical products to any significant extent from a GHG perspective.
3.12 End-of-life treatment of sold products	No	n/a	Handelsbanken does not sell physical products that require end-of-life treatment to any significant extent from a GHG perspective.
3.13 Downstream leased assets	No1)	n/a	This category may be included in the future as emission calculations for investment and financing are developed.
3.14 Franchises	No	n/a	Handelsbanken does not have any franchises.
3.15 Investments	Partly1)	59%	Emissions from lending are calculated for the Bank's real estate-related lending, which represents 88% of the Bank's total lending. For investments, emissions are calculated at 94% of on the share of total assets under management where it is possible to calculate emissions using established calculation methods. In turn, this accounts for 95% of total assets under management within asset management. The bank intends to expand its calculations to cover a larger part of the loan portfolio, with a focus on high-emitting sectors.

1) Handelsbanken intends to continue to develop its Scope 3 reporting.

Total GHG emissions disaggregated by Scopes 1, 2 and 3

	Retrospective				Milestones and target years			
	2021	2023	2024	% 2024/2023	2025	2030	2040	Annual target in %/Base year
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (tCO_2e)	339	154	143	-7		-50% for Scope 1+2.		
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	0	0	0				
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (tCO_2e)	5,567	4,644	4,468	-4				
Gross market-based Scope 2 GHG emissions (tCO_2e)	2,718	2,295	2,205	-4		-50% for Scope 1+2.		
Significant Scope 3 GHG emissions								
Total Gross indirect (Scope 3) GHG emissions (tCO_2e)	41,775,535	43,351,634	46,059,746	6				
1 Purchased goods and services	3,764	3,149	2,714	-14				
2 Capital goods								
3 Fuel and energy-related activities (not included in Scopes 1 or 2)	650	665	669	1				
4 Upstream transportation and distribution	119	83	119	42				
5 Waste generated in operations								
6 Business travel	417	3,024	2,489	-18				
7 Employee commuting								
8 Upstream leased assets								
9 Downstream transportation								
10 Processing of sold products								
11 Use of sold products								
12 End-of-life treatment of sold products								
13 Downstream leased assets								
14 Franchises								
15 Investments	41,770,585[1)]	43,344,713[2)]	46,053,756[3)]	6	For targets in Scope 3.15, see the table GHG emission reduction targets in section E1-4.			
Total GHG emissions								
Total GHG emissions (location-based) (tCO_2e)	**41,781,441**	**43,356,431**	**46,064,357**	**6**				
Total GHG emissions (market-based) (tCO_2e)	**41,778,592**	**43,354,082**	**46,062,094**	**6**				

1) Emission calculations within investments per 2021 include lending and Handelsbanken Fonder.
2) Emission calculations within investments per 2023 include lending and Handelsbanken Fonder, Optimix and HWAM.
3) Emission calculations in asset management as of 2024 include all asset management.

Financed emissions

	Exposure (SEK m)[1)]	Coverage[2)]	Share of primary data	Total financed emissions (tCO_2e)	Emissions intensity 2021	2023	2024	% 2024 /2023
Scope 3.15 Investments								
Lending (Scope 1, 2)								
Mortgages	1,150,961	100%	57%	302,972	9.6 $kgCO_2e/m^2$	8.5 $kgCO_2e/m^2$	8.2 $kgCO_2e/m^2$	-4%
Commercial properties	932,492	100%	81%	486,815	14.1 $kgCO_2e/m^2$	12.0 $kgCO_2e/m^2$	12.0 $kgCO_2e/m^2$	0%
Investments (Scope 1, 2, 3)	**1,192,000**	**94%**	**44%**	**45,263,969**	**45.1 tCO_2e/ SEK m**[3)]	**44.8 tCO_2e/ SEK m**[4)]	**38.0 tCO_2e/ SEK m**[5)]	**-15%**
Calculated by data provider[6)]				39,509,895				
Estimated[6)]				5,754,074				
Total GHG emissions in Scope 3.15 Investments				**46,053,756**				

1) Exposure refers to on-balance for lending and assets under management (AUM) in asset management.
2) The coverage in asset management is calculated based on the share of total assets under management where it is possible to calculate emissions using established calculation methods. In turn, this accounts for 95% of total assets under management within asset management.
3) Emission calculations within investments per 2021 include lending and Handelsbanken Fonder.
4) Emission calculations within investments per 2023 include lending and Handelsbanken Fonder, Optimix and HWAM.
5) The emission intensity as of 2024 includes all asset management.
6) The majority of the reported emissions have been calculated using data from Asset Management's data providers. For a smaller part of the portfolio where data has been missing, emissions have been estimated based on the most granular data that Handelsbanken has available for the calculated part of the portfolio.

For targets related to the Bank's Scope 3.15, see the table for GHG emission reduction targets in Section E1-4.

GHG intensity based on net revenue[1)]

GHG intensity per net revenue	2023	2024	Change since preceding year
Total GHG emissions (location-based) per net revenue (tCO_2e/SEK m)	247.44	245.45	-1%
Total GHG emissions (market-based) per net revenue (tCO_2e/SEK m)	247.42	245.44	-1%

1) Information regarding total net revenue is provided for the consolidated situation with the definition based on Section 4a of the Swedish Annual Reports in Credit Institutions and Securities Companies (1995:1559).

sions. Possible biogenic emissions in Scope 3 are not calculated. In 2024, Scope 1 biogenic emissions amounted to 63 tCO_2e.

The reporting of self-generated solar energy is new for 2024, which has also led to a change in the comparative data for 2023 regarding location-based Scope 2 emissions (+3 tonnes).

Lending

Emissions from lending are calculated for the Bank's real estate financing, which represents 88 per cent of the Bank's total lending. The Bank intends to expand the calculations to cover a larger part of the loan portfolio, with a focus on high-emitting sectors. The calculation of financed emissions for the lending portfolio covers the real estate portfolio, i.e. loans collateralised with real estate. The base year emissions calculation and subsequent calculations were performed using the standard issued by Partnership for Carbon Accounting Financials (PCAF), which provides a standardised methodology and contributes to the transparency and comparability of financed emissions reported. The calculations are based on energy performance certificates (EPCs), where available. In the absence of energy declarations, estimates from the PCAF are used based on country and building type level.

Emission factors are obtained from public and reliable sources, and in cases where data on a building's energy label or specific heating sources are missing, estimates from the PCAF are used. For the full methodology, see the Methodology financed emissions – lending on handelsbanken.com.

Asset management

For investments, emissions are calculated at 94 per cent of the part of total assets under management where it is possible to calculate emissions using established calculation methods. This part in turn accounts for 95 per cent of total assets under management. The majority of the reported emissions have been calculated using data from the fund companies' various data providers.

For Handelsbanken Fonder, these calculations are made using data and methods from ISS ESG and include the investment objects' Scope 1, 2 and 3 emissions. The emissions calculations are based on the ownership share in each investment, calculated by comparing the size of the investment with the company's enterprise value including cash (EVIC). These methodologies are in line with the definitions of Principal Adverse Impact Indicators 1, 2 and 3 in Table 1 of the EU's Sustainable Finance Disclosure Regulation (SFDR). The greenhouse gases used by Handelsbanken Fonder in its calculations are those defined in the Kyoto Protocol. The emissions for HWAM and Optimix are calculated using data and methods from Morningstar and Clarity AI respectively and include the investees' Scope 1, 2 and 3 emissions.

For a small part of the portfolio where it is possible to calculate emissions through established calculation methods, but where data from the data providers has been missing, the emissions have been estimated based on the most granular data that Handelsbanken has available for the calculated part of the portfolio.

Handelsbanken's subsidiary Handelsbanken Liv has largely chosen Handelsbanken Fonder's products for its insurance policies. This also applies to parts of Handelsbanken's discretionary management, which means that much of the reporting carried out by Handelsbanken Fonder also becomes part of the value chain of these operations. For the remainder of the assets under management within Handelsbanken Liv and Handelsbanken's discretionary management, emissions have been estimated based on the calculated emission intensity of Handelsbanken Fonder.

The total reported emissions within asset management, including emissions calculated through data providers and subsequently estimated emissions, amount to 45,263,969 tCO_2e.

E1-7: GHG removals and GHG mitigation projects financed through carbon credits

To achieve the goals of the Paris Agreement, it is not enough to significantly reduce global emissions. CO_2 must also be captured from the atmosphere and stored (Carbon Capture and Storage, CCS). This is also referred to as carbon removal credits, negative emissions or sequestration projects. To support the development of CCS, Handelsbanken has invested in carbon removal credits from Puro.earth according to the Puro standard. The certificates are called CORCs.

In 2024, the Bank purchased and cancelled 172 tonnes of CO_2 from various biochar suppliers in Europe. Carbon removal credits have not been offset against the Bank's total emissions or carbon targets. Biochar is a biogenic carbon sink that sequesters CO_2 from the atmosphere through a pyrolysis process, where biomass is converted into biochar at high temperatures without oxygen. According to the Puro standard, this results in a very long-lasting carbon bond with a duration of over 100 years, minimising the risk of non-permanence. In general, biochar is considered a nature-based solution, especially if it is made from organic matter and used to improve soil fertility and water-holding capacity. The Bank did not make any other purchases of carbon removal credits, meaning that 100 per cent were purchased from EU offset projects and from a recognised standard. The project does not count as a corresponding adjustment under Article 6 of the Paris Agreement.

To a lesser extent, Handelsbanken contributed indirectly to the financing of carbon removal credits through a local energy agreement in Sweden whereby the supplier carbon offsets for district heating it delivers. The carbon offset volume for 2024 was not available when this Annual Report was finalised, but based on the volume for 2023 this is estimated to be less than 80 tonnes. Carbon offsetting takes place on the basis of recognised standards.

Handelsbanken does not yet have a developed strategy for neutralising unavoidable emissions. The Bank also does not have any existing plans, holdings or agreements regarding carbon credits to be cancelled.

E1-8: Internal carbon pricing

Handelsbanken does not apply internal carbon pricing in any of its operating areas.

EU Taxonomy

Taxonomy reporting

The EU Taxonomy is a classification system that determines which economic activities are environmentally sustainable. The Taxonomy provides a common framework and sets out information requirements at both company and product level to help investors identify environmentally sustainable investments. Handelsbanken falls under the EU Taxonomy and uses the regulation as one of several tools to evaluate the environmental sustainability of its operations.

In line with the Paris Agreement and the goal of limiting global warming to 1.5°C, Handelsbanken is working towards a transition to an economy with net-zero GHG emissions. This work takes place via the Bank's customers by supporting them in their transition with the products and advisory services that the Bank offers. By continuing to develop products and services that contribute to this transition, the Bank is working to meet the requirements and objectives of the Taxonomy. This also creates good conditions for increasing the share of taxonomy-aligned assets from a strategic perspective going forward.

Handelsbanken has already adapted its financing framework for green bonds, enabling the financing of more projects that promote energy efficiency and climate adaptation. The framework is based on the EU Taxonomy and is closely aligned with the regulation's technical screening criteria in order to make a substantial contribution to its environmental objectives. During the year, Handelsbanken launched products and incentive structures aimed at increasing the proportion of assets that meet the requirements of the financing framework which, in turn, increases the volume of Taxonomy-aligned assets.

To further support customers' climate action, the Bank has developed tools that provide real estate owners with information about energy improvement measures in order to reduce their emissions. The Bank also offers small and medium-sized enterprises the opportunity to measure their emissions and receive recommendations on how to reduce them.

Under the Non-Financial Reporting Directive (NFRD), public-interest entities with more than 500 employees are required to report in accordance with Regulation (EU) 2020/852 (the Taxonomy Regulation). In their statutory sustainability report, financial institutions are required to provide information about the extent to which their assets are funding Taxonomy-aligned activities. Handelsbanken is a financial conglomerate with operations in several business segments. The regulatory framework and answers from the European Commission require the Bank to report the Green Asset Ratio (GAR) for the various parts of the Group's operations. To increase readability, transparency and provide a good overview of the GAR, Handelsbanken has opted to report the Taxonomy-aligned activities of its banking operations in the consolidated situation, separate from the insurance business segment, and in total for the Group. A summary table has been included in this section. For detailed information about the degree of alignment with the Taxonomy's requirements per environmental objective and business segment and reporting in the templates required by the Regulation, refer to section 4.3 cont. EU Taxonomy – continued on page 326. Reporting based on the consolidated situation provides a true and fair view of the Group's assets while avoiding double counting. Other assets, from non-financial activities, are minimal and have no impact on the Bank's total green assets.

Handelsbanken's GAR is calculated based on the energy performance of household exposures with real estate collateral within the Bank and based on the GAR of our corporate counterparties in the credit portfolio and asset management within the Bank and in the life insurance operations. The calculations are based on reliable data, such as energy declarations and physical risk assessments for financed properties, and published key performance indicators from our corporate counterparts. The Bank works continuously to improve the availability and quality of data, with the aim of increasing the GAR. This includes increasing access to information in the form of energy declarations for properties in all of the Bank's markets so that alignment with the taxonomy criteria can be fully assessed. The Bank's reported KPIs for the year resulted in an increase in GAR compared with the 2023 financial year.

For agreements in the balance sheet in the banking operations, the increase was mainly due to the fact that the year of construction is now more widely available for properties in the Netherlands, making it possible to calculate Taxonomy alignment for these agreements, and that the proportion of properties assessed as subject to physical risk has decreased since more granular data has been provided from a new supplier. Published KPIs for Taxonomy alignment for financial counterparties are also available this year and can be used in the calculation. In addition, the Taxonomy alignment of non-financial counterparties has generally increased during the year.

The holdings in the portfolios with the largest contribution to the environmental objectives of asset management have been assessed by applying a holding and flow analysis, comparing this year's levels with the previous year. The changes in the contribution of the total portfolio between the years were partly impacted by inflows in larger index funds investing in large listed Nordic and European companies in the real estate sector as well as the industrial and power sectors. Also, the volumes of the insurance operations are recognised separately in separate tables, which resulted in a lower total portfolio and lower sustainability levels. The overall levels of substantial contributions to the environmental objectives are in line with total portfolio values, which also correspond to a diversified portfolio with broad exposure. The company holdings with the highest contribution are in our largest funds and portfolios and are found both in active and in passive management.

Two weighted KPIs for the Group – one turnover-based, and one capital expenditure-based – are calculated by weighting each business segment's KPI by its share of the Group's total income.

The definition of assets in the Taxonomy reporting is based on Delegated Regulation C (2021) 4987, and Commission Implementing Regulation (EU) 2021/451 with regard to supervisory reporting of institutions.

Methodology for the credit institution

The KPIs stipulated for the banking operations in the credit institution are reported for agreements in the balance sheet, financial guarantees and asset management. The proportion of assets at the end of the period and the inflow of new assets during the year, which are eligible and aligned with the EU Taxonomy's technical screening criteria for all six environmental objectives, are reported in the set templates for credit institutions. The reporting of trading book assets and fees and commissions for investing activities that meet the Taxonomy criteria will, in line with regulatory requirements, will be reported from the 2025 financial year.

Handelsbanken's main KPI is the Green Asset Ratio (GAR), which shows the proportion of covered assets at the end of the period that meet the Taxonomy criteria. For credit exposures in the balance sheet, this means that GAR reporting includes the proportion of covered assets (the denominator) that finance economic activities that meet the criteria set out in the EU Taxonomy (the numerator).

The calculation of the green asset ratio for Handelsbanken's corporate portfolio is based on figures reported by both financial and non-financial counterparties from the previous financial year (2023). Non-financial undertakings required to report according to NFRD published the proportion of their operations that is taxonomy eligible and aligned both as a proportion of turnover and as a proportion capital expenditure (CapEx). Both of these key KPIs are used in the reporting of financial institutions. Hence the green asset ratio of is calculated and reported twice.

2023 was the first time non-financial undertakings also reported the share of their activities covered by the last four environmental objectives of the taxonomy, which include water and marine resources, transition to a circular economy, pollution, and biodiversity and ecosystems. Alignment with the taxonomy criteria for these environmental objectives will be reported for the first time by non-financial undertakings for the 2024 financial year, which financial institutions then use in their reporting the following year.

In this year's reporting, the Bank also includes companies required to report under the NFRD in EEA countries, which had a very minor effort.

The exposure amount for general purpose lending, equities and debt securities are multiplied by KPIs reported by counterparties. Specific KPIs for the underlying financed assets are to be used and obtained directly from the counterparty for bonds and financing where use of proceeds is known. The disclosure of alignment to the EU Taxonomy technical specification criteria for green bonds is still under development. Covered bonds are therefore weighted with the counterparty's KPIs, which is a conservative approach.

Use of proceeds known are assets where the financed economic activities are known and specific criteria are contractually defined. The assets include specialised lending and debt capital market assets in the Green registry of the Bank, in line with the Green Bond Framework. If no data is available from the counterparty, this exposure is included only in the denominator in the green asset ratio.

Local governments financing, except for housing financing and specialised lending, is not included in the numerator in the calculation of the green asset ratio. Household exposures with real estate collateral and motor vehicle exposures are assessed using applicable criteria in the taxonomy. Other types of household financing are not considered to be Taxonomy-eligible nor aligned.

Household exposures with real estate collateral are deemed to be Taxonomy-aligned based on the building's energy performance, given that they are not deemed to be exposed to physical risk due to climate change. The assessment of physical risk uses the same thresholds and external climate data as used for the Pillar 3 physical risk disclosure. Collateral exposed to physical risk is not deemed to be aligned with the taxonomy, which is a conservative assessment. This assessment does not take into account any adaptation plans or other mitigation measures, as the availability of qualitative information regarding these factors is limited.

In Sweden, buildings are Taxonomy-aligned if they were built before 2021 with energy class A and those with energy declarations according to construction regulation BBR29 whose energy performance is below national thresholds corresponding to the top 15 per cent. Required data for assessing buildings constructed prior to 2021 that do not have an energy declaration under construction regulation BBR 29 is available from the Swedish National Board of Housing, Building and Planning, though this data is currently not available to credit institutions. For household exposures with properties built before 2021 in other countries no data or studies meeting the regulatory criteria for calculating best energy performance are available. Only buildings with energy class A can therefore be used in these cases. This means that a significant part of the credit portfolio cannot be fully assessed in accordance with the Taxonomy's top 15 per cent threshold.

Household exposures to properties built after 2021, where the energy performance should be at least 10 per cent lower than the national thresholds for nearly zero-energy buildings, can only be assessed in Sweden. In other countries information to assess taxonomy alignment is lacking. Taken together, these data gaps lead to very conservative reporting by the Bank, which means that the green asset ratio is reported lower than the actual conditions would justify. The Bank is working actively to gain access to necessary data in order to ensure the calculation of a more accurate green asset ratio.

No estimates are allowed in the mandatory reporting, which means exposures to undertakings not required to report cannot be assessed using the taxonomy. Exposures to non-reporting undertakings, within and outside the EU, are therefore only included in the denominator of the green asset ratio. Furthermore, assets held for sale are included under other assets category and are thus also only included in the denominator.

The green asset ratio is calculated for the stock and flow in the balance sheet. Flow of financial guarantees and assets in the balance sheet is defined as new loans, i.e. the agreements originated during the year. This approach enables an assessment of the proportion of sustainable assets in new financing can be assessed excluding effects of amortisation or currency fluctuations. Disclosure of exposure to non-financial undertakings per sector is a summed by the primary NACE code of the counterparty and includes all non-financial undertakings subject to NFRD, reporting eligibility for any economic activity included in the EU Taxonomy.

Reporting by the Bank as a credit institution is based on prudential consolidation determined in accordance with CRR, which is described in more detail in note G52 on page 183. The life insurance undertaking of the Bank is not included in consolidation but is disclosed here in accordance with the equity method, see note G1 on page 69. To avoid double counting, assets representing the life insurance undertaking in the balance sheet are only included in the denominator. The green asset ratio in the life insurance undertaking is reported separately in the next section on page 366.

Taxonomy reporting for financial guarantees and assets in the balance sheet are based on data from internal systems of the Bank also used for capital adequacy reporting and for several tables in the annual reports. This information used is of good quality, without known flaws and is also used in other reporting. Information on undertakings required to report according NFRD and their reported KPIs is collected from an external provider, and information on the NFRD requirement is compared to information in internal systems of the Bank. The process for the collection of taxonomy criteria for financing where use of proceeds known will be implemented next year. Therefore, these exposures are not included in the numerator of this year's green asset ratio.

Methodology for asset management

Reporting and calculating the green investment ratio of assets under management encompass the asset management's mutual funds and discretionary volumes excluding the volumes of the insurance operations that are recognised separately this year. The calculation is made by analysing the holdings to the securities level, which means that fund holdings are classified based on their underlying assets. The green investment ratio is based on companies' reported KPIs, proportion of turnover and CapEx, and then aggregated at portfolio level. Reporting is based on data from the Bank's internal portfolio systems, which is used for other financial reporting and considered to be of high quality. Information on the reported KPIs of the mutual fund and portfolio holdings is collected from external data providers and the corporate data available to the market on the portfolio date is used to calculate the aggregate amounts.

Methodology for insurance operations

Handelsbanken Liv's KPIs are based on the company's balance sheet at year-end. Holdings in ucits funds were analysed to the extent practicable. Handelsbanken Liv's starting point was to classify the fund holdings based on the funds' underlying assets.

Disclosures in the tables were based on figures from the preceding financial year (2023) published by the companies subject to the disclosure requirements under Article 8 of the Taxonomy. As the Taxonomy will enter into force gradually, it will take a number of years before all KPIs are fully implemented. In its regular implementation efforts, Handelsbanken Liv takes into account guidance published by the European Commission. External data providers were primarily used to prepare disclosures for the tables. When external data was not available, Handelsbanken Liv used its own research analysis based on other external data sources. In parts of the table where data availability has not been satisfactory, work is underway for next year's reporting to supplement with additional information about the portfolio's green investments.

Handelsbanken Group EU Taxonomy KPIs

Business segment	Income		Taxonomy KPIs of Handelsbanken Group, 2024-12-31				
	MSEK	Proportion %	KPI	Turnover based KPI	Turnover based KPI weighted	Capex based KPI	Capex based KPI weighted
Banking							
Credit portfolio	179,336	95.5	Green asset ratio (GAR)	3.4	3.2	3.5	3.3
Financial guarantees	94	0.1	Green asset ratio (GAR)	0.6	0.0	0.5	0.0
Assets under management	5,381	2.9	Green investment ratio (GIR)	1.5	0.0	2.0	0.1
Insurance (life)	2,921	1.6	Green investment ratio (GIR)	3.2	0.1	0.2	0.0
Consolidated, Group	**187,732**	**100.0**	**Consolidated KPI, Group**		**3.3**		**3.4**

List of Taxonomy tables

ESRS E4 Biodiversity and ecosystems

Summary of material impacts, risks and opportunities

Material sustainability matter	Material impacts, risks and opportunities	Value chain	Time horizon
Direct impact drivers of biodiversity loss	Actual negative impact	Asset management	Long

Strategy

E4-1: Transition plan and consideration of biodiversity and ecosystems in strategy and business model

The resilience of the Bank's own operations for managing its negative impacts on biodiversity is considered high since the Bank's main own operations are not dependent on natural resources. The strategy for the Bank's value chain, where negative impacts on biodiversity have been identified downstream in asset management, is to actively support and accelerate sustainable development. This, combined with the Bank's low and integrated risk tolerance, provides a solid basis for resilience to biodiversity loss.

Resilience was assessed as part of *Handelsbanken's Nature and Biodiversity Progress Report 2023*, published in 2024. More accurate models to assess physical, transition and systemic risks in the value chain over different time horizons are under development. Handelsbanken collaborates with other stakeholders through, for example, the Mistra BIOPATH research programme, which is developing methods for integrating nature and biodiversity into financial planning.

Handelsbanken has not yet defined a detailed transition plan for biodiversity, but because climate change is a key driver of biodiversity loss the Bank's climate transition plan is a key element of its work in this area. Read more about the Bank's transition plan for climate change in section E1-1 – Transition plan for climate change mitigation on page 285.

ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

The main impact on biodiversity and ecosystems stems from the Bank's asset management, which primarily take place via the Bank's fund company. One challenge is the location-based assessment of the actual impact. For example, a company's headquarters may be located in one country, but its production could be spread all across the world. Supply chains are often global and difficult to map without more specific information from each individual company, but the assessment is that there is a negative impact on biodiversity investing in activities that contribute negatively to climate change, land-use change, direct exploitation, invasive alien species, environmental pollution and other impact drivers.

For more general information on the link between the Bank's identified sustainability matters, refer to section SBM-3 on page 269.

Impact, risk and opportunity management

E4-2: Policies related to biodiversity and ecosystems

The steering documents that address the Bank's material sustainability matters for the direct impact drivers of biodiversity loss are:

- Policy for sustainability, for more information, see page 264
- Guidelines regarding the environment and climate change
- Guidelines for Handelsbanken's offering in forestry and farming.

The content of these steering documents emphasises how biodiversity is an important matter for Handelsbanken to integrate into its operations including asset management. They describe the close link between biodiversity and environmental and climate change, as well as sustainable social development. In the guidelines regarding the environment and climate change, the Bank states its commitment to minimising the negative impacts on the environment and climate. Contributions to direct impact drivers are not stated in the guidelines, but climate and resource use are two areas that are specifically addressed. These guidelines also state that through its business relationships, the Bank wants to promote sustainable business models that take biodiversity into account and that strive to minimise damage and contributions to negative development. The guidelines regarding the environment and climate change also address the social impacts of the deterioration of biodiversity. As biodiversity declines, partly due to increased use of the earth's limited natural resources, the risks to the environment and climate as well as to people, businesses and societies, increase. When ecosystem services are threatened by these negative impacts, social impacts can arise due to, for example impacts on food security. In support of its work with biodiversity, the Bank's guidelines regarding the environment and climate change refer to several international initiatives, such as the UN Global Compact, the Equator Principles, the Principles for Responsible Banking (PRB), the Principles for Responsible Investment (PRI), the Principles for Sustainable Insurance (PSI) and the Convention on Biological Diversity (CBD). The latter aims to ensure that natural resources are used sustainably.

The guidelines for Handelsbanken's offering in forestry and farming describe specifically how these sectors are one of the main causes of global biodiversity loss. Land-use change, one of the main drivers of biodiversity loss, is also one of the largest sources of global GHG emissions. Sustainable forestry and farming is therefore an enabler for the promotion of biodiversity and a stable climate.

The forestry and farming guidelines include expectations regarding sustainable land and agricultural methods in this business area, although the guidelines do not specifically refer to deforestation.

While sustainable methods for ocean-related sustainability are not explicitly mentioned, the Bank's general guidelines regarding the environment and climate change also include expectations that are applicable to marine related activities.

E4-3: Actions and resources related to biodiversity and ecosystems

In 2024, Handelsbanken implemented several key actions to prevent, mitigate and remediate the negative impact the Bank can be assumed to have on biodiversity. Offsetting biodiversity loss has not been implemented in Handelsbanken's actions but may occur indirectly in the Bank's value chain. The actions taken so far have not included indigenous and local knowledge or nature-based solutions.

The following is an extract of the most relevant actions and activities conducted in 2024.

In order to measure and contribute to positive change, Handelsbanken collaborates with different parts of society and the value chain in its work with biodiversity. The Mistra BIOPATH research project, in which Handelsbanken is a lead partner, brings influential players from the business world together with researchers in economics and ecology, with the aim of working side by side to stop and reverse the loss of biodiversity. New and existing approaches are identified, evaluated and developed in order to integrate biodiversity considerations into financial decision-making. The Bank is also a member of Business@Biodiversity Sweden, a knowledge platform for training and exchanging ideas on biodiversity.

Handelsbanken Fonder has been a member of Nature Action 100 since 2023. The initiative aims to engage the 100 global companies deemed systemically important in reversing nature and biodiversity loss by 2030. These companies have an impact on habitat loss, overexploitation of land and pollution of soil and water. Some of the sectors initially in focus include biotechnology and pharmaceuticals, chemicals and the food industry. Handelsbanken's strategy to engage in initiatives and research, such as Mistra BIOPATH and Nature Action 100, is a continuous action.

In 2024, Handelsbanken focused on developing its reporting capabilities for nature-related disclosures. In August 2024, the Bank published its first stand-alone report on nature and biodiversity, based on the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). The ambition is for the report to be used to further develop and deepen the analysis of negative and positive impacts on biodiversity and ecosystems, including in business areas and sectors that are not currently material in the context of the Bank's materiality assessment but which could eventually become important to the Bank and its customers.

As a major investor and owner, Handelsbanken Fonder has both a responsibility and an opportunity to engage with companies to influence them to act responsibly and conduct their business in a sustainable manner. In 2024, Handelsbanken Fonder addressed biodiversity in several dialogues. The aim has been to encourage companies to increase their knowledge, reporting and transparency on issues related to activities with a potentially negative impact on biodiversity, both within their direct operations and in their value chains. In its latest Climate and Nature Report, Handelsbanken Fonder reported for the first time, guided by the recommendations of the TNFD, with the aim of integrating nature-related risks and opportunities into its investment decisions.

Metrics and targets

E4-4: Targets related to biodiversity and ecosystems

Biodiversity and nature metrics are not equally established as carbon footprint metrics in climate reporting, making it difficult at present to quantify and target an exact contribution to biodiversity loss, particularly at the portfolio level. For this reason, the Bank has defined an interim target based on engagement dialogue, which is one of the most important sustainability tools that financial players can use to work on their indirect impact in the value chain. The target is between 2025 and 2030, through the Bank's asset management, to conduct 20 biodiversity engagement dialogues per year with selected portfolio companies in prioritised sectors. With this target, Handelsbanken aims to reduce its indirect impact on biodiversity and ecosystems, which is in line with the Bank's expectations in its guidelines regarding the environment and climate change.

The interim target is absolute and covers all of the Bank's investor activities in all markets. The base year for the interim target is 2025, which is why there is currently no baseline value. The target will be followed up annually to ensure that the targeted number of dialogues is met. The Bank's approach to ensuring compliance with the target from when it enters into force in 2025 is to record every engagement dialogue in order to measure whether the Bank's progress is in line with the planned target at the end of each reporting period during the life of the target.

The dialogues can cover all levels of the mitigation hierarchy (avoidance, minimisation, restoration/rehabilitation, and compensation or offsets). Biodiversity offsetting is not relevant for achieving this target. Engagement dialogue is an established tool, although the target does not have a direct science-based link to biodiversity. The Bank's new target for biodiversity and ecosystems has been designed to develop the Bank's work, share knowledge and create the conditions for meeting the targets presented in the Kunming-Montreal Global Biodiversity Framework, adopted by the UN, which aims to halt and reverse biodiversity loss. Ecological thresholds were not used in the development of the target, but the Bank's ambition is that the engagement dialogues with selected counterparties will support the process of reducing the Bank's contribution to impact drivers of biodiversity loss, and creating a basis for how the Bank can continue to focus its work on the topic together with its counterparties.

Social information

Disclosure Requirements

ESRS S1 Own workforce

ESRS S2 Workers in the Value Chain

ESRS S4 Consumers and end-users

Entity specific – Contribute to Society

4.4

Social information

Handelsbanken aims to create an inclusive and sustainable work environment with equal opportunities for all co-workers. At the same time, the Bank assumes responsibility for workers in the value chain by integrating these issues into its business decisions and through its human rights guidelines and Supplier Code of Conduct.

This section describes the impacts, risks and opportunities affecting the Bank with regard to social sustainability through its own workforce, workers in the value chain and the Bank's customers, including the targets that have been set and how the Bank governs and manages this to amplify positive impacts and minimise negative impacts and risks. For consumers and end-users, the Bank ensures the protection of personal data and data security through strict guidelines and technical solutions. Handelsbanken works continuously to protect its customers' data, transactions and IT environments in accordance with international standards and legislation.

ESRS S1 Own workforce

Summary of material impacts, risks and opportunities

Material sustainability matter	Material impacts, risks and opportunities	Value chain	Time horizon
Working conditions (Own workforce)	Actual positive impact Actual negative impact	Own operations Own operations	Short/medium/long Short/medium/long
Equal treatment and opportunities for all (Own workforce)	Actual positive impact Potential negative impact	Own operations Own operations	Short/medium/long Short/medium/long

Strategy

ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Handelsbanken's values and strong corporate culture are vitally important to the Bank's success and are a fundamental requirement for the Bank to remain an attractive employer. The Bank's business concept is based on trust and respect for individuals, both customers and co-workers. The decentralised way of working creates commitment and gives every co-worker both responsibility and opportunities to make an impact on the Bank's operations. Collaborating, developing, and creating solutions together improves the Bank's ability to achieve its overall objective. An essential part of this collaboration is Handelsbanken's traditionally positive relationships with trade unions, which are part of its corporate culture. The Bank promotes the right of all employees[1)] to join a trade union or employee organisation.

Handelsbanken's strength is derived from the combined expertise of its co-workers[2)]. Employee development is a prerequisite for the Bank's continued success and is crucial to the Bank's ability to ensure customer satisfaction. All co-workers are offered continuous skills development as the needs of the business, its customers and the world change, in accordance with current policies and regulations.

Considering that the Bank is a large employer and operates in several markets, the Bank's operations could entail that co-workers risk being exposed to or influenced by events that may create a sense of uncertainty or lack of respect in the workplace. Handelsbanken works actively to ensure that all co-workers feel secure and respected. A good and inclusive work environment is crucial to co-workers' health and well-being and is a prerequisite for the Bank's long-term profitability. By attracting, recruiting, developing and retaining co-workers with different backgrounds, perspectives and experiences, the Bank strengthens its capacity to understand its customers' needs and to adapt to a society in a constant state of change.

Handelsbanken adopts a long-term approach to employment and aims to be an attractive employer by offering competitive terms of employment for all employees.

Unfair pay gaps are part of a wider societal problem, with structural challenges related to the gender pay gap requiring a long-term commitment from companies and society alike. The Bank engages in active and systematic efforts throughout the organisation to identify and address unfair pay gaps, and this process is part of the work on achieving equal pay.

Overall, the Bank's assessment is that the identified positive and negative impacts linked to working conditions, and equal treatment and opportunities for all are not the result of Handelsbanken's strategy or business model, but are due to the fact that the Bank is a large employer and operates in several markets.

1) "Employees" refers to all Bank employees excluding external consultants. For more information about the Bank's employees, refer to S1-6 on page 305.
2) "Co-workers" refers to all Bank employees as well as external consultants. For more information about the external consultants, refer to S1-7 on page 305.

Impact, risk and opportunity management

S1-1: Policies related to own workforce

Handelsbanken has the following steering documents in place to address positive and negative impacts with respect to labour practices and equal treatment and opportunities for all co-workers:

- Policy for remuneration
- Guidelines for work environment
- Policy for ethical standards, for more information, see page 263
- Policy for sustainability, for more information, see page 264
- Guidelines regarding human rights and working conditions.

Together with the overall framework for gender equality, diversity and inclusion at Handelsbanken, these policies and guidelines form the basis of the Bank's steering documents to support co-workers' work processes and the Bank's efforts to minimise negative impacts and amplify positive impacts. All steering documents apply to all co-workers of the Handelsbanken Group. For more information on the steering documents, see the table "Selection of steering documents" on page 262.

The content of the steering documents that address the impacts on Handelsbanken's co-workers demonstrates that the Bank aims to create a healthy, good and safe workplace characterised by trust and respect and where all co-workers have the opportunity to feel good and develop.

Handelsbanken works actively to promote good working conditions for its co-workers. The policy for remuneration stipulates that Handelsbanken's remuneration system must be fit-for-purpose and consistent with the Bank's business goal and business culture, which are based on sound, sustainable operations whereby co-worker conduct is characterised by high ethical standards, good administrative order and regulatory compliance. Remuneration must also be structured to promote a healthy and efficient management of sustainability risks. Handelsbanken adopts a long-term approach to employment, and remuneration must be market-based, equal and gender-neutral, and enable the Bank to attract, recruit, retain and develop talented co-workers. The remuneration system must also ensure good management succession, thus contributing to the achievement of the Handelsbanken Group's corporate goal.

Handelsbanken generally has a low risk tolerance, which is reflected in its approach to remuneration. Fixed remuneration is considered to contribute to sound operations and should therefore be applied as a general rule. Fixed remuneration mainly comprises basic salary, customary salary benefits and pension. Performance-based variable remuneration must be applied with great caution and is not offered to co-workers who, in their professional roles, can have a material impact on the Bank's risk profile. For more information on remuneration to executive officers, refer to the section GOV-3 on page 265.

In certain countries, Handelsbanken is party to collective bargaining agreements on general terms and conditions of employment and conditions for pensions. The policy does not affect rights and obligations under collective bargaining agreements or other contractual or labour law provisions.

Group HR ensures that remuneration within Handelsbanken is applied in accordance with external and internal regulations. The independent control functions monitor and analyse the remuneration system and report material risks and flaws to the Board's Remuneration and Risk committees.

The guideline for the work environment describe the overall goal, responsibilities and process for the work environment at Handelsbanken. The overall goal of Handelsbanken's work environment management is to ensure that the Bank's co-workers feel good, develop and function optimally. A good and inclusive work environment promotes co-workers' health and well-being, which in turn is a necessary prerequisite for the Bank's long-term profitability. All co-workers at Handelsbanken should feel respected and secure at their workplace.

The guidelines state that work environment management is to be conducted systematically and based on a number of health factors, based on Handelsbanken's culture and values: respect, trust, pride, competence, balance, communication, security, and physical work environment. This work is carried out through regular surveys, risk assessments, action plans, checks on actions taken, monitoring and reporting.

The activities identified for maintaining and developing a good and inclusive work environment and counteracting risks of illness are to be regularly followed up and integrated into the work environment plan, which forms part of the annual business plan.

The CEO, on behalf of the Board of Directors, has overall responsibility for the Bank's work environment and delegates specific tasks related to the work environment to responsible managers who ensure that the work environment is managed in the daily operations. The Chief Human Resources Officer is responsible for issuing the instructions to be followed by the managers assigned with tasks related to the work environment. All co-workers have a responsibility to participate in the Bank's work environment activities and assume responsibility for their own health. An ongoing dialogue between manager and co-worker is also crucial when it comes to detecting early signs of poor health and ensuring that co-workers' work situation is sustainable in the long run.

Handelsbanken aims to create a healthy and safe work environment, which is a central part of the Bank's commitment to human rights and labour practices. The Bank emphasizes the importance of long-term business relationships and low risk-taking, which indirectly contributes to secure employment by creating stable and sustainable working conditions. Handelsbanken recognises the right of its co-workers to decide for themselves whether they want to be represented by a trade union and respects their right to negotiate collective bargaining agreements.

To address positive and negative impacts within the framework of equal treatment and opportunities for all co-workers, the Bank's steering documents state that Handelsbanken strives to create an inclusive culture with trust and respect for every individual.

The policy for ethical standards states that all Handelsbanken employees must act in a way that upholds confidence in the Bank. All operations within the Group are to observe high ethical standards, and all financial advice should always be based on the needs of the customer. If there is any uncertainty about what is ethically acceptable, the issue should be raised with the employee's immediate supervisor. Discrimination, victimisation, sexual harassment or other forms of harassment based on gender, transgender identity or expression, ethnicity, religion or other beliefs, disability, sexual orientation, age or on any other grounds must not occur within the Bank, either internally towards and between employees or towards customers, suppliers and other external parties.

The policy also describes how employees and other stakeholders should act in case of suspected fraud or other irregularities. Handelsbanken has an established whistleblower system that can be used to report something anonymously. Identity and personal data must be protected at all times, and there must be no form of unfair treatment of the whistleblower.

All managers are responsible for ensuring that the policy is followed in the daily operations and that it is taken into consideration in internal instructions in each operating area. Employees are to be given the opportunity to regularly discuss ethical issues, and ethical aspects should be integrated as a natural component of the Bank's internal training.
All managers are also responsible for ensuring

that external contractors are informed of and commit to following this policy.

The guidelines regarding human rights and working conditions supplement and clarify the approach to human rights and fundamental labour practices, and emphasize the importance of responsible conduct as a basis for long-term value creation both for the own workforce and for workers in the value chain as well as in other business relationships including consumers and end-users. The Bank is committed to following the UN Guiding Principles on Business and Human Rights and national action plans, and works in a structured manner to uphold human rights and good working conditions as a natural part of its own operations and Handelsbanken's business relationships. The Bank aims to make continuous improvements in this area and to avoid and address negative human rights impacts. This takes place based on the Bank's procedures that follow guidelines and policies, as described i S1-3, see page 302. The guideline outlines the Bank's position on such issues as discrimination, victimisation, gender equality and diversity for all co-workers. Handelsbanken does not accept any form of child labour, slave labour or human trafficking within the Group or via business relationships, and works actively to prevent them from occurring in the Group and in the companies with which the Bank has business relationships. Handelsbanken supports a number of international initiatives, including the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the ILO core conventions to promote sustainable development. Information on reviews and dialogues with the Bank's co-workers can be found in S1-2 and S1-4 on pages 301 and 302.

The framework for gender equality, diversity and inclusion is central to Handelsbanken's efforts to be an equal opportunity workplace, to utilise the benefits of diversity and to create an inclusive culture. The framework is established by the Chief Human Resources Officer. It applies to the entire Group and supplements the other steering documents.

A focus on gender equality, diversity and inclusive culture is part of Handelsbanken's core values and corporate culture, which are to be natural and integral parts of the Bank's daily operations. All business plans include objectives and activities to promote gender equality, diversity and an inclusive culture and are regularly monitored. While these activities are based on the Bank's role as an employer, they also take a customer and societal perspective into consideration. By promoting diversity, the Bank can better meet the various expectations and needs of its customers.

For Handelsbanken, gender equality means that all of the Bank's co-workers, regardless of gender, must have the same rights, opportunities and conditions to develop and contribute to the Bank's progress. The goal is to utilise and respect each co-worker's competency, experience and value in the best possible way, so that they can develop as individuals and in their professional roles. Handelsbanken endeavours to achieve and maintain a balanced gender representation in different roles and parts of the Bank.

Handelsbanken's view of diversity encompasses individuals' different skills and work experience, ways of thinking and solving problems, socio-economic backgrounds, appearance and personal circumstances. It also includes encompasses in gender, transgender identity or expression, age, ethnic background, sexual orientation, disability, religion or belief, and other grounds of discrimination.

The Bank is to reflect the diversity of the communities where it operates. Handelsbanken aims to attract, recruit, develop and retain co-workers with different backgrounds and perspectives. Diversity is a crucial element of the Bank's success and is closely linked to its profitability. By promoting an inclusive culture, Handelsbanken can best harness the advantages inherent to gender equality and diversity.

To achieve the Bank's goals in terms of gender equality, diversity and inclusion, the Bank places a particular emphasis on management succession planning and recruitment, competency development, health and work environment, work-life balance, and gender-equal pay.

S1-2: Processes for engaging with own workers and workers' representatives about impacts

Handelsbanken's decentralised way of working creates commitment and gives every co-worker both considerable responsibility and opportunities to make an impact on the Bank's operations. All managers are responsible for maintaining a close and regular dialogue with their co-workers and with trade union or workers' representatives as part of the daily operations. This continuous dialogue provides an opportunity to identify early signals, for example, regarding the work environment, and ensure that the Bank's co-workers feel good and develop in their roles.

In addition to this close day-to-day dialogue, Handelsbanken has an established structure for developing its operations and its co-workers, with the customer and their business as the starting point. This process, which is called the Wheel, is designed to ensure that all employees actively participate in their unit's business planning process, which includes setting goals and scheduling activities for the coming year. As part of the Wheel, each

The Wheel – the relationship between the operations and the Bank's employees

The Wheel illustrates the relationship between the operations and the development of the Bank's employees. Managers and their employees work together to create their own unit's business plan each year. After the plan is set, planning dialogues and performance reviews (PLUS reviews) are carried out, linking the business plan with each employee's goals. As a result, every employee has an individual action plan that is followed up regularly during the year and forms the basis of the annual salary review between manager and employee.

employee has an individual planning dialogue and performance review (PLUS review) with their manager on a regular basis – at least once a year – which results in an individual action plan.

PLUS reviews include a review of the current situation, the work environment, the business plan, the employee's performance and development in their current position, and future career opportunities. By discussing the current situation and work environment, the employee and manager gain a mutual understanding of the current work situation, including the unit's work environment as it compares with the Bank's culture and values. The aim is to ensure that all co-workers feel good, develop and work optimally and maintain a good work-life balance.

As part of this ongoing dialogue with the Bank's co-workers and employee representatives, each manager is responsible for performing regular work environment surveys, based on the Bank's health factors, in cooperation with their co-workers and trade union representative or workers' representative. For one of these health factors – communication, which includes questions about the close, continuous dialogue between the Bank's managers and co-workers, the results show that 92 per cent (92) of co-workers gave positive responses. More information about the Bank's systematic work environment management and Group-wide work environment survey is provided in section S1-4 on page 302.

Handelsbanken's traditionally good relationships and cooperation with trade unions are a valuable component of the Bank's culture and an integral part of its way of working. In addition to matters dealt with in the dialogue with union organisations at the national level in each country, Handelsbanken also has a European Works Council (EWC). More information about EWC is provided in section S1-8 on page 305.

The Bank's contacts with co-workers take place both directly and through workers' representatives as part of the daily operations. A continuous, close dialogue also takes place between managers and trade union or workers' representatives. This dialogue, which is often informal and as standard practice takes place at an early stage, is based on national legislation and the processes regulated by local agreements with respect to the forms of cooperation, and covers organisational changes, employee and rehabilitation issues, new products and procedures, and the appointment of new managers. Sweden, the UK, Norway and the Netherlands also have country-specific cooperation forums that meet at least once every quarter. The purpose of these cooperation dialogues is to ensure co-determination at all levels within the Bank and compliance with national legislation as well as central and local collective bargaining agreements. Workers' representatives on the Board also ensure that dialogue and knowledge-sharing take place at all stages of the decision-making process and that the perspectives of their own workforce are taken into consideration at the Board level.

S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns

A good and inclusive work environment is crucial to co-workers' health and well-being, which in turn is a prerequisite for Handelsbanken's long-term profitability.

The Group-wide work environment survey, which is part of the Bank's systematic work environment management and covers all co-workers, measures co-workers' perception of the work environment. The survey includes questions about co-workers' knowledge of how to act when instances of victimisation, discrimination, harassment or sexual harassment occur as well as in threatening or violent situations. In this year's survey, 96 per cent (96) of co-workers say they have a good understanding of how to respond to such occurrences. For more information about how the Bank's systematic work environment management is followed up in each country, refer to section S1-4 on page 302.

The Bank has clear procedures and guidelines for managing poor health, illness and other work environment incidents. All employees are covered by local company healthcare programmes or the equivalent, and partnership agreements have been signed with external providers to offer work environment expertise.

All work environment incidents are to be reported in the Bank's internal system, WEIN. This includes work-related injuries, accidents, work-related illnesses, near-misses, victimisation or harassment, and intimidation. Incidents are preferably reported in consultation with the workers' representatives and the responsible manager or supervisor, who investigates the causes and takes action to prevent the incident from recurring. Where possible, the affected party should be involved in the investigation and their views taken into account. WEIN is available to all co-workers via the Bank's intranet.

All co-workers undergo mandatory security training annually, covering physical security and information about WEIN.

Handelsbanken is committed to having a respectful culture, high ethical standards and a climate where everyone can discuss, react and act if something conflicts with the Bank's values. All co-workers at Handelsbanken should feel respected and secure at their workplace. Taking action when something is not right is an important part of the Bank's culture.

To uphold confidence in the Bank, co-workers and other stakeholders are encouraged to report suspected irregularities or misconduct, such as financial crime, money laundering or serious abuses in the work environment.

Co-workers should primarily report such irregularities or misconduct to their immediate supervisor or to a senior manager within their own or another unit. If this is not an appropriate course of action, they may use Handelsbanken's whistleblower system, which is managed by an external party with guaranteed identity protection as far as legally possible. The whistleblower system complies with external legislation and protects the whistleblower from retaliation in accordance with the Bank's policy for ethical standards. Handelsbanken's whistleblower system and related procedures are described in the Bank's policy for ethical standards, and the system is available via the intranet and the Bank's public website both for internal and for external stakeholders. This refers to co-workers in Handelsbanken and in the value chain, suppliers, customers and other stakeholders. The Bank plans to include a follow-up of co-workers' awareness of, and trust in, the whistleblower system in the Group-wide work environment survey.

The continuous dialogue in the day-to-day operations and in the PLUS reviews between managers and co-workers create the conditions for collecting the views of co-workers on managing any negative impacts.

S1-4: Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Handelsbanken aims to be an attractive employer and offers competitive terms of employment for all forms of employments – temporary as well as permanent. During the year, the proportion of permanent employees was 94 per cent. In addition to statutory requirements and collective bargaining agreements, the Bank provides benefits that aim to promote long-term employment, gender equality and involvement in the Bank's performance.

Handelsbanken aims to meet its co-workers' needs during various phases of their life in a flexible way. Collective bargaining agreements are the foundation of the workplace benefits that the Bank offers to both temporary and permanent employees. More information on remuneration to Bank's employees is provided in section S1-10 on page 306.

Handelsbanken offers various types of competitive benefits for both permanent and temporary employees of the Group; these differ between countries, depending on local conditions.

Handelsbanken aims to make it easier for all employees to combine employment with parenthood. In addition to the rules for parental leave under national social insurance systems, Handelsbanken provides supplementary remuneration in most of its markets. This means that employees on parental leave also receive remuneration in accordance with local regulations (in addition to the general parental insurance) for a certain period of time. Employees on parental leave are also entitled to a salary review in the same way as other employees.

Handelsbanken also offers its employees credit on special terms, mainly for housing financing. The terms and conditions for such credit differ between countries depending on local conditions, and in many countries are a taxable benefit.

Pensions are a central part of the total remuneration to employees of Handelsbanken. The Bank offers pension terms that are competitive and comply with the legislation and regulations in force in the countries where the Bank operates. Occupational pension plans can include retirement pension, disability pension and surviving family member protection. Employees are offered pension solutions including defined benefit pensions, defined contribution pensions or a combination of the two.

Oktogonen is Handelsbanken's scheme for collective profit-sharing, based on a common corporate goal where all employees contribute to the success of the Bank. Handelsbanken's corporate goal is to have higher profitability than the average of peer competitors in our home markets. A prerequisite for allocations to the profit-sharing scheme is that Handelsbanken meets its corporate goal. An allocation is made following the Board's overall assessment of the Bank's performance. Disbursements are made directly to the individual employee either in cash, to a pension savings programme, to a savings plan or a combination of these.

Handelsbanken promotes the right of all employees to join a trade union or employee organisation. Information about the proportion of employees covered by collective bargaining agreements is provided in section S1-8 on page 305.

In addition to collective bargaining agreements, there are other forms of agreements and cooperation with local employee organisations. In the UK, Norway and the Netherlands, for example, work councils have been established. The issues discussed at the national level in cooperation with these parties include monitoring the operations, work environment, skills development and remuneration.

Handelsbanken engages in systematic work environment management encompassing the physical, organisational and social work environment. This work is built around an annual process based on a number of health factors with the Bank's culture and values as their starting point. Work environment management is a natural part of the daily operations and includes regular work environment surveys, risk assessments, actions to address identified shortcomings and follow-up to ensure that the actions implemented have had the desired effect. Work environment activities are conducted in accordance with local legislation and regulations in each country where the Bank operates and covers all co-workers. In cooperation with their co-workers and trade union representative or workers' representative, each manager is responsible for performing regular work environment surveys, based on the Bank's health factors. These health factors are respect, trust, pride, competence, balance, communication, security, and physical work environment, along with the related categorises of inclusion and engagement. Based on the results of the work environment survey and a joint risk assessment, a work environment plan is prepared with activities that become part of the unit's business plan for the relevant year. These activities are monitored on an ongoing basis for the relevant year to maintain and develop a good and inclusive work environment and counteract risks of illness. Identified risks are managed through tailored improvements.

Every country monitors its systematic work environment efforts in a joint health and safety forum that includes both employer and workers' representatives. The forum evaluates the results of work environment surveys at an aggregated level, sickness absence, and reported work environment incidents. Identified risks are managed during the relevant year through tailored actions that are followed up on a regular basis.

The Group-wide work environment survey for 2024 showed a score of 5.1 (5.1) on a scale of 1–6, with 1 being the lowest and 6 the highest.

Handelsbanken offers an allowance for well-being and leisure activities, and also regularly organises healthy living initiatives.

Handelsbanken works actively and systematically to ensure equal pay and to rectify unfair pay gaps between women and men throughout the operations. This work takes place on a continuous basis and in connection with specific occasions, such as recruitment, salary reviews and employees' return from parental leave. In the Swedish, Norwegian and Dutch operations, salaries are mapped out every year to address any differences. In connection with annual salary reviews, information initiatives are also carried out for salary-setting managers in Sweden, the UK, Norway and the Netherlands, where equal pay is a key area discussed. During the annual salary reviews, the salary-setting manager can not only make salary adjustments based on performance but also ensure that salary levels are equal and fair from a gender perspective. In Sweden and Norway, work on equal pay has been conducted in close cooperation with the trade unions for many years.

More information about pay gaps between men and women is provided in section S1-16 on page 307.

Handelsbanken's strength is derived from the combined expertise of its co-workers. When co-workers develop, the Bank also develops. A well-established structure ensures that all employees, in dialogue with their manager, are provided with the conditions to develop their skills in line with the needs and wishes of the business and its customers. Skills development activities are based on current policies and regulations, taking changes in the external environment into consideration. This helps the co-workers to continuously grow and actively contribute to Handelsbanken's long-term success. A central part of the co-workers' development is on-the-job learning, with all co-workers taking responsibility for their own development and the advancement of the business.

Handelsbanken offers a wide range of training courses and programmes at different levels to strengthen co-workers' skills. The Bank's digital learning platform is used to monitor and track participation in formal courses and programmes. In addition, co-workers have the opportunity to participate in courses through external training platforms, tailored to individual goals and action plans.

Handelsbanken provides a number of Group-wide training courses. To ensure compliance with regulations and industry standards, several training courses were mandatory for all co-workers in 2024, for example:

- **Training in financial crime,** with a focus on measures to counteract money laundering, terrorist financing and related crime such as tax evasion and fraud.
- **Security training** covering **physical security** and **cybersecurity.**
- **Training in the General Data Protection Regulation** (GDPR).

Results for training in financial crime, see corporate governance information in G1 on page 321. Leaders who have served as a manager for one to two years have the opportunity to participate in the Handelsbanken Leadership programme, which aims to create a shared foundation for leadership and leadership development. During the year, 183 leaders completed the programme.

All new managers in Sweden, the UK and Norway are provided with a skills development training plan during their first year as a manager or leader, focusing on among other things salary reviews, labour rights and competency based recruitment. In the Netherlands, all new managers undergo a special training programme and are offered individual leadership training.

The "Sustainability in the financial industry" training course works as a platform for training different professionals in the banking, financial and insurance industries about sustainability. The overall goal of the course is to build up knowledge and awareness of the activities required to achieve a transition to a sustainable future. The course includes sections on international and European initiatives and regulations, climate-related risks, the EU Taxonomy Regulation and the SFDR, and on rules relating to advisory services and product oversight governance. At Handelsbanken, the course is mandatory for all co-workers and consultants with an assignment of longer than six months. This course was launched in 2021 and 96.2 per cent of all employees have completed it to date.

In Sweden, 3,990 advisors have taken a sustainability refresher course during the year. The topics included sustainability reporting, diversity and inclusion, and greenwashing.

Handelsbanken aims to have a good and inclusive work environment. Regular surveys of the physical, organisational and social work environment are conducted as part of the Bank's systematic work environment management. All potential risks in the operations are assessed, and the results of the work environment surveys provide a basis for these risk assessments. Risks identified in the course of the daily operations are also assessed, along with risks identified in connection with work environment incidents. All identified risks and planned actions are documented in the annual work environment plan.

Handelsbanken does not accept any form of victimisation, discrimination or harassment, including sexual harassment. Such behaviour is contrary to the Bank's culture and core values. Every individual has the right to be met and treated with trust and respect, and all co-workers have a responsibility to prevent and take action against any unacceptable behaviour they observe or become aware of. Each unit and country regularly follows up on reported incidents documented and investigated through the Bank's internal system for work environment incidents, WEIN, to improve the Bank's procedures and prevent further incidents from occurring.

Gender equality, diversity and inclusion are central aspects of Handelsbanken's core values. Diversity is important to the Bank's success and key for innovation, which in turn is closely linked to the Bank's profitability. By attracting, recruiting, developing and retaining co-workers with different backgrounds, perspectives and experiences, Handelsbanken strengthens its capacity to understand its customers' needs and to adapt to a society in a constant state of change.

The Bank endeavours to reflect the diversity of the communities where it operates, and to achieve or maintain a balanced gender representation in different roles and parts of the operations. An inclusive culture is crucial when it comes to harnessing the advantages inherent to gender equality and diversity. To achieve its goals in terms of gender equality, diversity and inclusion, the Bank focuses particularly on areas such as management succession planning and recruitment, competency development, health and work environment, work-life balance and gender-equal salaries.

In autumn 2024, an international initiative was carried out to provide the Bank's talent acquisition partners in all home markets with training in competency based recruitment, which is an important tool for promoting diversity. This approach aims to create a structured recruitment process in which each candidate's skills are assessed objectively against established requirements, thereby helping to challenge stereotypes and make the recruitment process more transparent and fair.

To coordinate and drive the issues of gender equality, diversity and inclusion within the Group, a Diversity Council has been established, with representatives from different parts of the organisation. Local diversity committees and forums have also been created in Sweden, the UK, Norway and the Netherlands that work to promote these issues in their respective markets. Handelsbanken in Sweden is also a member of the Diversity Charter Sweden network, promoting a further focus on diversity in the workplace.

Women accounted for 49 per cent of all employees at Handelsbanken, and the proportion of women in all management positions was 44 per cent.

Handelsbanken in Norway and the UK are signatories to the Women in Finance Charter, a pledge to promote gender balance across the financial sector. The target in the UK is for the proportion of female managers to be 40 per cent by 2026. As part of these efforts, the Bank has developed a programme to increase the representation of women in senior management roles, with a particular focus on women who have taken extended career breaks. In Norway, the Bank focused on diversity and inclusion during the year within the framework of its leadership and employee training. In 2024, the proportion of female managers was 30 per cent in the UK and 42 per cent in Norway.

More information on gender balance in the Bank is provided in sections S1-5 and S1-9 on pages 305 and 306.

Metrics and targets

S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Handelsbanken aims to be a workplace where all co-workers have equal rights, opportunities and conditions to develop and actively contribute to the Bank's progress and success. A good and inclusive work environment is a fundamental prerequisite for ensuring that co-workers feel good, develop and perform at optimal capacity.

All metrics and targets have been set by Handelsbanken, and the process has only involved internal stakeholders and was carried out in close cooperation with various business specialists. The Bank's own workforce and workers' representatives were not involved in formulating the targets. The metrics in the table were reported in previous Sustainability Reports but were not formulated as targets. The following targets have now been set to manage the Bank's impacts, risks and opportunities. Progress is therefore measured from 2024 as the base period, and the Bank will subsequently perform analyses, evaluate trends and any lessons learnt or see if any improvements need to be made. The target for a good and inclusive work environment is measured annually and the gender balance target is set for 2026.

The target related to equal pay aims to follow up on the ambition as reflected in the Bank's policy for remuneration. This has not been set as a measurable target, since work on achieving equal pay requires long-term commitments from both companies and society as a whole. Accordingly, the overall assessment is that it is more appropriate for the work to be carried out with continuous monitoring and evaluation, but at the same time it can be tailored to collective bargaining agreements and current and future legislation. More information on how the Bank works to achieve equal pay can be found in S1-4, see page 302.

Targets – own workforce

Targets	Targets and metrics	2024[1]
Equal pay – The Bank aims to achieve equal pay across all areas of the Bank.	Average salary, men in relation to women, all employees, %[2]	
	Sweden	17
	UK	25
	Norway	13
	The Netherlands	19
	Total	**20**
Good and inclusive work environment – The work environment at the Bank is to be perceived as good and inclusive by at least 90% of co-workers, measured in the annual work environment survey.	All co-workers, %	93[3]
Gender balance – the Bank aims to have a gender-balanced workforce, with women or men accounting for at least 40% of all employees and managers. The target is to achieve and/or maintain gender balance in these roles by 2026.	Gender breakdown, women/men, % All employees Managers	 49/51 44/56

1) Data was produced using the new calculation basis according to the European Sustainability Reporting Standards (ESRS). Accordingly there are no comparative figures since earlier data does not provide comparability with the current year.
2) Objective factors that explain pay gaps (such as complexity of work duties and experience) were not taken into account.
3) The outcome for 2023 was 93%.

For more information about the target process, see page 278.

Employees by contract type, broken down by gender

	Female	Male	Other[1]	Not disclosed	Total
Number of employees[2]	6,320	6,480	-	-	**12,800**
Number of permanent employees[2]	5,980	6,175	-	-	**12,155**
Number of temporary employees[2]	88	68	-	-	**156**
Number of non-guaranteed hours employees[2]	252	237	-	-	**489**

1) Gender as specified by the employees themselves.
2) Number of employees refers to the head count used to calculate FTEs. Number of temporary employees refers to the number of temporary employees with a monthly salary. Number of non-guaranteed hours employees refers to the number of temporary employees with an hourly contract. The information applies as per 31 December 2024.

S1-6: Characteristics of Handelsbanken's employees

Employee head count by gender

Gender	Number of employees (head count)
Male	6,713
Female	6,578
Other	-
Not reported	-
Total employees	**13,291**

Number of employees refers to the head count used to calculate full-time equivalents (FTEs). Calculation is an average for the year. Gender is based on legal gender.

Number of employees in home markets

Country	Number of employees (head count)
Sweden	7,851
UK	3,184
Norway[1]	1,098
The Netherlands[1]	508

1) These markets represent less than 10% of the Bank's total number of employees.

Number of employees refers to the head count used to calculate full-time equivalents (FTEs). Calculation is an average for the year.

In 2024, staff turnover in the Group amounted to 7.5 per cent, and 993 employees ended their employment at Handelsbanken. The number of employees who terminated their employment does not include the 272 employees of the operations divested in Finland in 2024.

For more information, see note G8 of the Annual Report on page 126.

S1-7: Characteristics of non-employee workers in Handelsbanken's own workforce

Non-employees in Handelsbanken's own workforce

	2024	2023
Number of external consultants[1]	960	1,161

1) A majority of external consultants work with IT-related activities.

Characteristics of non-employees in Handelsbanken's own workforce are compiled by the respective country every month and pertain to consultants who were contracted on the last day of the preceding month. Consultants are calculated as full-time equivalents, which is defined as FTE based on the scope of the contract and the information is compiled from the Bank's consultant procurement in Sweden. Once all the figures for the preceding year have been reported, an average is calculated for the number of non-employees in the Group's own workforce.

S1-8: Collective bargaining coverage and social dialogue

The percentage of employees at the Bank covered by collective bargaining agreements amounted to 70 per cent, which pertains to employees in Sweden, Norway, Finland and Luxembourg. Employees who are not members of a union are also covered by the terms of the collective bargaining agreement, but are not represented by the employee organisation in individual matters. Collective bargaining agreements are the foundation of the workplace benefits that the Bank offers to both temporary and permanent employees.

In addition to matters dealt with in the dialogue with union organisations or work councils at the national level in each country, based on either collaboration agreements or national legislation, Handelsbanken also has a European Works Council (EWC). The EWC has served as a forum for information and dialogue concerning the Bank's joint, cross-border matters, such as the work environment and future performance, since the 1990s. The work is formalised on the basis of a cooperation agreement for EWC and consists of representatives from the Executive Team and workers' representatives from Sweden, Norway, the UK, the Netherlands, Finland and Luxembourg. The Forum generally holds four scheduled meetings per year, and the Bank and workers' representatives remain in dialogue between these scheduled meetings, following an established interaction process that ensures the flow of information between the operations and the EWC.

S1-9: Diversity metrics

Diversity metrics

	2024
Gender breakdown, number of women/men	
Executive Team[1]	4/5
Gender breakdown, percentage women/men	
Executive Team[1]	44/56
Age breakdown, number	
All employees	
<30 yrs	2,005
30–50 yrs	5,903
>50 yrs	4,892
Managers	
<30 yrs	31
30–50 yrs	961
>50 yrs	846
Executive Team[1]	
<30 yrs	0
30–50 yrs	2
>50 yrs	7
Age breakdown, %	
All employees	
<30 yrs	15.7
30–50 yrs	46.1
>50 yrs	38.2
Managers	
<30 yrs	1.7
30–50 yrs	52.3
>50 yrs	46
Executive Team[1]	
<30 yrs	0
30–50 yrs	22.2
>50 yrs	77.8

1) The Bank's highest management body is the Executive Team, that replaced the previous Executive Management, which coordinates the strategic governance of the Group, and addresses operational Group-wide issues and other critical matters from a Group perspective. Before decisions are made on such matters by the Chief Executive Officer or other officers, these are, as a general rule, discussed by the Executive Team. For more information on the members of the Executive Team and former executive management, see page 57 of the Corporate Governance Report.

Collective bargaining coverage and social dialogue in home markets

	Collective bargaining coverage		Social dialogue
Coverage rate	Employees – EEA (for countries with >50 empl. representing >10% total empl.)	Employees – Non-EEA (estimate for regions with >50 empl. representing >10% total empl.)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl.)
0–19%	The Netherlands[1]	UK	
20–39%			
40–59%			
60–79%			
80–100%	Sweden, Norway[1]		Sweden, Norway[1], the Netherlands[1]

1) These markets represent less than 10% of the Bank's total number of employees.

S1-10: Adequate wages

Total employee remuneration at Handelsbanken is to be on market terms, gender-neutral and help to strengthen the Bank's competitiveness and profitability. By offering attractive remuneration, the Bank aims to attract, recruit, retain and develop skilled co-workers, and to ensure good management succession planning. This is stated in the Bank's remuneration policy, which is set by the Board. Once a year, the Bank's Remuneration committee must make an assessment of the policy and the remuneration system and report the results of the assessment to the Board.

Handelsbanken applies individual salaries, which are determined through annual salary reviews between the manager and employee. Terms and benefits may vary within the Group depending on local market conditions or the collective bargaining agreements in effect in each country. All Handelsbanken employees receive an adequate salary in line with current reference salaries, which are regulated by collective bargaining agreements and/or local legislation.

S1-11: Social protection

All Handelsbanken employees are covered by social protection against loss of income in the event of illness, unemployment, work-related injury, parental leave and pension. This is regulated either by collective bargaining agreements or in accordance with local legislation.

S1-13: Training and skills development metrics

At Handelsbanken, continuous learning is not just about formal training, but also about constantly learning and developing in the course of the employee's day-to-day work. Through problem-solving, feedback and collaboration with colleagues, a culture where learning is a natural part of the daily operations is built. Handelsbanken's leaders play a crucial role in creating an environment that promotes development, where co-workers are expected to assume responsibility for their own development and that of the organisation.

A focus on skills development is essential to upholding a high standard, ensuring regulatory compliance and building a sustainable workforce equipped to respond to the demands and opportunities of the future. More information about training and skills development is provided in section S1-4 on page 302.

All of the Bank's employees are covered by a recurring performance evaluation. In this year's work environment survey, 97 per cent (96) of the Bank's employees stated they have had performance reviews with their immediate manager at least once a year. More information about performance reviews, also referred to as PLUS, is provided in section S1-2 on page 301.

Average number of registered training hours per employee, by gender, hours[1)]

	2024
Female	22.8
Male	21.7

1) Pertains to training completed via Handelsbanken's training platforms.

Proportion of co-workers who participated in a performance evaluation and performance review, by gender, %[2)]

	2024
Female	97
Male	96
Prefer not to state	94
Other	100

2) Refers to the proportion of the Bank's co-workers who responded positively to the statement, "My immediate manager has a PLUS review with me once a year" in the Bank's Group-wide work environment survey. The denominator for the calculation is the number of work environment survey respondents.

S1-14: Health and safety metrics

Work environment management is carried out based on local legislation and regulations for each country where the Bank has its operations. All co-workers are covered by Handelsbanken's work environment survey, which the Bank has defined as its health and safety management system for preventing work-related injuries. More information about the Bank's systematic work environment management and the annual Group-wide work environment survey is provided in section S1-4 on page 302.

For additional health and safety metrics, refer to section S1-5 on page 305.

S1-15: Work-life balance metrics

Handelsbanken aims to meet its employees' needs during various phases of their life in a flexible way. 100 per cent of the Bank's employees are entitled to family-related leave, which is regulated by local legislation and/or collective bargaining agreements.

In 2024, 19 per cent of the Bank's employees took family leave. Of these employees, 56 per cent were women and 44 per cent were men. The Netherlands is included in the total leave figure but national legislation does not permit reporting broken down by gender.

S1-16: Remuneration metrics (pay gap and total remuneration)

Average salary, men in relation to women, all employees, %[1)]

	2024[2)]
Sweden	17
UK	25
Norway	13
The Netherlands	19
Total	**20**

Annual total remuneration ratio

	2024[2)]
Total remuneration ratio (highest paid individual to the median annual total remuneration for all employees excluding the highest-paid individual	22

1) Objective factors that explain pay gaps (such as complexity of work duties and experience) were not taken into account.
2) Data was produced using the new calculation basis according to the European Sustainability Reporting Standards (ESRS). Accordingly there are no comparative figures since earlier data does not provide comparability with the current year.

S1-17: Incidents, complaints and severe human rights impacts

In 2024, 73 cases related to discrimination including harassment were reported through the Bank's main Group-wide and local channels. The number of reported complaints related to working conditions, and equal treatment and opportunities for all amounted to 233.

The majority of reported cases related to discrimination, including harassment and working conditions, as well as equal treatment and opportunities for all, refer to incidents that involve persons outside the Bank and have exposed the Bank's co-workers to situations that create a sense of insecurity or lack of respect in the workplace. All reported cases are handled according to the Bank's procedures and guidelines. All reported cases are reviewed and actions are taken to prevent events from being repeated. For more information on the Bank's procedures and the changes that co-workers can use to raise concerns, see section S1-3 on page 302.

During the reporting period, Handelsbanken paid SEK 81,043 in compensation, fines or penalties related to the incidents and complaints described above. For more information about Handelsbanken's staff costs, see note G8 of the Annual Report on page 126.

ESRS S2 Workers in the Value Chain

Summary of material impacts, risks and opportunities

Material sustainability matter	Material impacts, risks and opportunities	Value chain	Time horizon
Working conditions for workers in the value chain	Potential positive impact Potential negative impact	Asset management, suppliers & lending Asset management, suppliers & lending	Medium/long Short/medium/long

Strategy

ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

The identified positive and negative impacts of Handelsbanken on workers in the value chain could affect all workers in the value chains for the Bank's lending, investments and supplier relationships, including any workers in joint ventures in the supply chain. This impact is not due to the Bank's strategy or business model, but to the fact that the Bank operates in the financial sector.

Impact, risk and opportunity management

S2-1: Policies related to value chain workers

The steering documents that address the Bank's material impact on workers in the value chain are:

- Policy for sustainability, for more information, see page 264
- Credit policy, for more information, see page 263
- Guidelines regarding human rights and working conditions, for more information, see page 300
- Guidelines for supplier arrangements.

The Bank's guidelines regarding human rights and working conditions are a complement to the policy for sustainability and aim to clarify Handelsbanken's approach to human rights and fundamental labour practices. Handelsbanken does not accept any form of child labour, slave labour or human trafficking, and is to work actively to prevent them from occurring in the Group's supply chain and in other companies with which Handelsbanken has business relationships, for example, in the form of lending, other financing, asset management, advisory services, product development and purchasing. For more information on the content and the Bank's commitments in the guideline, refer to section S1-1 on page 300.

Guidelines for supplier arrangements in the Group detail how the Bank is to manage supplier arrangements. All procurement follows a process, which is described in detail in the Bank's instructions. The main principle is that the Bank applies a risk-based working method, taking into account the Bank's low risk tolerance. Sustainability risks, such as environmental and climate-related, social (including workers in the value chain) and governance factors, are an integral part of risk management to identify suppliers with a negative impact on sustainability.

The guidelines apply to supplier relationships in which a supplier regularly delivers services or products, or performs functions for the Bank. These guidelines apply across Handelsbanken Group and, where applicable, to subsidiaries, unless deviations are required due to binding rules outside Sweden or for subsidiaries. As part of its sustainability work with suppliers, the Bank has a Code of Conduct that has been formulated based on the Bank's sustainability strategy as well as internationally accepted standards. The Code of Conduct and associated work are described in more detail in section S2-4.

The Bank engages in regular dialogue with its suppliers in which sustainability is one of the focus areas. These dialogues examine, for example, whether the supplier has a collective bargaining agreement, a health and safety policy, anti-corruption guidelines and a system for environmental impact management. As support in these efforts, the Bank refers in its guideline regarding human rights and working conditions to several international initiatives and guidelines relevant to the procurement process, including the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the ILO Core Conventions.

In addition to these international guidelines, Handelsbanken's subsidiaries comply with local legislation, such as the Modern Slavery Act in the UK and the Transparency Act in Norway. More information can be found on the relevant country website of Handelsbanken.

All asset management at Handelsbanken is based on the same core values, which are embedded in the Bank's corporate culture and supported by a framework based on international norms and conventions. Sections S2-4 and S2-5 describe how the various subsidiaries with investment operations work on human rights and labour practices, focusing on the subsidiary with the greatest impact, Handelsbanken Fonder. The definition of workers in asset management applies primarily to workers in portfolio companies but may, where information is available, also include workers in the subcontractors of portfolio companies.

Handelsbanken Fonder, Handelsbanken Wealth and Asset management (HWAM) and Optimix manage a total of approximately SEK 1,107 billion, which represents about 93 per cent of total assets under management at Handelsbanken. For a brief description of HWAM and Optimix, see sections ESRS 2 SBM-3 E1 on page 286.

Handelsbanken's subsidiary Handelsbanken Liv has largely chosen Handelsbanken Fonder's products for its insurance policies. This also applies to parts of Handelsbanken's discretionary management, which means that a large part of the reporting carried out by Handelsbanken Fonder becomes part of the value chain of these operations. For a description of the value chain for asset management, see ESRS 2 SBM-3 E1 on page 286.

Handelsbanken Fonder's policy for shareholder engagement and responsible investments encompasses both the fund company's active stewardship and responsible investments. Sustainability is an integral part of the investment analysis and rests on three pillars: exclusion, inclusion and engagement. The policy for responsible investments is based on international norms in areas such as the environment, human rights, labour practices, corruption and controversial weapons. Through Handelsbanken, the fund company is a signatory to the UN Principles for Responsible Investment (UN PRI) and also supports the UN Global Compact. These initiatives and guidelines, together with the values reflected in the

Bank's corporate culture, constitute a common and clear foundation for Handelsbanken Fonder's asset management.

The policy applies to the fund company's asset management and the funds' direct investments in Swedish and foreign shares and corporate bonds. For indirect investments, for example, to manage liquidity or regional allocation, the policy is applied to the greatest extent possible. For external funds, in the fund company's funds-of-funds, this policy applies in its entirety, but the external funds are not compelled to use the same analysis tools as Handelsbanken Fonder. The policy also covers the investment advice provided by the fund company.

The results of the fund company's work on active stewardship and responsible investments are reported at least annually to the fund company's Board and on a regular basis to the fund company's CEO. The policy is updated and adopted by the Board at least once a year. It also serves as guidance for the companies in which the fund company invests and as a communication tool for existing and potential mutual fund unit holders. The policy is published on the fund company's website, handelsbankenfonder.se.

The fund company believes that taking sustainability risks into account and integrating sustainability performance over time has a positive impact on returns, while promoting more sustainable development in society. The policy also emphasises the interests of the fund unit holders, and that the management of the funds is always conducted in their common interest. All decisions and actions are aimed at achieving the best possible return for fund unit holders, considering the funds' objectives and investment restrictions. The policy also takes into account the portfolio companies and describes how the fund company exercises active stewardship and influences the companies to promote sustainable and responsible business practices. Society as a whole is also a stakeholder, and by integrating sustainability risks and factors into the investment process, the fund company ensures that the interests of society are considered. Employees and Board members are also stakeholders, and the policy describes how remuneration systems and incentive programmes should be designed to support the objectives of the fund company. By taking these stakeholders into account, the fund company ensures that the policy integrates both economic and sustainability aspects into its management.

Handelsbanken Wealth & Asset Management (HWAM) manages a range of eleven multi asset funds, four of which – the Responsible Funds - are subject to HWAM's Responsible Investment Policy. The policy is based on four underlying components to assess and monitor investments. These are ESG integration, negative screening, investments that demonstrate positive environmental and/or social themes and engagement. A Responsible Investment Committee, including external members, is responsible for independently reviewing the Responsible Investment Policy.

Optimix has signed the UN Principles for Responsible Investment (PRI). Optimix Responsible Investment Policy excludes companies that do not respect the criteria regarding the environment, human rights, working conditions and anti-corruption. This includes violations of workers' rights, forced labour, child labour and restrictions on the right to collective bargaining in accordance with the UN Global Compact. This responsible investment policy relates to both discretionary asset management and collective management via the Optimix investment funds and is supervised by the Head of Investments.

S2-2: Processes for engaging with value chain workers about impacts

Structured efforts to protect human rights and good working conditions must be part of Handelsbanken's business relationships. Handelsbanken does not engage in direct dialogue with workers in its value chains, and instead works through established processes to take their perspectives in consideration. There are currently no plans to introduce direct contact with these co-workers, as the Bank has developed other actions to manage the impacts on workers in the value chain. Examples of these actions include periodic screening of the companies the Bank invests in to identify negative impacts on workers in the value chain through its asset management, checklists used in credit assessment processes, and a code of conduct for the Bank's suppliers. For more information on the Bank's procedures and actions in this area, refer to the section S2-4 on page 309.

S2-3: Processes to remediate negative impacts and channels for value chain workers to raise concerns

Handelsbanken's whistleblowing process and system is described in more detail in section S1-3 on page 302. It is also available for use by workers in the Bank's value chain and can be accessed via the Bank's website.

S2-4: Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action

Handelsbanken has identified opportunities to impact workers in the value chains indirectly through its activities in lending, investments and relationships with suppliers. Actions to address these impact opportunities are integrated into each value chain.

Handelsbanken's guidelines for supplier arrangements state that the Bank applies a risk-based working method, given its low risk tolerance. Before entering into a contract, the Bank conducts due diligence to ensure that the supplier meets the Bank's ethical and sustainability requirements, in line with the Bank's Supplier Code of Conduct. The supplier is to answer questions about whether it has policies in place governing human rights, child and forced labour, and occupational health and safety. In addition, external sustainability data is collected to support the supplier assessment.

In its sustainability work with suppliers, the Bank has identified opportunities to engage with workers in the supply chain by placing requirements on suppliers in line with the Bank's Code of Conduct.

The Code of Conduct is mainly applied to larger suppliers in Sweden, and recently it has also been implemented in other home markets. The Code has been developed based on the Bank's sustainability agenda as well as internationally accepted standards, such as the UN Global Compact, focusing on human rights, labour, environmental and anti-corruption. In some cases, the Bank may choose to review and accept a supplier's own code of conduct if this is justified. The use of the Code of Conduct clarifies suppliers' responsibilities, for example, by requiring them to eliminate and combat human trafficking, modern slavery and forced labour, and ensuring that they are not involved in child labour or human rights violations. Efforts related to the Code of Conduct are carried out continuously and systematically through dialogues with suppliers and periodic follow-ups.

Handelsbanken has entered into an agreement with an international sustainability data provider to further strengthen its capacity to evaluate and monitor both new and existing suppliers. The data provider also supplies a risk classification tool, allowing the Bank to evaluate suppliers on the basis of risks linked to specific operating areas or geographical regions. The new procedures will be integrated into the Bank's existing guidelines and instructions. The service started to be used in 2024 and the Bank will continue to procure more suppliers in 2025.

Supplier arrangements are regularly monitored as part of the Bank's risk-based working method. The scope and frequency of monitoring are adapted to the scope and risk level of the contract. High-risk contracts are monitored at least once a year. Any shortcomings identified in connection with the monitoring are to be documented in an action plan, addressed immediately and followed up, taking into account the Bank's right of termination and discontinuation plan. If the risk, nature or scope of the contract changes materially, the contract is reassessed and reclassified. The supplier arrangement process is also followed when renegotiating contracts.

Handelsbanken's credit policy forms the basis of the Bank's credit process, which is applied throughout the Group and in all markets where the Bank operates. The credit process is stable and does not change depending on the business cycle. The Bank has a low risk tolerance and its business model is based on taking and managing credit risks through its branch operations. The branch responsible for customers bears the main responsibility for preparing and assessing credit risks of its customers according to internal instructions and procedures, with the support of the Bank's credit organisation. The assessment of sustainability risks is an integral part of the credit risk assessment. All credits are reviewed annually.

The credit risk assessment includes an analysis of the borrower's repayment capacity, and an important part of the risk analysis is to assess sustainability risks. These include environmental and climate-related risks, social risks and corporate governance risks. For example, in connection with the credit assessment and annual renewal of credit limits for major companies, the Bank asks questions about their policies and procedures for monitoring issues such as labour practices and human rights. This information is included as part of the overall assessment of how sustainability risks may impact credit risk.

Handelsbanken's credit policy states that the Bank shall be prudent about granting credit to businesses where the negative impact of sustainability risks, including social factors, on credit risk is considered to be excessive. If the sustainability risks are considered to have an excessive impact on credit risk, the transaction is beyond the Bank's risk tolerance. In such instances, both the credit and business strategy with the customer are reevaluated.

One specific measure that aims to prevent negative impacts while creating positive effects for workers in the value chain is the sustainable construction initiative Hållbar byggbransch. This is an industry initiative launched as part of cooperation between the major Swedish banks to combat financial crime and promote workers' rights and working conditions in the construction sector.

As part of financing to the construction sector, a specific contractual term is applied to credits above a certain limit, with the aim of standardising sector-specific requirements. The terms of the contract are based on four main requirements for control systems and project reports: compulsory prior notifications of construction sites (with a pre-entry check and approval process for companies and individual co-workers), Swedish F-tax and checks on tax debts and employers' contributions, as well as physical workplace inspections.

In applying these specific contractual terms, the borrower undertakes to provide the Bank with, at a minimum, annual reports from the control systems used, giving the Bank insight into and an overview of the entire value chain at the construction site. In addition, the borrower must ensure that at least one unannounced physical work inspection is carried out annually by an independent third party. If shortcomings are detected, the Bank and the borrower engage in dialogue to establish an action plan.

Through this reporting and monitoring, the Bank has the opportunity to influence the entire value chain – from the borrower itself to subcontractors and suppliers – in a more positive direction, in dialogue with the borrower.

The increased transparency through reporting derived from control systems and physical workplace inspections provides Handelsbanken with a tool for proactively identifying potential risks and creating early dialogue with the borrower. The purpose of this dialogue is to drive positive change and to counteract any negative development. In addition to applying the specific contractual conditions, these tools provide the Bank with a basis for dialogue with all borrowers in the construction sector, with the aim of influencing the entire value chain and moving it in a more sustainable direction.

This initiative is part of the Bank's sustainability work in the area of finance and has helped to clarify these efforts, which ultimately can accelerate the desired changes. Increased transparency is a first step towards setting measurable targets in the future, based on the requirements set out in the specific contractual terms.

Handelsbanken Fonder has ongoing dialogues, both directly and jointly, with companies in sectors and value chains with elevated human and labour rights risks, such as the mining industry, the clothing industry, the construction sector and the food industry.

A large part of the collaborative dialogues conducted on behalf of Handelsbanken Fonder are managed by an external party and focus on suspected norm violations. For each such dialogue, a target is set and it is monitored with regard to the companies' transparency, implementation of relevant policies and processes, and actions taken to address any breaches. These dialogues allow the fund company to identify and address potential and actual impacts affecting workers in the portfolio companies. Handelsbanken Fonder also actively participates in investor networks and collaborations with a focus on human rights and labour rights.

As part of this work, the fund company has participated for a number of years in thematic engagement dialogues to counteract modern forms of slavery through Sustainalytics. This work has focused on 20 companies in the construction and clothing industry, with the aim of encouraging these companies to adopt strategies for the payment of living wages, strengthen the right to union membership, and ensure fair procurement processes to identify risks across the supply chain. The dialogue project ended in January 2024 and have led to several companies strengthening their processes in relation to suppliers, and one company improving its human rights policy.

Read more about initiatives and partnerships in Handelsbanken Fonder's Investor Initiatives and Partnerships publication available at handelsbankenfonder.se.

Dialogues related to human rights and labour rights

In 2024, Handelsbanken Fonder engaged in 62 direct dialogues and 144 collaborative dialogues on human rights and labour rights.

A central measure in Handelsbanken Fonder's work is to systematically monitor the companies in which the fund company invests for violations of norms, including labour rights violations. This monitoring takes place on a daily basis and if any signals are detected, they are addressed according to the fund company's established processes.

Additional actions that Handelsbanken Fonder can take involve active stewardship. As a shareholder, the fund company can exert an influence over companies through active stewardship – for both actively and passively managed funds. Two of the most direct ways to exercise this influence over companies are through representation in nomination committees and voting at shareholders' meetings. One example is the fund company's long-term efforts to promote gender balance in the nomination committee group, which have resulted in positive progress over time.

Handelsbanken Fonder invests in a significant number of companies spread over numerous geographical markets. By voting at shareholders' meetings, the fund company has the opportunity to influence the direction of companies on relevant issues. In line with the fund company's sustainability initiatives, Handelsbanken Fonder supports in principle shareholder resolutions that promote corporate sustainability and greater transparency in the reporting of companies on human rights and labour rights. In 2024, Handelsbanken Fonder voted at a total of 1,275 shareholders' meetings and at 150 shareholders' meetings where human rights and labour rights were on the agenda.

In 2024, Handelsbanken Fonder continued to focus on human rights, including workers' rights, through dialogues with portfolio companies. As part of this work, the fund company has initiated a review to clarify and prioritise dialogues with the companies where the risk of inadequate management of human rights, including workers' rights, has been identified.

Handelsbanken Fonder also publishes the Statement on principal adverse impacts of investment decisions on sustainability factors, also referred to as the PAI Statement. This statement covers the entire investment portfolio of the fund company and includes specific indicators related to workers' rights.

For the most recent version of the PAI statement, refer to handelsbankenfonder.se.

Handelsbanken Fonder participates in several networks and collaborations with other investors, where workers' rights are in focus. One example is the fund company's involvement in the Investor Integrity Forum, an initiative in which Swedish investors work together with Transparency International Sweden to accumulate knowledge and engage in dialogue with selected companies in the construction sector. The aim is to monitor and safeguard workers' rights and safety, with a particular focus on the risks found in long subcontracting chains. This cooperation has raised the level of awareness, leading to improved discussions and dialogues between investors and companies concerning these challenges.

Handelsbanken Fonder's risk control function conducts daily reviews of the funds' holdings to ensure that the companies have not been confirmed to be in breach of international norms relating to workers' rights. Dialogue is initiated with the priority companies if there are indications that a company is at risk of violating workers' rights. Companies confirmed to be in breach of international norms are excluded from the fund company's available investment universe.

At the end of 2024, 71 companies had been confirmed to be in breach of international norms, with 8 specifically violating workers' rights. There were no new cases in 2024.

A public list of these companies is available on the fund company's website, handelsbankenfonder.se.

In addition to financial criteria, the responsible fund manager integrates environmental, social and governance (ESG) issues into analysis and investment decisions. This includes workers' rights as a critical part of the sustainability analysis, which aims to identify risks and opportunities in the business models of companies. Sustainability activities are based on three main methods: inclusion of investments, exclusion of investments and pursuing active stewardship.

HWAM's Responsible Investment Policy provides a framework that, amongst other objectives, seeks to limit the effects that HWAM's Responsible Funds' portfolios have or may have on employees of the companies in which the funds invest. HWAM's Responsible Funds usually invest in other funds managed by third-party managers. HWAM assesses investments for its Responsible Funds according to four areas to ensure that their investments comply with HWAM's Responsible Investment Policy, these are: ESG integration processes of third-party managers, negative screening, investments that demonstrate positive environmental and/or social themes and engagement processes of third-party managers. Part of HWAM's negative screening process includes screening against international norms and conventions. HWAM screens its Responsible Funds' investment portfolios against the UN Global Compact Principles regarding human rights, labor, the environment and anti-corruption ('principles'). The Responsible Funds' investment portfolios are reviewed monthly to ensure that no holdings violate these principles. If a breach of the screening against these principles occurs, HWAM may engage in dialogue with the third-party manager to bring about change, and if this does not happen, the holding may be divested. HWAM also conducts annual evaluations of the Responsible Funds' investment portfolio to ensure that all holdings remain in accordance with HWAM's Responsible Investment Policy. In 2024, no holdings in the Responsible Funds were excluded due to violating the principles.

Optimix engages in dialogue with external managers on the integration of ESG factors, sustainability reporting and, where applicable, the progress achieved. Optimix reviews its investment portfolios on a quarterly basis with the help of Sustainalytics to ensure that the companies comply with the UN Global Compact. Companies that do not meet the UN Global Compact's standards are excluded. Optimix reports its exclusion strategy and measures in the annual reports of the funds. In 2024, no serious incidents have been reported and no discussions have taken place with external managers regarding workers in the value chain. No exclusions have taken place as a result of norm violations during the year.

Metrics and targets

S2-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The process for setting targets for workers in the value chain is described in general terms in the General information section, see page 278. Neither workers in the value chain nor appointed representatives were involved in formulating or checking the targets. Progress or lessons learnt have not been analysed since the targets were prepared in 2024.

Nomination committees and shareholders' meetings

Active stewardship	2024	2023	2022	2021	2020
Nomination committees	**66**	**68**	**70**	**47**	**41**
Number of nomination committee places where we have appointed women, %	74	75	73	79	71
Shareholders' meetings[1]	**1,275**	**977**	**1,163**	**1,019**	**647**
Of which Swedish companies	364	311	302	338	238
Of which non-Swedish companies	911	666	861	681	409

1) On 1 April 2020, the mutual funds previously managed by Xact Kapitalförvaltning were transferred to Handelsbanken Fonder AB.

Voting at shareholders' meetings

Sweden	364
USA	260
Norway	72
Brazil	64
Finland	50
China	50
Denmark	41
India	37
Japan	34
Taiwan	30
Others	273

Handelsbanken does not engage in direct dialogue with workers in its value chains, and instead works through established processes to take their perspectives in consideration. Targets have been set in accordance with these established processes and the target level is based on the Bank's low risk tolerance.

Handelsbanken imposes clear requirements for suppliers' sustainability commitments through its Code of Conduct, which reflects the Bank's sustainability activities and policies as well as internationally accepted standards in the field.

Starting a number of years ago, the Bank has measured the percentage of suppliers in Sweden with an annual purchase volume exceeding SEK 5 million that have signed the Bank's Code of Conduct or presented their own code that the Bank has reviewed and approved. The Bank tracks this metric by keeping a register of contracts and suppliers that have signed the Code of Conduct, as well as a separate register of those suppliers that have presented their own code that the Bank has assured and approved. The Bank reported an outcome of 85 per cent for 2023. The procedure is managed internally and no external controls are used. This measurement is tangible and provides the Bank with a clear and effective metric of compliance with sustainability requirements.

As of 2024, Handelsbanken has set a new target stipulating that 90 per cent of suppliers with an annual purchase volume of more than SEK 5 million must have signed the Bank's Code of Conduct or have their own code approved by the Bank. This extended target covers all the Bank's home markets, making it non-comparable with the preceding year's outcome. The measurement will be carried out annually and refers to the percentage of suppliers (purchased volume as a percentage). The outcome for 2024 was 83.3 per cent.

Lending

The credit policy provides guidance for Handelsbanken's credit operations and establishes the framework of the Bank's risk tolerance. One aspect described in the credit policy is that the Bank should be prudent in its lending to businesses where sustainability risks and related social factors have a significant negative impact on credit risk. The assessment of a corporate customer's repayment capacity includes a forward-looking assessment of sustainability risks, including environmental, climate, social and governance risks.

As of 2024, the Bank will conduct an annual screening of exposure to companies where sustainability risks driven by social factors are deemed to be higher than normal in the credit risk assessment. This screening is compared to the Bank's total exposure. The process was performed by Handelsbanken Credit.

Handelsbanken has set a target that the proportion of lending for which the impact of social sustainability risks on credit risk is deemed to be higher than normal should be zero per cent. This target was achieved in 2024.

Asset management

Handelsbanken strives to prevent or limit negative impacts on human rights and the rights of workers in the companies in which the Bank's asset management invests. This is conducted through regular screening of portfolio companies to identify companies that do not comply with international norms and conventions.

Handelsbanken Fonder expects portfolio companies to respect human rights and to work in compliance with the UN Guiding Principles on Business and Human Rights. Portfolio companies are also expected to report transparently on identified risks and actions to address them.

All company holdings in Handelsbanken Fonder are regularly screened to identify companies that do not comply with international norms and conventions relating to the environment, human rights, labour and anti-corruption. This means that each company holding is analysed to detect possible breaches or violations of international norms based on the four main areas of the UN Global Compact.

Handelsbanken Fonder excludes investments in companies that, according to the fund company's assessment, have been confirmed to violate international norms and conventions. This includes companies that violate workers' rights. For more information on which companies were excluded on these grounds, refer to handelsbankenfonder.se

The fund company's risk control function monitors compliance with exclusion criteria in the fund company's investments on a daily basis. Any deviations are regularly reported to the fund company's board and CEO as part of the ongoing work of the risk control function. For 2024, the share of assets under management in funds with negative screening, regarding companies that violate international norms and conventions, was 99.8 per cent.

Handelsbanken Fonder engages an independent sustainability data company, ISS ESG, to conduct norm-based screening of its holdings. ISS ESG examines companies' involvement in verified or suspected violations of international norms and conventions, as well as how companies respond to these allegations. As part of its process, ISS ESG collects data from media and expert sources globally.

In cases of allegations of violations of international norms, an in-depth analysis is carried out to assess the seriousness of the situation, categorising this from "potential" to "very serious." The company's response and actions are rated on a four-level scale, from non-existent to credible actions.

ISS ESG uses a traffic light system to evaluate allegations of norm violations and rates these on a scale of one to ten, with one indicating no allegation and ten representing a serious, verified violation without sufficient action being taken. This assessment is based on information from reliable sources, including intergovernmental bodies, authorities and the company itself. Reliance on published allegations could be a limitation since it could mean that some norm violations may not be detected if they are not reported.

Several of the factors included in the negative screening are reported annually in Handelsbanken Fonder's Statement on principal adverse impacts of investment decisions on sustainability factors (PAI Statement). For outcomes and more information, refer to the most recent report on handelsbankenfonder.se.

The four Responsible Funds covered by HWAM's Responsible Investment Policy are subject to monthly screening, whereby HWAM uses data provided by an external data provider, Morningstar Sustainalytics, to ensure that no holdings violate the UN Global Compact Principles. The outcome is presented monthly to the HWAM Responsible Investment Committee. The other seven funds managed by HWAM are not subject to the same screening. At the end of 2024, screened assets represented 9.0 per cent of HWAM's total assets under management.

Optimix reviews its investment portfolios on a quarterly basis with the help of Sustainalytics to ensure that the companies comply with the UN Global Compact. Optimix does not invest in shares and bonds from companies that do not comply with the UN Global Compact. Optimix reports its exclusion strategy and measures in the annual reports of the funds. The norm-based exclusions apply to both direct investments in equity and corporate bond securities within funds and discretionary portfolios. All investments in equities and corporate bonds are screened. For 2024, the proportion of assets under management in funds with negative screening, regarding companies that violate international norms and conventions, was 51.6 per cent.

ESRS S4 Consumers and end-users

Summary of material impacts, risks and opportunities

Material sustainability matter	Material impacts, risks and opportunities	Value chain	Time horizon
Information-related impacts for consumers and end-users	Potential positive impact	Payment & lending	Short/medium/long
	Potential negative impact	Payment & asset management	Short/medium/long
	Risk	Payment, asset management & lending	Short/medium/long

Strategy

ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Efforts related to Handelsbanken's information security and data protection aims to protect customers' data, privacy, transactions and the Bank's IT environment, as well as to monitor outsourced IT operations. The CEO establishes guidelines encompassing the overall goals and strategy of IT operations in the Handelsbanken Group. For further information, see notes in the Annual Report, G2 Operational Risk/IT operations in the Handelsbanken Group; Security and data protection on page 116.

Impact, risk and opportunity management

S4-1: Policies related to consumers and end-users

The steering documents that address the Bank's material impact and the financial risk, which are identified for the consumers and end-users area, are:

- Policy for complaints management
- Policy for operational risk
- Guidelines for security and data protection
- Guidelines regarding human rights and working conditions.

Handelsbanken's policy for operational risk, which is adopted by the Board and includes IT and information security risks (ICT risks), clearly states that the Bank has a low risk tolerance for operational risks. The Bank should, to the greatest extent possible, work proactively to prevent these risks in order to reduce potential losses. The policy is supplemented with specific guidelines endorsed by the CEO, which focus on security and data protection in the Handelsbanken Group.

The guidelines for security and data protection include requirements for both administrative solutions, such as rules and instructions, and technical security solutions, physical protection, and protection of sensitive activities and classified information. These security solutions should be proportionate to the negative consequences of inadequate security or incorrect processing, taking into account the Bank's low risk tolerance and its need to protect customer privacy.

The guidelines for security and data protection state that all co-workers of the Bank are responsible for compliance with the rules for protection of information and customers' privacy, and each manager is responsible for ensuring compliance with the rules in their own area of responsibility. Annual security and data protection training sessions aim to remind employees of their responsibilities in this area.

According to Handelsbanken's policy, customer complaints should be handled promptly and in accordance with the rules applicable to the specific complaint. Every complaint is taken very seriously and is seen as an opportunity to correct errors or address misunderstandings. The Bank's aim for its complaints management is that the person who has made the complaint should be very satisfied with the manner in which the complaint was handled. The CEO establishes guidelines for complaints management.

Handelsbanken's guidelines regarding human rights and working conditions state that the Bank shall endeavour to prevent or limit negative impacts on human rights that are related to the Group's operations, products or services through business relationships. For more information on the content and the Bank's commitments in the guideline, refer to section S1-1 on page 300.

S4-2: Processes for engaging with consumers and end-users about impacts

Handelsbanken attaches great importance to being available to customers – being there when the customer needs the Bank. A local presence combined with digital solutions enable the Bank to always offer personal customer meetings including advisory services, regardless of whether the customer wants to visit a local branch or use of digital channels. Customers in Sweden can also contact the bank all hours of the day by phone by accessing Personal service, where the customer confirms their identity by using a personal code or a Mobile BankID verified by Handelsbanken.

Handelsbanken's communication with customers and end-users must inspire trust, be accurate, factual and easy to understand, and be characterised by openness, accessibility and speed. These principles are described in Handelsbanken's communication policy and apply not only in normal circumstances but also in crisis situations, and also cover unplanned events such as disruptions due to IT errors that affect customers. To maintain high quality, create a shared structure and facilitate for all users, there are instructions and templates for continuity planning in place at the Bank that also include the communication of IT outages. These are to be updated on an ongoing basis, but not less that once a year.

If a personal data breach occurs that is considered to have had a major impact on one or more private individuals, they must be informed of the incident. A case-by-case assessment is made, but in general, the branch responsible for the customer contacts the customer if the matter relates to individual customers. The Privacy Officer informs the branch when such a measure is to be taken.

In the event of a complaint, the customer should first contact the person who handled the matter or the local branch. For further processing, there are designated complaints officers in each home market whose contact details are available on the Bank's website.

S4-3: Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Handelsbanken endeavours to ensure that customers who lodge complaints are to be very satisfied with how the Bank addresses the issue. Complaints can be submitted by e-mail, telephone or letter. Customer complaints are dealt with in accordance with regulations and guidelines, thoroughly and as efficiently as possible, with a formal assessment of the factual issue. If requested by the customer, a written reply may be issued. The customer is given an explanation if the complaint cannot be resolved.

If the customer is dissatisfied with the Bank's decision and wishes to appeal, they may contact the National Board for Consumer Disputes (ARN) in Sweden or the corresponding body in other home markets, and Handelsbanken undertakes to participate in their processing of the dispute. Information on complaints management is available on the Bank's website.

In order to ensure an efficient complaints process, staff are regularly trained in handling complaints and the number of complaints per channel is measured quarterly for continued good accessibility. In cases where complaints about the process are received, these are followed up and adjustments are made if necessary.

S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

The security environment is constantly evolving, and it is therefore crucial that Handelsbanken maintains security work that responds swiftly to identified threats. It is important that procedures are in place for managing changes in the IT environment so that no breaches occur. However, if breaches should occur or information is released incorrectly, the consequences could be serious, such as negative consequences for the customer, a loss of confidence in the Bank or financial losses.

To mitigate the risk of such negative consequences, Handelsbanken continuously evaluates and makes decisions on new threats in this area. This includes monitoring threats and risks related to the introduction of new technologies such as AI functionality, updating internal instructions and working methods, and raising awareness among co-workers and key individuals in specific risk areas. Continuous monitoring of events, both internally and externally, increases the Bank's ability to take the right action at the right time.

Handelsbanken participates and cooperates in international cybersecurity forums, including membership of Trusted Introducer, a European network for IT security, and the Forum of Incident Response and Security Teams (FIRST). The Bank also participates in the security committee of the Swedish Bankers' Association and is a member of the Swedish National Cyber Security Centre's (NCSC) financial forum. Through these collaborations, the Bank aims to strengthen cybersecurity in the finance sector and increase Sweden's resilience to cyber threats. In addition, Handelsbanken has an enhanced cybersecurity partnership with two other major banks in Sweden, which was initiated in 2022, and in 2024 a joint working group was launched focused on AI security.

Today's volatile geopolitical situation affects every bank's day-to-day operations, and in response to this, Handelsbanken established a concept for its operational resilience in 2023. This concept refers to the Bank's ability to maintain critical operations in the event of disruptions, interruptions or attacks. The central areas that interact to strengthen operational resilience include effective management of operational risks, continuity management, incident management, and IT and security activities that prevent and manage both internal and external disruptions, attacks and interruptions. In addition, suppliers are required to meet the same standards for information security as those that apply to the operations conducted by the Bank itself. In 2024, the Bank focused further on developing its capabilities to maintain operational resilience, particularly digital resilience in accordance with the EU's new Digital Operational Resilience Act (DORA).

The Bank's security work and its management of sensitive information are also governed by both international and national legislation. Information security work is undertaken in accordance with the ISO/IEC 27001 international standard, for which several of the Bank's areas are certified and undergo annual audits. The areas certified under ISO/IEC 27001:2022 also include, in addition to the Bank's Information Security Management System (ISMS) and its organisation for information security, Group IT Risk Management, Information Security Risk Analysis Process, Data Protection (GDPR), Continuity & Crisis Management. It also includes three IT production processes: IT Change Management, IT Incident Management and IT Event Management. In 2023, the Bank reported that four processes were included. The difference is that the IT Continuity Management process is now included in Continuity & Crisis Management and therefore is still included in the certification. The annual audit for 2024 showed that the Bank achieved the highest possible quality standards in these areas.

The Bank's ISMS is based on the Standard of Good Practice developed by Information Security Forum (ISF), an organisation which counts many of the largest companies in the world as members. Security activities are conducted systematically and are process-driven, with risk analyses employing methodology from the ISF's Information Risk Analysis Methodology (IRAM2), as well as others.

Data protection work must comply with the General Data Protection Regulation (GDPR) and other applicable laws and regulations in this area. This work is pursued continuously, systematically and with a risk-based approach, while maintaining traceability. Evaluations, analyses and assessments of potential risks and impacts are to be carried out and carefully documented. In 2024, Handelsbanken initiated a project to introduce improved system support for governance, risk and compliance (GRC). The main aim of a GRC system is to create a standardised, common structure for documenting business processes and instructions. Regarding privacy issues, this means specifically means that the system supports the registration of personal data processing, the implementation of impact assessments and the management of privacy-related risk analyses.

The Group's complaints officers report regularly to the Board, the Executive Team and product owners on complaints received.

These reports include information on both individual and recurring complaints, and provide indications of areas where improvements may be necessary. Refer to section S4-3 on page 314 for management of cases where customers believe that they have suffered significant negative consequences in conjunction with lodging a complaint.

Metrics and targets

S4-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Handelsbanken's overall target in the area of consumers and end-users is to safeguard the safety, security and privacy of both co-workers and customers and to protect the Bank's assets. In parallel, the Bank must deliver reliable and secure services with high availability, which is crucial for maintaining confidence and stability in the financial system.

The percentage of co-workers who have completed cybersecurity training was 96.6 per cent for 2024. The aim is for 95 per cent of all co-workers to complete the training annually. This is an element of Handelsbanken's efforts to ensure that its employees have the necessary awareness of cybersecurity and can thus contribute to maintaining secure and resilient operations. The metric, expressed as a percentage and included in this report for the first time, is a calculation of the percentage of co-workers, of the total, who had the annual cybersecurity training assigned to them before 1 December and who completed the course before the end of the year. The target of 95 per cent has been set internally without being confirmed with external stakeholders. A high percentage is deemed to indicate good awareness of the Bank's security requirements, which will ensure fewer security incidents. The procedure is managed internally and no external controls are used.

The availability of the Bank's self-service payment system was 99.41 per cent in 2024. The target is to have availability of at least 99.30 per cent. This is a key target for ensuring that customers always have access to the Bank's services and for maintaining customer satisfaction through high availability and reliability. The metric, expressed as a percentage and included in this report for the first time, is a calculation of the percentage of uptime in relation to total time (uptime + downtime), measured and evaluated monthly, but is reported here as a weighted result for the full year. The statistics are based on data manually entered into the Bank's incident reporting system. The target of 99.30 per cent has been set internally without being confirmed with external stakeholders. The purpose of this target is to raise awareness of and to make the Bank's operational stability and deviations visible to the operations or other stakeholders. A high score indicates good availability of the Bank's various online services, which will ensure higher customer satisfaction. The procedure is managed internally and no external controls are used.

During 2024, 28 incidents (31) relating to customer privacy or poor management of customer data were reported. None (0) of the reports were received via government authorities. A total of 21 (13) were complaints received from customers which were found to be substantiated by the Head of Security and involved the exposure of a handful of customers' data. None (0) were identified internally. All cases have been managed with the parties concerned. This data does not include cases under the GDPR, which is presented separately below. Comparative figures for last year have been adjusted from 13 to 31, since the reported outcome in the 2023 Sustainability Report referred to a net figure. For better comparability, the 2024 outcome and the 2023 comparative figures are reported using the same method (gross). The metric is stated in numbers and is the total number of customer complaints related to customer privacy or poor management of customer data in terms of confidentiality and privacy. The metric has not been set as a target, but is reported for transparency. There is no plan to set a target for the number of incidents since the Bank is continuously making improvements. Each incident is reviewed separately and actions are taken to prevent similar events in the future. The procedure is managed internally and no external controls are used.

In 2024, a total of 640 (612) personal data breaches were reported internally. Of these, 17 (17) breaches were deemed to require notification under the GDPR and thus were reported to the Swedish Authority for Privacy Protection (IMY). All breaches were handled in accordance with the Bank's processes and procedures. The metric is stated in numbers and is the total number of personal data breaches reported internally and a total of the number reported to IMY, measured over the full year. The metric has not been set as a target, but is reported for transparency. There is no plan to set a target for the number of incidents since the Bank is continuously making improvements. Each incident is reviewed separately and actions are taken to prevent similar events in the future. The procedure is managed internally and no external controls are used.

Handelsbanken endeavours to actively prevent and mitigate incidents by applying robust security measures and continuous monitoring of processes to ensure that customer information is handled securely and correctly. Each incident is reviewed and actions are taken to prevent similar events in the future.

Entity specific – Contribute to Society

Summary of material impacts, risks and opportunities

Material sustainability matter	Material impacts, risks and opportunities	Value chain	Time horizon
Entity specific Contribute to society	Actual positive impact Opportunity	Own operations, asset management & lending Own operations, asset management & lending	Short/medium/long Short/medium/long

Strategy

Long-term business relationships and low risk-taking are cornerstones of Handelsbanken's corporate and business culture. As a result, sustainability has long been a natural part of Handelsbanken's operations, including its role as a responsible taxpayer. The Bank endeavours to contribute to the communities in which it operates, which is achieved by pursuing a decentralised business model with local branches serving as hubs for customer relationships.

Selling loans that lead to unhealthy debt always has a negative impact on the customer. Handelsbanken has a low risk tolerance, which means that the Bank deliberately refrains from high-risk transactions, even if the customer is willing to pay a higher interest rate. Working closely with customers and understanding their needs means that long-term relationships can be built up, which not only provides customers with a sense of security but also contributes to a more stable and prosperous society.

Customer relationships are established through personal meetings combined with innovative digital services and solutions. This enables the Bank, by leveraging its business model, to help increase prosperity over time in the societies where Handelsbanken operates. Through its stable and responsible business approach, Handelsbanken contributes to sustainable economic development, while promoting an efficient and secure payment system and developing new digital solutions for the future. Advisory services not only offer an opportunity to provide customers with financial guidance, but also to educate them on important areas related to their personal finances, such as housing financing, pension savings and investments.

Handelsbanken foundation and publishing, which coordinates the Bank's community engagement, was established in 2024. This includes support for independent research and knowledge sharing on economic and social issues, as well as EFN Ekonomikanalen, which is an independent, wholly owned subsidiary. EFN's mission is to produce independent financial journalism to share knowledge about the economy and society to a wider audience, thereby strengthening people's ability to make their own informed financial decisions.

Impact, risk and opportunity management

The steering documents that address sustainability matter of contribute to society are:
- Policy for ethical standards, for more information, see page 263
- Policy on governance and steering documents, for more information, see page 264.

These policies govern how Handelsbanken manages the entity specific sustainability matter of contributing to society, where the Bank has an actual positive impact that in turn can create financial opportunities. The Bank's concept and working method form the basis for managing these impacts and realising opportunities, through action that is continuously implemented throughout the Group's operations.

The Bank contributes to society by providing responsible and sustainable financial services that support economic stability and development. The decentralised working method enables local needs to be met and business opportunities to be quickly identified, all while building up long-term customer relationships. The Bank also contributes directly to society through lending to the public sector, including sovereigns, central banks, municipalities and counties. For a presentation of loans to the public, refer to the table Loans to the public by sector and industry 2024 on page 266.

Through its local presence and proximity to the customer, the Bank also gains a better understanding of customer needs, enabling it to support them in different stages of life and business. The Bank also contributes to society by paying taxes and fees, which strengthens the national economy.

A financially sustainable and profitable bank is vital, not only generating returns for shareholders and tax revenue, but also so that any surplus can be reinvested in the business. By creating economic value, Handelsbanken can grow and meet the future needs of its customers, for example, by enabling long-term lending. The measures that manage the positive impact and opportunities are ongoing measures and are part of daily operations with the aim of maintaining high customer satisfaction.

Metrics and targets

Handelsbanken's target is to endeavour to conduct responsible banking operations that contribute to society.

Handelsbanken has more than 420 branches in its four home markets. The local branch always assumes responsibility for the customer, no matter how, where or when the customer contacts the Bank. The independence of the branches leads to a very strong local connection. Short decision-making channels also enable us to more quickly adapt to various changes in local markets, and to quickly take advantage of new business opportunities. Using the branch's in-depth customer due diligence, the Bank can identify and prioritise the areas of greatest value to our customers, and thus to society and the Bank.

Satisfied customers are fundamental for a relationship bank such as Handelsbanken in order for it to continue to conduct banking operations that can contribute to society, which is why customer satisfaction surveys are very important at Handelsbanken, and customer satisfaction is followed up by the Bank's own and public surveys. Every year, EPSI Rating Group, which includes the Swedish Quality Index, carries out and validates independent surveys of customer satisfaction in all of the Bank's home markets. The Bank is to achieve the corporate goal of having higher profitability than the average of peer competitors in home markets by, among other factors, having more satisfied customers than its competitors. Handelsbanken will not set new targets or metrics other than those that have already been established and are regularly monitored regarding customer satisfaction since these have been selected to support the Bank's corporate goals. There are no specific base years or targets for how Handelsbanken contributes to society other than surveying customer satisfaction through EPSI/SKI, which has been conducted continuously since 1989, and provides a stable and long-term basis for monitoring and improving this work. The Bank maintained its stable and strong position in terms of customer satisfaction in 2024, for more information about the survey, see page 16. Satisfied customers are proof that the Bank's way of working on contributing to society is effective.

Selling loans that build up unhealthy levels of household and corporate debt always hits customers hardest. Handelsbanken has a low risk tolerance. The Bank's strict approach to risk means that the Bank deliberately refrains from participating in high-risk transactions, even if the customer is willing to pay a higher interest rate. The credit loss ratio provides an indication of how responsibly a bank manages its business. For more information about the credit loss ratio, see section Financial stability on page 324.

Handelsbanken contributes to society in the countries where the Bank operates both by paying taxes and fees, and by paying taxes to local tax authorities on behalf of co-workers and customers. For more information on how Handelsbanken has contributed to society through taxes and fees, see the section The Bank as a taxpayer on page 258.

Governance information

Disclosure Requirements

ESRS G1 Business conduct

Entity specific – Counteract financial crime

Entity specific – Financial stability

Governance information

Handelsbanken maintains high ethical standards and complies with applicable regulations to ensure responsible business conduct. Using clear steering documents and efficient work processes, the Bank mitigates risks and creates long-term value for customers and shareholders. In parallel, the Bank is actively engaged in counteracting financial crime, such as money laundering and financing of terrorism. The Bank also works to maintain financial stability through low risk, long-term customer relationships and a robust capital buffer and liquidity reserve.

This section describes corporate governance at Handelsbanken, the impact that the Bank has and the risks and opportunities that are clearly linked to this area. The section also provides an account of how the Bank controls and targets identified issues. Through close customer relationships and regular training, the Bank ensures that its products are not used for criminal purposes. Handelsbanken also invests in new technologies and cooperates with other community stakeholders to strengthen protection against financial crime.

ESRS G1 Business conduct

Summary of material impacts, risks and opportunities

Material sustainability matter	Material impacts, risks and opportunities	Value chain	Time horizon
Corporate culture	Actual positive impact Opportunity	Own operations Own operations	Short/medium/long Short/medium/long
Corruption and bribery	Actual positive impact Actual negative impact	Own operations Own operations	Short/medium/long Short/medium/long

Impact, risk and opportunity management

G1-1: Corporate culture and business conduct policies

The steering documents that address the Bank's material sustainability matters, corporate culture, and corruption and bribery, within business conduct are:

- Policy for ethical standards, for more information, see page 263
- Policy for management of conflicts of interest
- Policy for sustainability, for more information, see page 264
- Policy against corruption, for more information, see page 263.

The Policy against corruption and the Policy for management of conflicts of interest set out Handelsbanken's approach to corruption and conflicts of interest. The steering documents detail the zero-tolerance approach that Handelsbanken takes in relation to corruption, money laundering or terrorist financing, and that conflicts of interest are to be managed. For more information on the Bank's work with suspected irregularities see section G1-3 on page 320. The Bank's policy for management of conflicts of interest provides guidance on identifying and managing conflicts of interest. The policy also emphasises that reporting should be conducted annually on those units where the likelihood of conflicts of interest is considered to be higher, and how these conflicts have been managed. It is the responsibility of all heads of units to continuously identify potential conflicts of interest. The bank's policies and risk tolerance form the basis for the internal work instructions that exist in all departments. The instructions are the internal guidelines that all employees have to follow and are used in their daily work.

Handelsbanken's corporate culture is based on a decentralised approach, with trust and respect for individuals. The Bank's corporate culture target are in line with the targets for its own workforce, and are based on the results of the annual workplace survey, which also serves as a tool for evaluating the corporate culture. This is a long-term goal that includes such factors as clear and transparent communication, having the right skills and conditions in place to solve tasks and tackle different work situations, feeling pride and trust, and feeling and being respected. Read more about how this is integrated into the Bank's approach to its own workforce, the formulation of targets, the actions taken and the results of the work environment survey in section S1 Own workforce, starting on page 299.

Employee conduct
The following are extracts from codes of conduct included in the Bank's policies and guidelines which refer to employees.

Handelsbanken's co-workers

- must not be in a position where they may be suspected of taking improper advantage of knowledge about the financial markets which they obtain in the course of their work
- must be familiar with legislation concerning trading in financial instruments and observe the Bank's rules for employees' private securities and currency transactions
- must, in their work at the Bank and in their private affairs, refrain from business transactions that violate the Bank's rules
- must refrain from transactions or other commitments that could seriously jeopardise their personal financial position
- are not permitted to process transactions in which they, or persons closely associated with them, have a personal interest – this also applies to companies in which co-workers, or persons closely associated with them, are involved
- must report to a manager or can notify Group Compliance or Group Audit if they suspect irregularities at the Bank. Handelsbanken's separate whistleblowing system provided by an external supplier may be used as well as these reporting channels
- must notify the Bank of assignments outside the Bank and obtain approval – this also applies to secondary occupations and certain posts in clubs, societies and the like.

G1-3: Prevention and detection of corruption and bribery

Handelsbanken's work methods are characterised by respect and high ethical standards. It is important that we combat risks in all ways possible and uphold confidence in the Bank's operations and the financial sector as a whole. The Bank aims to work proactively to counteract all types of criminal activity, including corruption and other financial crime. Handelsbanken has also established procedures for managing conflicts of interest and preventing negative impact on customers' interests. The Bank's policy against corruption emphasises that co-workers must never engage in acts that may involve bribery or improper influence.

Regular risk analyses are undertaken to prevent and detect corruption. The annual evaluation encompasses the entire Bank, including international branches and subsidiaries, and assesses the risk of bribery and corruption among employees and units, corresponding to 100 per cent. In addition, the general risk assessment regarding money laundering and terrorist financing also examines the risk of corruption-related crime by the Bank's customers as a predicate offence to money laundering. Risk areas with an elevated risk of corruption are specifically identified, such as customers operating in countries or sectors with a higher incidence of corruption.

Employees who have direct contact with customers, those who can influence purchasing or procurement, as well as those handling sensitive information or who have decision-making mandates relating to customers are considered to be particularly exposed to risks related to bribery and corruption. Handelsbanken has a training course on anti-corruption and other financial crime, which highlights the Bank's policy against corruption, policy for ethical standards and the Banks guidelines on bribery and improper influence, that is mandatory for the Banks co-workers and consultants with assignments of six months or longer. The training includes specific examples of appropriate and inappropriate behaviour. Handelsbanken's Board and the Boards of subsidiaries receive bribery and corruption training annually. On completion of the training, the Boards have familiarised themselves with the definition of corruption in relation to Swedish legislation, Swedish self-regulation (Code to prevent Corruption in Business), Swedish legal statistics on bribery and the link between corruption and money laundering and/or terrorism. Furthermore, the training includes a section on how corruption impacts Handelsbanken's operations and which corruption risks could exist in the Bank.

Handelsbanken's anti-corruption work is a continuous process, and since 2017, the Bank is a member of Transparency International Sweden, where the Bank and other large Swedish companies exchange experiences and knowledge in the area.

The Bank encourages all its co-workers to report confirmed or suspected fraud or other irregularities. The Bank believes it is essential to act and take action when something is not right. Handelsbanken has an external whistleblower system that can be accessed by all co-workers, consultants and external parties to anonymously report fraud. All reports of suspected fraud are investigated promptly by a function that is independent of operations. For more information about the whistleblower system, see section S1-3 on page 302.

Metrics and targets

G1-4: Incidents of corruption or bribery

Handelsbanken is to actively work to prevent and limit corruption-related incidents. The Bank takes action to prevent its products and services from being used for financial crime. This work follows a risk-based approach, starting from policies and guidelines that allocate resources to the areas identified in risk assessments as having the highest risk. The risk-based approach is flexible and allows for efficient use of resources by allocating resources to the areas where risks are higher. The Bank's ambition is to develop relevant measurable targets in addition to those already set and to evaluate alternative metrics in terms of effectiveness and data quality.

In 2024, there were no (0) confirmed incidents of corruption or bribery, legal proceedings regarding corruption or bribery launched against the Bank or its co-workers, disciplinary measures or dismissals of co-workers, or termination of contracts with partners or suppliers as a result of corruption or bribery during the year. The reported figure includes confirmed cases of giving and receiving bribes, breach of trust and use of one's position to gain improper advantage for oneself or others. Anti-money laundering incidents are reported and presented separately in the section "Counteract financial crime" on page 323.

In each calendar year, 90 per cent of the Bank's employees must have completed anti-corruption training. For the Board, the figure is 100 per cent for the same training. The training target for employees is set at 90 per cent since a certain percentage of employees may be on parental or official leave during the year and are not expected to undertake training during this time.

Mandatory anti-corruption training courses are assigned to all employees and consultants via a training portal. The percentage of employees who have completed training is reported in the training portal, which is where all figures are collated for the report. The system marks the training course as concluded only after the course has been successfully completed. A limitation in the system is that employees on official leave, parental leave or not working for any other reason are included in the figures. The training portal is not used for Board training, which is held in a different format.

Board member training

	2024	2023	2022	2021	2020
Number of Board members who have completed the training in anti-corruption, anti-money laundering and combating the financing of terrorism[1)]	9	10	10	9	8
Percentage of Board members who have completed the training in anti-corruption, anti-money laundering and combating the financing of terrorism[1)]	100	100	100	100	100
Total number of subsidiary Board members who have completed the training in anti-corruption, anti-money laundering and combating the financing of terrorism[1)]	43	41	45	43	36
Percentage of subsidiary Board members who have completed the training in anti-corruption, anti-money laundering and combating the financing of terrorism[1)]	100	89	100	100	100

1) The majority of Board members reside in Sweden

Employee training

	2024	2023	2022	2021	2020
Percentage of employees who have completed the training in anti-corruption, anti-money laundering and combating the financing of terrorism	92	91	92	90	-

The table Board member training shows the number and percentage of Board members in the Handelsbanken Group and in the Bank's subsidiaries who have completed the training in anti-corruption, anti-money laundering, and combating the financing of terrorism.

The Employee training table shows the percentage of employees who have received anti-corruption, anti-money laundering and anti-terrorist financing training. The percentage also includes employees on parental or official leave.

Entity specific – Counteract financial crime

Summary of material impacts, risks and opportunities

Material sustainability matter	Material impacts, risks and opportunities	Value chain	Time horizon
Entity specific – Counteract financial crime	Actual positive impact	Payment, own operations & downstream	Short/medium/long
	Potential negative impact	Payment & own operations	Short/medium/long
	Risk	Payment & lending	Short/medium/long

Governance

Handelsbanken works constantly and proactively to minimise the risk of the Bank's customers, products or services being exploited for financial crime. Financial crime includes money laundering, terrorist financing, tax evasion, corruption, fraud and breaches of international sanctions. The work is governed by a central department headed by the Bank's specially appointed executive with Group-wide responsibility for the work to prevent financial crime. Starting points for these efforts are the Bank's low risk tolerance and the body of external regulations addressing financial crime in the countries where the Bank operates. The Bank also has a separate compliance department for financial crime with Group-wide responsibility, which monitors and acts in an advisory capacity in the Bank's work to combat financial crime. Read more about Handelsbanken's work to combat financial crime in the G2 note on page 116.

Impact, risk and opportunity management

Handelsbanken regards preventative work as a fundamental principle for secure, sound banking operations, and efforts to combat financial crime are a high priority.

The steering documents that address the entity specific sustainability matter to counteract financial crime are:

- Policy for ethical standards, for more information see page 264
- Policy on measures against financial crime
- Policy for sustainability, for more information, see page 264
- Policy against corruption, for more information, see page 264
- Guidelines for actions against financial crime.

Both the policy and the guidelines on actions against financial crime represent Handelsbanken's position against financial crime. The Bank must not participate in transactions that its employees do not understand or in transactions with suspected links to criminal activities.

Handelsbanken's established policies and actions against financial crime and corruption constitute a central framework for conducting this work. The designated executive at the Bank is responsible for implementing the necessary actions to ensure compliance with laws, regulations and Group policies.

In addition, all employees and consultants with assignments of six months or longer are required to complete mandatory courses each year on matters relating to money laundering, terrorist financing, international sanctions, corruption and predicate offences to money laundering such as fraud and tax evasion. The Bank has undertaken to comply with the applicable laws and regulations regarding money laundering, terrorist financing, international sanctions and corruption in all of the countries where the Bank operates, in order to prevent the Bank's infrastructure being used for illegal activities. The Bank has an open, active dialogue with the authorities that supervise its work on preventing and counteracting financial crime.

The work of preventing and counteracting financial crime in Handelsbanken is risk based. It starts with a general risk assessment to identify, analyse and manage the various risks that the Bank faces. The Bank's decentralised organisation, combined with its strong local roots, provides opportunities for creating close and long-term customer relationships and developing in-depth customer due diligence. Customer relationships are mainly initiated at one of Handelsbanken's branches, which gives the Bank's co-workers a better ability to get to know the customers and to better understand their business and the banking services they require. This customer due diligence is valuable for being able to identify deviations and to work effectively on measures to counteract financial crime.

Deviations identified by the Banks' branches are used as a supplement to Handelsbanken's continuous follow-up, which includes automated monitoring to identify suspicious transactions and behaviour. If suspected cases of financial crime are identified in this monitoring, they are reported to the relevant authority. Suspicious transactions related to money laundering or terrorist financing must be reported to the local Financial Intelligence Unit of the Swedish Police without delay.

If there is strong suspicion of money laundering, terrorist financing or fraud, Handelsbanken terminates the customer relationship, or implements product restrictions in order to prevent continued use of the Bank's channels, services and products for such activities.

Recent years have seen a growth in social engineering, increasingly aimed at elderly people, who are being tricked into using their BankID or providing personal codes. To protect its customers from this and other common types of fraud, such as investment or romance fraud, Handelsbanken continuously works to keep its customers abreast of the prevailing risks and how they can protect themselves. Handelsbanken participated in the cross-bank information campaign "Scamaware!" during the year.

Customers who have been the victim of fraud can contact Handelsbanken around the clock for help with emergency measures, for example, to block banking services, and, as far as possible, to get help to recover lost money. The Bank also provides advice and support on the steps customers should take, including reporting the fraudulent transaction to the police and filing a complaint, which are elements of the Bank's evaluation of potential compensation.

Profits from fraud are a source of income for organised crime, which has become increasingly violent in recent years. Handelsbanken's goal is to reduce these criminal profits and the subsequent money laundering, regardless of how the fraud occurs. The Bank has noted that many cases of fraud are completed by the customers themselves, after having been tricked by the fraudsters. These fraud events also play a part in financing crime and are therefore a priority area for Handelsbanken. In addition to investments in the control environment to identify both unauthorised and authorised fraudulent transactions, Handelsbanken also participates in the Ministry of Finance's forum against fraud and, during 2024, took part in a collaboration project with the Swedish Police's national fraud centre (NBC) and other Swedish banks. In addition, Handelsbanken works actively with the NBC, the Swedish Bankers' Association and other Swedish banks and social actors to make it more difficult to perpetrate fraud.

Money laundering remains a serious problem for society, and more collaboration and exchange of information is needed to tackle the issue. As part of the financial sector, Handelsbanken – together with other stakeholders – has the opportunity to counteract the negative impact of financial crime. In 2020, a collaboration was initiated between the Financial Intelligence Unit of the Swedish Police, Handelsbanken and other major banks in the Swedish market (called Swedish Anti-Money Laundering Intelligence Taskforce (SAMLIT). In 2023, the cooperation was extended to include fraud and was renamed Samlit Financial Crime Prevention. Through this collaboration, the Bank gains valuable information about various fraud methods and how criminal networks launder money in practice, and can identify customers suspected of links to these networks.

In addition, as of 1 January 2023, banks in the Swedish market are legally entitled to collaborate with law enforcement authorities, the Swedish Financial Supervisory Authority and other credit institutions to prevent, deter or detect money laundering and terrorist financing. Handelsbanken welcomes this development. Collaboration is permitted for money laundering and terrorist financing that is considered serious, and may take place following a decision by the participating authority or authorities.

Metrics and targets

Handelsbanken is to actively work to prevent and limit incidents related to money laundering. The Bank takes action to prevent its products and services from being used for financial crime. This work follows a risk-based approach, starting from policies and guidelines that allocate resources to the areas identified in risk assessments as having the highest risk. The risk-based approach is flexible and allows for efficient use of resources by allocating resources to the areas where risks are higher.

The Bank's ambition is to develop relevant measurable targets in addition to those already set and to evaluate alternative metrics in terms of effectiveness and data quality. In the case of low suspicion, a Suspicious Activity Report (SAR) must be prepared and thus no evidence of money laundering or terrorist financing is required. The notification requirement also applies to cases where the Bank has refused to execute transactions due to suspected money laundering or terrorist financing. A report may relate to one or more private individuals and companies, and several transactions.

Handelsbanken has a low risk tolerance for the risk of the Bank being exploited as part of financial crime. Preventive efforts to counteract financial crime must be taken into account in all processes, instructions and internal controls. The effectiveness of this work is monitored by measuring the frequency of fraud, maintaining a high level of customer due diligence, and promptly investigating and reporting suspicious transactions. A critical part of this process is ensuring that all staff undergo financial crime prevention training, which is measured and monitored continuously.

Mandatory training courses on combating financial crime are assigned to all employees and consultants via a training portal. The percentage of employees who have completed training is reported in the training portal, which is where all figures are collated for the report. The system marks the training course as concluded only after the course has been successfully completed. A limitation in the system is that employees on official leave, parental leave or not working for any other reason are included in the figures. The training portal is not used for Board training, which is held in a different format.

For each calendar year, the Bank's target is that 90 per cent of the Bank's employees must have completed financial crime prevention training. For the Board, the figure is 100 per cent for the same training. The training target for employees is set at 90 per cent since a certain percentage of employees may be on parental or official leave during the year and are not expected to undertake training during this time.

All monitoring is reported and evaluated in relation to the Bank's risk tolerance. Metrics for the training of employees, the Board and subsidiary boards are presented in section G1-4, see page 321.

Suspicious transactions reported

	2024	2023	2022	2021	2020
Number of suspicious transactions involving money laundering/terrorist financing (SAR)[1]	5,529	5,245	6,194	5,039	4,730

1) According to the Swedish Anti-Money Laundering Act, Handelsbanken is also obligated, without delay, to report suspicions of money laundering or terrorist financing (suspicious activity reporting, SAR) to the Financial Intelligence Unit of the Swedish Police or equivalent authority.

Entity specific – Financial stability

Summary of material impacts, risks and opportunities

Material sustainability matter	Material impacts, risks and opportunities	Value chain	Time horizon
Entity specific – Financial stability	Actual positive impact Opportunity	Own operations & lending Own operations & lending	Short/medium/long Short/medium/long

Governance

The financial system plays an important role in the economy. A stable and well-functioning system is a prerequisite for the economy to function and foster growth. In the event of a severe financial crisis, which has occurred to varying degrees in the past, there is a risk that basic functions of the financial system, such as the supply of credit, will be disrupted or even cease to function. It can lead to significant costs to society. Handelsbanken is part of the financial system and serves a role in contributing to financial stability. Low risk tolerance and a long-term approach are the cornerstones of the Bank's corporate and business culture. The Bank's Board decides on the level of risk tolerance. The combination of a robust capital buffer and liquidity reserve and strong operational resilience creates the foundation for financial stability, making the Bank a reliable counterparty. In the past, Handelsbanken has therefore managed its way through financial crises and sharp macroeconomic downturns very well, and has not needed assistance from governments, nor from shareholders in the form of new share issues. Handelsbanken is also ranked by leading rating agencies as one of the most stable banks in the world and is the bank with the highest credit rating of all comparable privately owned banks, in addition to having the highest combined global rating from the Fitch, Moody's and S&P rating agencies.

Financial stability is a key factor affecting all three perspectives of the value chain – upstream, own operations and downstream. It affects both the availability of funding, which is the Bank's raw material, and the Bank's ability to support customers in all economic situations, for example, by ensuring credit supply and a functional payment system. Deposits and lending are central to the Bank's business model and rely on this stability, as do the Bank's own operations.

Impact, risk and opportunity management

The Bank contributes to the stability of the financial system and society by conducting banking operations with a low risk tolerance, stable finances through a robust capital buffer and liquidity reserve, and well-organised operations. This also enables the Bank to do business with customers and to support them with a long-term approach to business relationships, regardless of the external situation or economic climate. It also presents opportunities for the Bank to attract new customers who value a bank with a business model featuring stability and low risk tolerance. Combined, this maintains the confidence of customers and investors in Handelsbanken, and the Bank can thus have an actual positive impact and also create financial opportunities.

The main steering documents that address the entity specific sustainability matter of Financial stability and form the basis of the management and governance of this matter are the following policies issued by Handelsbanken's Board of Directors:

- Policy on governance and steering documents at the Handelsbanken Group
- Credit policy for the Handelsbanken Group, for more information, see page 263
- Capital policy for the Handelsbanken Group
- Financial policy for the Handelsbanken Group
- Policy on operational risk at the Handelsbanken Group.

These policies, which apply to the entire Group, establish the framework for managing the credit risks and financial risks to which the Bank's business may give rise and express its tolerances for these risks. The Bank maintains its financial stability through solid risk and capital management, which thereby provides opportunities for business and making a positive contribution to the stability of the financial system in society.

The policy on governance and steering documents serves as the basis of the Bank's corporate governance. For more information on the policy, see the general section GOV-1 on page 264.

The credit policy states that the Bank has a low tolerance for credit risk and endeavours to establish long-term relationships with customers who have good repayment capacity. This means that the Group must be selective when choosing its customers, and credit customers must be of high quality. The quality requirement must never be neglected in favour of higher credit volumes, higher prices or market share. The Bank's tolerance of credit risk is reflected in the expectation that the Bank will be able to have good capacity for granting credit without government support, even in a serious recession. The Bank's ambition is to maintains its historically low level of credit losses compared to other banks. For more information, see GOV-1 on page 263.

The capital policy aims to ensure that the Group's capital situation is satisfactory and regulates how the Bank is to pursue its capital planning in order to ensure this. The Group shall at all times be well-capitalised in relation to its risks and meet the targets set by the Board and the capital requirements set by supervisory authorities, even in situations of financial stress. Handelsbanken's capital situation must also continue to support a high credit rating from the most important rating agencies.

The financial policy establishes the frameworks under which the funding operations are to be conducted. Financial risks, that is market risks and liquidity risks, are only to occur as a natural part of customer business, in connection with Handelsbanken's funding and liquidity management, and in its role as a market maker. The Group's funding and liquidity management shall ensure that Handelsbanken can meet its payment obligations in both the short and long term. The Group's funding is to be well diversified in terms of market, currency and maturity terms. Handelsbanken is to have a sufficient liquidity reserve in order to be able to continue its operations without new borrowing on the financial markets for set periods of time. This must also apply under stressful conditions.

The policy on operational risk stipulates that Handelsbanken must, as far as possible, endeavour to prevent operational risks. An operational risk which could have serious adverse consequences for the Bank, the Bank's customers or the financial system in the event of an incident must be reduced to an acceptable level by taking risk mitigation measures. The policy also describes the Bank's overall risk management strategies for maintaining high operational resilience. Operational resilience is the Bank's ability to prevent, anticipate, withstand and recover from disruptions, attacks or interruptions affecting the Bank's critical operations.

The Bank's credit process is centralised and shared by the whole Group. It is based on a conviction that a decentralised organisation with a local connection ensures high quality in credit decisions. Each branch responsible for the customer assumes the full credit responsibility. and the basis for credit decisions is always prepared by the branch responsible for the credit, regardless of whether the final decision is to be made at the branch or at a higher decision-making level. The branch's local connection and close relationships with its customers enable the branch to quickly identify any problems and take action. Handelsbanken's restrictive approach to risk means that the Bank deliberately avoids high-risk transactions, even if the expected financial reward may be high at the time. The risks arising in the operations are systematically identified, measured, managed and reported in all parts of the Group. For more information about the Bank's risk management, risk tolerance and risk strategy, see note G2 Risk and capital management on page 80.

The aim of the Bank's capital planning is to ensure that the Group has the right amount of financial resources available at all times given the Group's risks, the development of the operations, regulatory requirements and the capital targets set by the Bank. At least annually, a long-term capital plan is drawn up, which is designed to give a comprehensive overview of the Group's current capital situation, a forecast of expected capital performance, and the outcome in various scenarios. The capital planning is divided into short-term and mid- to long-term forecasting. The part of capital planning that comprises short-term forecasts up to two years ahead principally focuses on assessing existing performance and the development of the capital requirement. This forecasting is necessary to enable continual adaptation of the size and composition of own funds. For more information about the Bank's capital management, see note G2 Risk and capital management on page 80. All procedures, processes and ongoing actions are part of the day-to-day operations so as to maintain financial stability.

Metrics and targets

The Bank has a long-standing and systematic approach to measuring risk and capital management and has many established metrics and targets in this area. Among these, the following metrics and targets are specifically applied to effectively monitor financial stability outcomes and actions:

The common equity tier 1 ratio must, under normal circumstances, be between 1 and 3 percentage points above the total common equity tier 1 capital requirement communicated to the Bank by the Swedish Financial Supervisory Authority.

The minimum requirement for the structural liquidity measure, the net stable funding ratio (NSFR) – the ratio between available stable funding and required stable funding – requires the Bank to have sufficient stable funding to cover its funding needs under both normal and stressed circumstances from the perspective of a one-year horizon. The minimum requirement applies at aggregate level and the ratio must be at least 100 per cent.

The Bank strives to always have low credit losses. For more information, see pages 17, 80.

The Bank measures the outcome using the following metrics:

- Common equity tier 1 ratio
- Tier 1 ratio
- Liquidity coverage ratio (LCR)
- Net Stable Funding Ratio (NSFR)
- Average credit loss ratio.

The metrics are not validated by an external party but are monitored by the Swedish Financial Supervisory Authority. Information on each metric and the associated measurement methodologies and significant assumptions can be found mainly in note G2 Risk and capital management beginning on page 80 and in the section Definitions and explanations on page 376.

Page references for each metric:

- Common equity tier 1 ratio pages 122, 377
- Tier 1 ratio pages 122, 377
- Liquidity coverage ratio (LCR) pages 111, 377
- Net Stable Funding Ratio (NSFR) pages 111, 377
- Average credit loss ratio pages 17, 80.

EU Taxonomy – continued

In accordance with the Non-Financial Reporting Directive (NFRD), credit institutions are required to disclose the extent to which assets finance economic activities are eligible and aligned with the EU Taxonomy Regulation, (EU) 2020/852. For many economic activities, the EU Taxonomy defines criteria that must be met in order for them to be classified as sustainable. This section provides extended information regarding the Taxonomy and associated mandatory tables, which together with the Taxonomy information in section 4.3 Environmental information constitute Handelsbanken's complete Taxonomy reporting. The Bank's reporting for banking operations is based on the consolidated situation and is presented in the set templates for credit institutions. Assets in the insurance operations are presented separately on pages 366–370.

The Group's total green assets ratio is calculated by aggregating key performance indicators (KPIs) for credit agreements in the balance sheet, for financial guarantees, in asset management and in the insurance operations. Two weighted KPIs, one based on turnover and one on capital expenditure, are calculated by weighting each business segment's KPI by its share of the Group's total income.

Handelsbanken Group EU Taxonomy KPIs

Business segment and group consolidated KPIs, turnover based	2024-12-31 Revenue		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)		
	MSEK	Proportion %	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which enabling
Banking									
Credit portfolio	179,336	95.5	51.2	3.4	0.0	0.1	0.0	0.0	0.0
Financial guarantees	94	0.1	2.2	0.6	0.0	0.6	0.0	0.0	0.0
Assets under management	5,381	2.9	4.7	1.4	0.1	0.6	0.4	0.0	0.0
Insurance	2,921	1.6	10.6	4.5	0.1	0.7	0.4	0.0	0.0
Consolidated KPI, turnover based (weighted)	187,732	100.0	49.2	3.3	0.0	0.1	0.0	0.0	0.0

Business segment and group consolidated KPIs, capital expenditure based	2024-12-31 Revenue		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)		
	MSEK	Proportion %	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which enabling
Banking									
Credit portfolio	179,336	95.5	51.5	3.5	0.0	0.1	0.0	0.0	0.0
Financial guarantees	94	0.1	3.2	0.5	0.0	0.5	0.0	0.0	0.0
Assets under management	5,381	2.9	5.3	2.0	0.2	0.8	0.6	0.0	0.0
Insurance	2,921	1.6	0.8	0.0	0.0	0.0	0.5	0.0	0.0
Consolidated KPI, capital expenditure based (weighted)	187,732	100.0	49.3	3.4	0.0	0.1	0.0	0.0	0.0

2024-12-31

Water and marine resources (WTR)			Circular economy (CE)			Pollution (PPC)			Biodiversity and Ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which transitional	Of which enabling
0.0			0.0			0.0			0.1			51.3	3.4	0.0	0.1
0.0			0.7			0.1			0.2			3.1	0.6	0.0	0.6
0.0			0.7			0.1			0.0			6.0	1.5	0.1	0.6
0.0			0.9			0.1			0.0			12.0	4.6	0.1	0.7
0.0			0.1			0.0			0.1			49.4	3.3	0.0	0.1

2024-12-31

Water and marine resources (WTR)			Circular economy (CE)			Pollution (PPC)			Biodiversity and Ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which transitional	Of which enabling
0.0			0.0			0.0			0.0			51.5	3.5	0.0	0.1
0.0			0.1			0.1			0.0			3.5	0.5	0.0	0.5
0.0			0.4			0.1			0.0			6.5	2.0	0.2	0.8
0.0			0.3			0.0			0.0			1.6	0.1	0.0	0.0
0.0			0.0			0.0			0.0			49.4	3.4	0.0	0.1

Handelsbanken's taxonomy disclosures for banking operations in the credit institution

Summary of KPIs to be disclosed by credit institutions under Article 8 of the Taxonomy Regulation

		Total environmentally sustainable assets, SEK m*	KPI[4]	KPI[5]	% coverage (over total assets)[3]	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	83,940	3.4	3.5	76.6	35.6	23.4

		Total environmentally sustainable activities, SEK m	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	17,035	3.0	3.2	100.0	58.3	0.0
	Trading book[1]						
	Financial guarantees	48	0.6	0.5			
	Assets under management	12,652	1.5	2.0			
	Fees and commissions income[2]						

1) For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR.
2) Fees and commissions income from services other than lending and AuM. Institutions shall disclose forward-looking information for these KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.
3) % of assets covered by the KPI over banks' total assets.
4) Based on the Turnover KPI of the counterparty.
5) Based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used.

* Environmentally sustainable assets calculated using the KPI for turnover.

Assets for the calculation of GAR – Turnover

2024-12-31

	SEK m	Total gross carrying amount	Climate change mitigation (CCM): Of which towards taxonomy relevant sectors (Taxonomy-eligible)	CCM: Of which environmentally sustainable (Taxonomy-aligned)	CCM: Of which Use of Proceeds	CCM: Of which transitional	CCM: Of which enabling	Climate change adaptation (CCA): Of which towards taxonomy relevant sectors (Taxonomy-eligible)	CCA: Of which environmentally sustainable (Taxonomy-aligned)	CCA: Of which Use of Proceeds	CCA: Of which enabling
	GAR – Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1,333,834	1,275,979	83,933	77,753	666	1,305	264	7		7
2	**Financial undertakings**	**45,959**	**25,068**	**1,917**		**17**	**5**	**12**	**0**		
3	Credit institutions	44,105	24,245	1,916		17	5	12	0		
4	Loans and advances	11,817	7,924	1,077		1	1	9	0		
5	Debt securities, including UoP	32,288	16,321	839		15	4	3			
6	Equity instruments										
7	Other financial corporations	1,854	824	2		0	1				
8	Of which investment firms	1,651	705	0							
9	Loans and advances	1,651	705	0							
10	Debt securities, including UoP										
11	Equity instruments										
12	Of which management companies	0	0	0							
13	Loans and advances	0	0	0							
14	Debt securities, including UoP										
15	Equity instruments										
16	Of which insurance undertakings	31	15	1		0					
17	Loans and advances										
18	Debt securities, including UoP										
19	Equity instruments	31	15	1							
20	**Non-financial undertakings**	**57,381**	**20,416**	**4,263**		**649**	**1,300**	**252**	**7**		**7**
21	Loans and advances	57,381	20,416	4,263		649	1,300	252	7		7
22	Debt securities, including UoP										
23	Equity instruments	0	0	0							
24	**Households**	**1,230,494**	**1,230,494**	**77,753**	**77,753**						
25	Of which loans collateralised by residential immovable property	1,230,264	1,230,264	77,753	77,753						
26	Of which building renovation loans										
27	Of which motor vehicle loans	230	230								
28	**Local government financing**										
29	Housing financing										
30	Other local government financing										
31	**Collateral obtained by taking possession: residential and commercial immovable properties**										
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**1,158,810**									
33	**Financial and non-financial undertakings**	**1,007,823**									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	620,079									
35	Loans and advances	619,973									
36	Of which loans collateralised by commercial immovable property	142,066									
37	Of which building renovation loans										
38	Debt securities										
39	Equity instruments	106									
40	Non-EU country counterparties not subject to NFRD disclosure obligations	358,514									
41	Loans and advances	358,252									
42	Debt securities	262									
43	Equity instruments										
44	**Derivatives**	**25,729**									
45	**On demand interbank loans**	**653**									
46	**Cash and cash-related assets**	**6**									
47	**Other categories of assets (e.g. Goodwill, commodities, etc.)**	**101,288**									
48	**Total GAR assets**	**2,492,644**	**1,275,979**	**83,933**	**77,753**	**666**	**1,305**	**264**	**7**		**7**
49	**Assets not covered for GAR calculation**	**762,737**									
50	**Central governments and Supranational issuers**	**35,932**									
51	**Central banks exposure**	**679,578**									
52	**Trading book**	**47,227**									
53	**Total assets**	**3,255,381**	**1,275,979**	**83,933**	**77,753**	**666**	**1,305**	**264**	**7**		**7**
	Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations										
54	Financial guarantees	8,228	180	48		0	46	0			
55	Assets under management	848,420	40,121	12,207		1,160	4,980	3,352	161		55
56	Of which debt securities	215,787	378	111		65	15	77	0		0
57	Of which equity instruments	627,307	39,743	12,097		1,095	4,964	3,275	161		55

2024-12-31

Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)				
Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
31				454				537				2,107				1,279,371	83,940	77,753	666	1,312
				66				**0**								**25,147**	**1,917**		**17**	**5**
																24,257	1,916		17	5
																7,933	1,077		1	1
																16,324	839		15	4
				66				0								890	2		0	1
				64				0								769	0			
				64				0								769	0			
																0	0			
																0	0			
																15	1		0	
																15	1			
31				**388**				**537**				**2,107**				**23,730**	**4,270**		**649**	**1,307**
31				388				537				2,107				23,730	4,270		649	1,307
																0	0			
																1,230,494	**77,753**	**77,753**		
																1,230,264	77,753	77,753		
																230				
31				**454**				**537**				**2,107**				**1,279,371**	**83,940**	**77,753**	**666**	**1,312**
31				**454**				**537**				**2,107**				**1,279,371**	**83,940**	**77,753**	**666**	**1,312**
0				54				5				13				253	48		0	46
32	0		0	6,118	281		48	1,221	2			276				51,121	12,652		1,160	5,083
0	0		0	2				2								459	111		65	15
32	0		0	6,116	281		48	1,220	2			276				50,662	12,541		1,095	5,067

Assets for the calculation of GAR – Turnover

	SEK m	2023-12-31 Climate change mitigation (CCM) Total gross carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Climate change adaptation (CCA) Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling
	GAR – Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1,302,491	1,226,616	55,471	52,380	2	871	233	12		12
2	**Financial undertakings**	**32,802**	**642**	**1**		**0**	**1**	**2**			
3	Credit institutions	31,165						2			
4	Loans and advances	4,192						2			
5	Debt securities, including UoP	26,943									
6	Equity instruments	31									
7	Other financial corporations	1,637	642	1		0	1				
8	Of which investment firms	834	372	0		0	0				
9	Loans and advances	834	372	0		0	0				
10	Debt securities, including UoP										
11	Equity instruments										
12	Of which management companies										
13	Loans and advances										
14	Debt securities, including UoP										
15	Equity instruments										
16	Of which insurance undertakings	240									
17	Loans and advances	240									
18	Debt securities, including UoP										
19	Equity instruments										
20	**Non-financial undertakings**	**59,864**	**16,149**	**3,089**		**2**	**869**	**230**	**12**		**12**
21	Loans and advances	59,864	16,149	3,089		2	869	230	12		12
22	Debt securities, including UoP										
23	Equity instruments	0									
24	**Households**	**1,209,825**	**1,209,825**	**52,380**	**52,380**						
25	Of which loans collateralised by residential immovable property	1,209,620	1,209,620	52,380	52,380						
26	Of which building renovation loans										
27	Of which motor vehicle loans	205	205								
28	**Local government financing**										
29	Housing financing										
30	Other local government financing										
31	**Collateral obtained by taking possession: residential and commercial immovable properties**										
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**1,225,857**									
33	**Financial and non-financial undertakings**	**1,022,376**									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	611,303									
35	Loans and advances	611,254									
36	Of which loans collateralised by commercial immovable property	138,351									
37	Of which building renovation loans										
38	Debt securities										
39	Equity instruments	48									
40	Non-EU country counterparties not subject to NFRD disclosure obligations	375,146									
41	Loans and advances	370,531									
42	Debt securities	4,532									
43	Equity instruments	83									
44	**Derivatives**	**16,492**									
45	**On demand interbank loans**	**1,228**									
46	**Cash and cash-related assets**	**10**									
47	**Other categories of assets (e.g. Goodwill, commodities, etc.)**	**185,752**									
48	**Total GAR assets**	**2,528,348**	**1,226,616**	**55,471**	**52,380**	**2**	**871**	**233**	**12**		**12**
49	**Assets not covered for GAR calculation**	**760,635**									
50	**Central governments and Supranational issuers**	**45,613**									
51	**Central banks exposure**	**677,325**									
52	**Trading book**	**37,697**									
53	**Total assets**	**3,288,983**	**1,226,616**	**55,471**	**52,380**	**2**	**871**	**233**	**12**		**12**
	Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations										
54	Financial guarantees	7,928	142	49		0	49	0	0		0
55	Assets under management	914,797	84,408	18,402		1,070	9,047	83,889	153		87
56	Of which debt securities	207,908	19,876	3,445		182	1,054	19,892	2		1
57	Of which equity instruments	695,965	63,485	14,466		888	7,971	62,939	150		85

2023-12-31

Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)				
Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environ-mentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environ-mentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environ-mentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environ-mentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environ-mentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
																1,243,218	55,703	52,380	2	883
																15,370	**1**		**0**	**1**
																14,649			0	0
																1,194			0	0
																13,440				
																16				
																720	1		0	1
																372	0		0	0
																372	0		0	0
																79				
																79				
																18,023	**3,322**		**2**	**882**
																18,023	3,322		2	882
																1,209,825	**52,380**	**52,380**		
																1,209,620	52,380	52,380		
																205				
																1,243,218	**55,703**	**52,380**	**2**	**883**
																1,243,218	**55,703**	**52,380**	**2**	**883**
																143	49		0	49
																168,298	18,556	0	1,070	9,134
																39,768	3,447	0	182	1,054
																126,424	14,616	0	888	8,056

Assets for the calculation of GAR – Capital Expenditure (CapEx)

	SEK m	2024-12-31									
			Climate change mitigation (CCM)					**Climate change adaptation (CCA)**			
		Total gross carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling
	GAR – Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1,333,834	1,282,594	86,910	77,753	809	1,581	194	10		0
2	**Financial undertakings**	**45,959**	**24,621**	**1,928**		**10**	**11**	**28**	**0**		
3	Credit institutions	44,105	24,263	1,925		10	9	28	0		
4	Loans and advances	11,817	7,927	1,079		2	1	9	0		
5	Debt securities, including UoP	32,288	16,336	845		8	8	18			
6	Equity instruments										
7	Other financial corporations	1,854	358	3		0	2				
8	Of which investment firms	1,651	225	0		0	0				
9	Loans and advances	1,651	225	0		0	0				
10	Debt securities, including UoP										
11	Equity instruments										
12	Of which management companies	0	0	0							
13	Loans and advances	0	0	0							
14	Debt securities, including UoP										
15	Equity instruments										
16	Of which insurance undertakings	31	15	1		0	0				
17	Loans and advances										
18	Debt securities, including UoP										
19	Equity instruments	31	15	1							
20	**Non-financial undertakings**	**57,381**	**27,478**	**7,230**		**799**	**1,570**	**166**	**10**		**0**
21	Loans and advances	57,381	27,478	7,230		799	1,570	166	10		0
22	Debt securities, including UoP										
23	Equity instruments	0	0	0							
24	**Households**	**1,230,494**	**1,230,494**	**77,753**	**77,753**						
25	Of which loans collateralised by residential immovable property	1,230,264	1,230,264	77,753	77,753						
26	Of which building renovation loans										
27	Of which motor vehicle loans	230	230								
28	**Local government financing**										
29	Housing financing										
30	Other local government financing										
31	**Collateral obtained by taking possession: residential and commercial immovable properties**										
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**1,158,810**									
33	**Financial and non-financial undertakings**	**1,007,823**									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	620,079									
35	Loans and advances	619,973									
36	Of which loans collateralised by commercial immovable property	142,066									
37	Of which building renovation loans										
38	Debt securities										
39	Equity instruments	106									
40	Non-EU country counterparties not subject to NFRD disclosure obligations	358,514									
41	Loans and advances	358,252									
42	Debt securities	262									
43	Equity instruments										
44	**Derivatives**	**25,729**									
45	**On demand interbank loans**	**653**									
46	**Cash and cash-related assets**	**6**									
47	**Other categories of assets (e.g. Goodwill, commodities, etc.)**	**101,288**									
48	**Total GAR assets**	**2,492,644**	**1,282,594**	**86,910**	**77,753**	**809**	**1,581**	**194**	**10**		**0**
49	**Assets not covered for GAR calculation**	**762,737**									
50	**Central governments and Supranational issuers**	**35,932**									
51	**Central banks exposure**	**679,578**									
52	**Trading book**	**47,227**									
53	**Total assets**	**3,255,381**	**1,282,594**	**86,910**	**77,753**	**809**	**1,581**	**194**	**10**		**0**
	Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations										
54	Financial guarantees	8,228	263	41		0	40				
55	Assets under management	848,420	44,883	16,957		1,279	6,442	5,054	116		8
56	Of which debt securities	215,787	438	165		67	30	108	0		0
57	Of which equity instruments	627,307	44,444	16,793		1,212	6,413	4,946	116		8

2024-12-31

Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)				
Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environ-mentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environ-mentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environ-mentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environ-mentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environ-mentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
12				341				1,046				0				1,284,187	86,920	77,753	809	1,581
				0				**0**								**24,649**	**1,928**		**10**	**11**
																24,291	1,925		10	9
																7,936	1,079		2	1
																16,355	845		8	8
				0				0								358	3		0	2
				0				0								225	0		0	0
				0				0								225	0		0	0
																0	0			
																0	0			
																15	1		0	0
																15	1			
12				**341**				**1,046**				**0**				**29,044**	**7,240**		**799**	**1,570**
12				341				1,046				0				29,044	7,240		799	1,570
																0	0			
																1,230,494	**77,753**	**77,753**		
																1,230,264	77,753	77,753		
																230				
12				**341**				**1,046**				**0**				**1,284,187**	**86,920**	**77,753**	**809**	**1,581**
12				**341**				**1,046**				**0**				**1,284,187**	**86,920**	**77,753**	**809**	**1,581**
				10				12								285	41		0	40
3	1		0	3,751	187		16	1,093	2			372	0			55,156	17,263		1,279	6,467
0	0		0	1				18								565	165		67	30
3	1		0	3,750	187		16	1,075	2			372	0			54,591	17,099		1,212	6,437

Assets for the calculation of GAR – Capital Expenditure (CapEx)

2023-12-31

	SEK m	Total gross carrying amount	Climate change mitigation (CCM): Of which towards taxonomy relevant sectors (Taxonomy-eligible)	CCM: Of which environ-mentally sustainable (Taxonomy-aligned)	CCM: Of which Use of Proceeds	CCM: Of which transitional	CCM: Of which enabling	Climate change adaptation (CCA): Of which towards taxonomy relevant sectors (Taxonomy-eligible)	CCA: Of which environ-mentally sustainable (Taxonomy-aligned)	CCA: Of which Use of Proceeds	CCA: Of which enabling
	GAR – Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1,302,491	1,231,356	55,218	52,380	698	841	16	0		0
2	**Financial undertakings**	**32,802**	**277**	**20**		**0**	**20**				
3	Credit institutions	31,165									
4	Loans and advances	4,192									
5	Debt securities, including UoP	26,943									
6	Equity instruments	31									
7	Other financial corporations	1,637	277	20		0	20				
8	Of which investment firms	834	45	0		0	0				
9	Loans and advances	834	45	0		0	0				
10	Debt securities, including UoP										
11	Equity instruments										
12	Of which management companies										
13	Loans and advances										
14	Debt securities, including UoP										
15	Equity instruments										
16	Of which insurance undertakings	240									
17	Loans and advances	240									
18	Debt securities, including UoP										
19	Equity instruments										
20	**Non-financial undertakings**	**59,864**	**21,253**	**2,818**		**698**	**821**	**16**	**0**		**0**
21	Loans and advances	59,864	21,253	2,818		698	821	16	0		0
22	Debt securities, including UoP										
23	Equity instruments	0									
24	**Households**	**1,209,825**	**1,209,825**	**52,380**	**52,380**						
25	Of which loans collateralised by residential immovable property	1,209,620	1,209,620	52,380	52,380						
26	Of which building renovation loans										
27	Of which motor vehicle loans	205	205								
28	**Local government financing**										
29	Housing financing										
30	Other local government financing										
31	**Collateral obtained by taking possession: residential and commercial immovable properties**										
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**1,225,857**									
33	**Financial and non-financial undertakings**	**1,022,376**									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	611,303									
35	Loans and advances	611,254									
36	Of which loans collateralised by commercial immovable property	138,351									
37	Of which building renovation loans										
38	Debt securities										
39	Equity instruments	48									
40	Non-EU country counterparties not subject to NFRD disclosure obligations	375,146									
41	Loans and advances	370,531									
42	Debt securities	4,532									
43	Equity instruments	83									
44	**Derivatives**	**16,492**									
45	**On demand interbank loans**	**1,228**									
46	**Cash and cash-related assets**	**10**									
47	**Other categories of assets (e.g. Goodwill, commodities, etc.)**	**185,752**									
48	**Total GAR assets**	**2,528,348**	**1,231,356**	**55,218**	**52,380**	**698**	**841**	**16**	**0**		**0**
49	**Assets not covered for GAR calculation**	**760,635**									
50	**Central governments and Supranational issuers**	**45,613**									
51	**Central banks exposure**	**677,325**									
52	**Trading book**	**37,697**									
53	**Total assets**	**3,288,983**	**1,231,356**	**55,218**	**52,380**	**698**	**841**	**16**	**0**		**0**
	Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations										
54	Financial guarantees	7,928	179	30		1	28	0	0		0
55	Assets under management	914,797	100,373	23,288		1,476	13,229	99,604	33		12
56	Of which debt securities	207,908	21,589	3,919		173	2,533	21,593	2		0
57	Of which equity instruments	695,965	77,692	19,141		1,303	10,678	76,912	31		12

4.3
cont.

2023-12-31

Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)				
Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environ-mentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environ-mentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environ-mentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environ-mentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environ-mentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
																1,248,860	55,447	52,380	698	841
																15,007	**20**		**0**	**20**
																14,649			0	0
																1,194			0	0
																13,440				
																16				
																358	20		0	20
																46	0		0	0
																46	0		0	0
																79				
																79				
																24,028	**3,046**		**698**	**821**
																24,208	3,046		698	821
																1,209,825	**52,380**	**52,380**		
																1,209,620	52,380	52,380		
																205				
																1,248,860	**55,447**	**52,380**	**698**	**841**
																1,248,860	**55,447**	**52,380**	**698**	**841**
																180	30		1	28
																199,977	23,321	0	1,476	13,241
																43,182	3,921	0	173	2,533
																154,605	19,172	0	1,303	10,690

GAR sector information – Turnover

	Breakdown by sector – NACE 4 digits level (code and label)	Climate change mitigation (CCM)				Climate change adaptation (CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		SEK m	of which environmentally sustainable (CCM)	SEK m	of which environmentally sustainable (CCM)	SEK m	of which environmentally sustainable (CCA)	SEK m	of which environmentally sustainable (CCA)
1	B0910 - Support activities for petroleum and natural gas extraction	0	0						
2	C1061 - Manufacture of grain mill products	18	0			0	0		
3	C1085 - Manufacture of prepared meals and dishes	6	0			0	0		
4	C1623 - Manufacture of other builders' carpentry and joinery	0	0						
5	C1712 - Manufacture of paper and paperboard	0	0						
6	C1724 - Manufacture of wallpaper	0	0						
7	C1729 - Manufacture of other articles of paper and paperboard	0	0						
8	C2013 - Manufacture of other inorganic basic chemicals	241	0						
9	C2014 - Manufacture of other organic basic chemicals	9	8			0	0		
10	C2059 - Manufacture of other chemical products n.e.c.	0	0						
11	C2120 - Manufacture of pharmaceutical preparations	0	0						
12	C2219 - Manufacture of other rubber products	0	0						
13	C2221 - Manufacture of plastic plates, sheets, tubes and profiles	1	0						
14	C2229 - Manufacture of other plastic products	0	0						
15	C2351 - Manufacture of cement	10	2						
16	C2361 - Manufacture of concrete products for construction purposes	53	0						
17	C2410 - Manufacture of basic iron and steel and of ferro-alloys	0	0						
18	C2420 - Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	18	18						
19	C2433 - Cold forming or folding	0	0						
20	C2445 - Other non-ferrous metal production	0	0			0	0		
21	C2511 - Manufacture of metal structures and parts of structures	0	0						
22	C2521 - Manufacture of central heating radiators and boilers	493	8						
23	C2593 - Manufacture of wire products, chain and springs	0	0						
24	C2599 - Manufacture of other fabricated metal products n.e.c.	0	0						
25	C2611 - Manufacture of electronic components	494	97						
26	C2620 - Manufacture of computers and peripheral equipment	0	0						
27	C2630 - Manufacture of communication equipment	0	0			0	0		
28	C2651 - Manufacture of instruments and appliances for measuring, testing and navigation	0	0						
29	C2712 - Manufacture of electricity distribution and control apparatus	0	0						
30	C2720 - Manufacture of batteries and accumulators	0	0						
31	C2740 - Manufacture of electric lighting equipment	1,678	141						
32	C2751 - Manufacture of electric domestic appliances	0	0			0	0		
33	C2790 - Manufacture of other electrical equipment	0	0						
34	C2811 - Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	0	0			0	0		
35	C2812 - Manufacture of fluid power equipment	5	1						
36	C2813 - Manufacture of other pumps and compressors	0	0						
37	C2814 - Manufacture of other taps and valves	0	0						
38	C2815 - Manufacture of bearings, gears, gearing and driving elements	0	0						
39	C2822 - Manufacture of lifting and handling equipment	0	0						
40	C2824 - Manufacture of power-driven hand tools	0	0						
41	C2825 - Manufacture of non-domestic cooling and ventilation equipment	63	40			0	0		
42	C2829 - Manufacture of other general-purpose machinery n.e.c.	1	0						
43	C2849 - Manufacture of other machine tools	0	0						
44	C2892 - Manufacture of machinery for mining, quarrying and construction	0	0						
45	C2899 - Manufacture of other special-purpose machinery n.e.c.	0	0						
46	C2931 - Manufacture of electrical and electronic equipment for motor vehicles	0	0						
47	C2932 - Manufacture of other parts and accessories for motor vehicles	0	0						
48	C3099 - Manufacture of other transport equipment n.e.c.	0	0						
49	C3250 - Manufacture of medical and dental equipment	0	0						
50	C3299 - Other manufacturing n.e.c.								
51	C3312 - Repair of machinery	0	0						
52	C3314 - Repair of electrical equipment	0	0						
53	C3320 - Installation of industrial machinery and equipment	0	0						
54	D3511 - Production of electricity	1,065	905			24	0		
55	D3514 - Trade of electricity	0	0			0	0		
56	E3700 - Sewerage	0	0						
57	F4110 - Development of building projects	197	16						
58	F4120 - Construction	12	0						
59	F4120 - Construction of residential and non-residential buildings	1,172	8			0	0		
60	F4212 - Construction of railways and underground railways	0	0						
61	F4222 - Construction of utility projects for electricity and telecommunications	13	13						
62	F4311 - Demolition	0	0						
63	F4312 - Site preparation	41	4			7	0		
64	F4321 - Electrical installation	1	0			0	0		
65	F4322 - Plumbing, heat and air-conditioning installation	0	0						
66	F4329 - Other construction installation	0	0						

Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)			
Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
SEK m	of which environmentally sustainable (WTR)	SEK m	of which environmentally sustainable (WTR)	SEK m	of which environmentally sustainable (CE)	SEK m	of which environmentally sustainable (CE)	SEK m	of which environmentally sustainable (PPC)	SEK m	of which environmentally sustainable (PPC)	SEK m	of which environmentally sustainable (BIO)	SEK m	of which environmentally sustainable (BIO)	SEK m	of which environmentally sustainable (TOTAL)	SEK m	of which environmentally sustainable (TOTAL)
																0	0		
0				0				19				0				37	0		
0				0				7				0				13	0		
0				0												0	0		
				0												0	0		
																0	0		
																0	0		
																241	0		
																9	8		
0																0	0		
								0								0	0		
0				0												0	0		
0				0												1	0		
				73												73	0		
																10	2		
																53	0		
																0	0		
																18	18		
0				0												0	0		
																0	0		
0				0												0	0		
				18												511	8		
0				0												0	0		
0				0												0	0		
				0												494	97		
0				0												0	0		
				0												0	0		
0				0												0	0		
0				0												0	0		
																0	0		
0				0												1,678	141		
				0												0	0		
																0	0		
				0												0	0		
				2												7	1		
																0	0		
0				0												0	0		
				0												0	0		
																0	0		
																0	0		
				0												63	40		
1				9												11	0		
0				0												0	0		
0				0												0	0		
0				1												2	0		
																0	0		
																0	0		
0				0												0	0		
0				0												0	0		
				5												5			
0				0												0	0		
0				0												0	0		
				0												0	0		
10				50				0				0				1,149	905		
0				0				0				0				0	0		
				0												0	0		
				2				0								200	16		
																12	0		
0				0				0								1,172	8		
																0	0		
				0												13	13		
				0				0								0	0		
0				3												51	4		
0				0				0				0				1	0		
																0	0		
0				0												0	0		

GAR sector information – Turnover cont.

	Breakdown by sector – NACE 4 digits level (code and label)	Climate change mitigation (CCM)				Climate change adaptation (CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		SEK m	of which environmentally sustainable (CCM)	SEK m	of which environmentally sustainable (CCM)	SEK m	of which environmentally sustainable (CCA)	SEK m	of which environmentally sustainable (CCA)
67	F4331 - Plastering	0	0			0	0		
68	F4334 - Painting and glazing	0	0						
69	F4391 - Roofing activities	0	0						
70	F4399 - Other specialised construction activities n.e.c.	0	0						
71	G4531 - Wholesale trade of motor vehicle parts and accessories	0	0						
72	G4614 - Agents involved in the sale of machinery, industrial equipment, ships and aircraft	0	0						
73	G4615 - Agents involved in the sale of furniture, household goods, hardware and ironmongery	0	0						
74	G4642 - Wholesale of clothing and footwear	0	0						
75	G4643 - Wholesale of electrical household appliances and equipment	0	0						
76	G4645 - Wholesale of perfume and cosmetics	0	0						
77	G4646 - Wholesale of pharmaceutical goods	0	0						
78	G4649 - Wholesale of other household goods	0	0						
79	G4651 - Wholesale of computers, computer peripheral equipment and software	0	0						
80	G4652 - Wholesale of electronic and telecommunications equipment and parts	0	0						
81	G4662 - Wholesale of machine tools	0	0						
82	G4663 - Wholesale of mining, construction and civil engineering machinery	0	0						
83	G4666 - Wholesale of other office machinery and equipment	0	0						
84	G4669 - Wholesale of other machinery and equipment	2	0			0	0		
85	G4672 - Wholesale of metals and metal ores	0	0			0	0		
86	G4673 - Wholesale of wood, construction materials and sanitary equipment	0	0						
87	G4674 - Wholesale of hardware, plumbing and heating equipment and supplies	0	0						
88	G4675 - Wholesale of chemical products	0	0						
89	G4676 - Wholesale of other intermediate products	0	0						
90	G4690 - Non-specialised wholesale trade	0	0						
91	G4711 - Retail sale in non-specialised stores with food, beverages or tobacco predominating	0	0						
92	G4752 - Retail sale of hardware, paints and glass in specialised stores	0	0						
93	G4771 - Retail sale of clothing in specialised stores	0	0						
94	G4791 - Retail sale via mail order houses or via Internet	0	0						
95	H5010 - Sea and coastal passenger water transport	0	0						
96	H5223 - Service activities incidental to air transportation	0	0						
97	I5510 - Hotels and similar accommodation	1,733	179						
98	J5813 - Publishing of newspapers					26	0		
99	J5821 - Publishing of computer games	0	0			0	0		
100	J5829 - Other software publishing	0	0			0	0		
101	J5911 - Motion picture, video and television programme production activities	0	0			0	0		
102	J6110 - Wired telecommunications activities	0	0						
103	J6120 - Wireless telecommunications activities	0	0			0	0		
104	J6201 - Computer programming activities	0	0						
105	J6202 - Computer consultancy activities	0	0						
106	K6420 - Activities of holding companies	110	14						
107	K6420 - Financial and insurance activities	365	4						
108	K6492 - Other credit granting	103	16			27	0		
109	K6499 - Other financial service activities, except insurance and pension funding n.e.c.	1	0						
110	K6619 - Other activities auxiliary to financial services, except insurance and pension funding	38	38						
111	L6810 - Buying and selling of own real estate	120	0						
112	L6820 - Renting and operating of own or leased real estate	7,395	992			87	0		
113	L6832 - Management of real estate on a fee or contract basis	0	0						
114	M7010 - Activities of head offices	3,675	1,639						
115	M7022 - Business and other management consultancy activities	0	0						
116	M7112 - Engineering activities and related technical consultancy	326	34			80	7		
117	M7211 - Research and experimental development on biotechnology	124	1						
118	M7219 - Other research and experimental development on natural sciences and engineering	0	0						
119	M7220 - Research and experimental development on social sciences and humanities	0	0						
120	M7311 - Advertising agencies	0	0			0	0		
121	M7490 - Other professional, scientific and technical activities n.e.c.	0	0						
122	N8110 - Combined facilities support activities	0	0						
123	N8299 - Other business support service activities n.e.c.	831	83						
124	R9329 - Other amusement and recreation activities	0	0						

Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)			
Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
SEK m	of which environmentally sustainable (WTR)	SEK m	of which environmentally sustainable (WTR)	SEK m	of which environmentally sustainable (CE)	SEK m	of which environmentally sustainable (CE)	SEK m	of which environmentally sustainable (PPC)	SEK m	of which environmentally sustainable (PPC)	SEK m	of which environmentally sustainable (BIO)	SEK m	of which environmentally sustainable (BIO)	SEK m	of which environmentally sustainable (TOTAL)	SEK m	of which environmentally sustainable (TOTAL)
																0	0		
0				0				19				0				0	0		
0				0				7				0				0	0		
0				0												0	0		
				0												0	0		
																4	0		
																0	0		
																0	0		
																0	0		
0																0	0		
								0								0	0		
0				0												485	0		
0				0												0	0		
				73												0	0		
																0	0		
																33	0		
																0	0		
																2	0		
0				0												0	0		
																0	0		
0				0												0	0		
				18												0	0		
0				0												0	0		
0				0												0	0		
				0												0	0		
0				0												0	0		
				0												0	0		
0				0												0	0		
0				0												0	0		
																0	0		
0				0												3,104	179		
				0												26	0		
																0	0		
				0												0	0		
				2												0	0		
																0	0		
0				0												0	0		
0				0												0	0		
																0	0		
																110	14		
				64				13								442	4		
4				11				0				0				144	16		
				1												1	0		
				43												81	38		
																120	0		
12				34				0				0				7,527	992		
																0	0		
0				0												3,675	1,639		
				0												0	0		
5				11				7				1				431	41		
				22				5								150	1		
				0												0	0		
																0	0		
				0												0	0		
																0	0		
				0												0	0		
												735				1,565	83		
				0												0	0		

GAR sector information – CapEx

	Breakdown by sector – NACE 4 digits level (code and label)	Climate change mitigation (CCM)				Climate change adaptation (CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		SEK m	of which environmentally sustainable (CCM)	SEK m	of which environmentally sustainable (CCM)	SEK m	of which environmentally sustainable (CCA)	SEK m	of which environmentally sustainable (CCA)
1	B0910 - Support activities for petroleum and natural gas extraction	0	0						
2	C1061 - Manufacture of grain mill products	300	53			0	0		
3	C1072 - Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes	0	0						
4	C1082 - Manufacture of cocoa, chocolate and sugar confectionery	152	0						
5	C1085 - Manufacture of prepared meals and dishes	109	19			0	0		
6	C1623 - Manufacture of other builders' carpentry and joinery	0	0						
7	C1712 - Manufacture of paper and paperboard	0	0						
8	C1724 - Manufacture of wallpaper	0	0						
9	C1729 - Manufacture of other articles of paper and paperboard	0	0						
10	C2013 - Manufacture of other inorganic basic chemicals	391	0			0	0		
11	C2014 - Manufacture of other organic basic chemicals	15	15			0	0		
12	C2059 - Manufacture of other chemical products n.e.c.	0	0						
13	C2120 - Manufacture of pharmaceutical preparations	0	0						
14	C2219 - Manufacture of other rubber products	0	0						
15	C2221 - Manufacture of plastic plates, sheets, tubes and profiles	0	0						
16	C2223 - Manufacture of builders' ware of plastic	0	0						
17	C2229 - Manufacture of other plastic products	0	0			0	0		
18	C2351 - Manufacture of cement	17	2						
19	C2361 - Manufacture of concrete products for construction purposes	119	0						
20	C2410 - Manufacture of basic iron and steel and of ferro-alloys	0	0						
21	C2420 - Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	9	9						
22	C2433 - Cold forming or folding	0	0						
23	C2511 - Manufacture of metal structures and parts of structures	306	9			12	9		
24	C2512 - Manufacture of doors and windows of metal	0	0						
25	C2521 - Manufacture of central heating radiators and boilers	543	20						
26	C2562 - Machining	0	0						
27	C2593 - Manufacture of wire products, chain and springs	0	0						
28	C2594 - Manufacture of fasteners and screw machine products	0	0			0	0		
29	C2599 - Manufacture of other fabricated metal products n.e.c.	0	0			0	0		
30	C2611 - Manufacture of electronic components	806	22			0	0		
31	C2620 - Manufacture of computers and peripheral equipment	0	0						
32	C2630 - Manufacture of communication equipment	0	0			0	0		
33	C2651 - Manufacture of instruments and appliances for measuring, testing and navigation	0	0			0	0		
34	C2712 - Manufacture of electricity distribution and control apparatus	0	0						
35	C2720 - Manufacture of batteries and accumulators	1	1						
36	C2733 - Manufacture of wiring devices	0	0						
37	C2740 - Manufacture of electric lighting equipment	1,020	94						
38	C2751 - Manufacture of electric domestic appliances	0	0			0	0		
39	C2790 - Manufacture of other electrical equipment	0	0						
40	C2811 - Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	0	0			0	0		
41	C2812 - Manufacture of fluid power equipment	2	0						
42	C2813 - Manufacture of other pumps and compressors	0	0						
43	C2814 - Manufacture of other taps and valves	0	0						
44	C2815 - Manufacture of bearings, gears, gearing and driving elements	0	0						
45	C2822 - Manufacture of lifting and handling equipment	0	0						
46	C2824 - Manufacture of power-driven hand tools	0	0						
47	C2825 - Manufacture of non-domestic cooling and ventilation equipment	58	46			0	0		
48	C2829 - Manufacture of other general-purpose machinery n.e.c.	21	0						
49	C2849 - Manufacture of other machine tools	0	0						
50	C2892 - Manufacture of machinery for mining, quarrying and construction	0	0						
51	C2899 - Manufacture of other special-purpose machinery n.e.c.	3	0						
52	C2931 - Manufacture of electrical and electronic equipment for motor vehicles	0	0						
53	C2932 - Manufacture of other parts and accessories for motor vehicles	0	0						
54	C3099 - Manufacture of other transport equipment n.e.c.	0	0						
55	C3101 - Manufacture of office and shop furniture and fittings	1,083	717						
56	C3250 - Manufacture of medical and dental equipment	2	0			0	0		
57	C3291 - Manufacture of brooms and brushes	0	0						
58	C3299 - Other manufacturing n.e.c.								
59	C3312 - Repair of machinery	0	0						
60	C3314 - Repair of electrical equipment	0	0						
61	C3320 - Installation of industrial machinery and equipment	0	0						
62	D3511 - Production of electricity	1,080	914			15	1		
63	D3514 - Trade of electricity	0	0			0	0		
64	E3700 - Sewerage	0	0						
65	F4110 - Development of building projects	210	87						
66	F4120 - Construction	4	3						

Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)			
Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
SEK m	of which environmentally sustainable (WTR)	SEK m	of which environmentally sustainable (WTR)	SEK m	of which environmentally sustainable (CE)	SEK m	of which environmentally sustainable (CE)	SEK m	of which environmentally sustainable (PPC)	SEK m	of which environmentally sustainable (PPC)	SEK m	of which environmentally sustainable (BIO)	SEK m	of which environmentally sustainable (BIO)	SEK m	of which environmentally sustainable (TOTAL)	SEK m	of which environmentally sustainable (TOTAL)
																0	0		
0				1				0				0				301	53		
																0	0		
																152	0		
0				0				0				0				110	19		
0				0												0	0		
				0												0	0		
																0	0		
																0	0		
																391	0		
																15	15		
0																0	0		
								0								0	0		
0				0												0	0		
0				0												0	0		
																0	0		
				84												84	0		
																17	2		
																119	0		
																0	0		
																9	9		
0				0												0	0		
0				0												317	18		
																0	0		
				0												543	20		
																0	0		
0				0												0	0		
																0	0		
0				0												0	0		
				0												806	22		
0				0												0	0		
				0												0	0		
0				0												0	0		
0				0												0	0		
																1	1		
																0	0		
0				0												1,020	94		
				0												0	0		
																0	0		
				0												0	0		
				2												4	0		
																0	0		
0				0												0	0		
				0												0	0		
																0	0		
																0	0		
				0												58	46		
0				2												22	0		
0				0												0	0		
0				0												0	0		
0				0				0								3	0		
																0	0		
																0	0		
0				0												0	0		
																1,083	717		
0				0												2	0		
																0	0		
				5												5			
0				0												0	0		
0				0												0	0		
				0												0	0		
12				0				0				0				1,108	916		
0				0				0				0				0	0		
				0												0	0		
				4				0								215	87		
																4	3		

GAR sector information – CapEx cont.

	Breakdown by sector – NACE 4 digits level (code and label)	Climate change mitigation (CCM)				Climate change adaptation (CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		SEK m	of which environmentally sustainable (CCM)	SEK m	of which environmentally sustainable (CCM)	SEK m	of which environmentally sustainable (CCA)	SEK m	of which environmentally sustainable (CCA)
67	F4120 - Construction of residential and non-residential buildings	628	222			0	0		
68	F4212 - Construction of railways and underground railways	1	0						
69	F4222 - Construction of utility projects for electricity and telecommunications	12	11						
70	F4311 - Demolition	0	0						
71	F4312 - Site preparation	34	0			7	0		
72	F4321 - Electrical installation	0	0			0	0		
73	F4322 - Plumbing, heat and air-conditioning installation	0	0			0	0		
74	F4329 - Other construction installation	0	0						
75	F4331 - Plastering	0	0			0	0		
76	F4334 - Painting and glazing	0	0						
77	F4399 - Other specialised construction activities n.e.c.	0	0						
78	G4531 - Wholesale trade of motor vehicle parts and accessories	0	0			0	0		
79	G4614 - Agents involved in the sale of machinery, industrial equipment, ships and aircraft	3	0						
80	G4615 - Agents involved in the sale of furniture, household goods, hardware and ironmongery	0	0						
81	G4642 - Wholesale of clothing and footwear	0	0						
82	G4643 - Wholesale of electrical household appliances and equipment	0	0			0	0		
83	G4645 - Wholesale of perfume and cosmetics	0	0						
84	G4646 - Wholesale of pharmaceutical goods	2,065	0			0	0		
85	G4649 - Wholesale of other household goods	0	0						
86	G4651 - Wholesale of computers, computer peripheral equipment and software	0	0						
87	G4652 - Wholesale of electronic and telecommunications equipment and parts	0	0			0	0		
88	G4662 - Wholesale of machine tools	0	0						
89	G4663 - Wholesale of mining, construction and civil engineering machinery	21	0						
90	G4666 - Wholesale of other office machinery and equipment	0	0						
91	G4669 - Wholesale of other machinery and equipment	2	0			0	0		
92	G4672 - Wholesale of metals and metal ores	0	0			0	0		
93	G4673 - Wholesale of wood, construction materials and sanitary equipment	0	0						
94	G4674 - Wholesale of hardware, plumbing and heating equipment and supplies	0	0			0	0		
95	G4675 - Wholesale of chemical products	0	0			0	0		
96	G4676 - Wholesale of other intermediate products	0	0			0	0		
97	G4690 - Non-specialised wholesale trade	0	0						
98	G4711 - Retail sale in non-specialised stores with food, beverages or tobacco predominating	2	0						
99	G4752 - Retail sale of hardware, paints and glass in specialised stores	0	0						
100	G4771 - Retail sale of clothing in specialised stores	0	0						
101	G4799 - Other retail sale not in stores, stalls or markets	0	0			0	0		
102	H5010 - Sea and coastal passenger water transport	0	0						
103	H5223 - Service activities incidental to air transportation	0	0						
104	I5510 - Hotels and similar accommodation	3,157	182						
105	J5813 - Publishing of newspapers					75	0		
106	J5821 - Publishing of computer games	0	0			0	0		
107	J5829 - Other software publishing	0	0			0	0		
108	J5911 - Motion picture, video and television programme production activities	0	0			0	0		
109	J6110 - Wired telecommunications activities	0	0						
110	J6120 - Wireless telecommunications activities	0	0			0	0		
111	J6190 - Other telecommunications activities	172	0						
112	J6201 - Computer programming activities	0	0			0	0		
113	J6202 - Computer consultancy activities	0	0						
114	K6420 - Activities of holding companies	110	55						
115	K6420 - Financial and insurance activities	495	266						
116	K6492 - Other credit granting	57	48			14	0		
117	K6499 - Other financial service activities, except insurance and pension funding n.e.c.	2	0						
118	K6619 - Other activities auxiliary to financial services, except insurance and pension funding	31	32						
119	L6810 - Buying and selling of own real estate	137	18						
120	L6820 - Renting and operating of own or leased real estate	8,072	2,986			44	0		
121	L6832 - Management of real estate on a fee or contract basis	0	0						
122	M7010 - Activities of head offices	3,664	1,251			0	0		
123	M7022 - Business and other management consultancy activities	27	0						
124	M7112 - Engineering activities and related technical consultancy	766	6			0	0		
125	M7120 - Technical testing and analysis	0	0						
126	M7211 - Research and experimental development on biotechnology	169	90						
127	M7219 - Other research and experimental development on natural sciences and engineering	0	0						
128	M7220 - Research and experimental development on social sciences and humanities	0	0						
129	M7311 - Advertising agencies	0	0			0	0		
130	M7410 - Specialised design activities	0	0						
131	M7490 - Other professional, scientific and technical activities n.e.c.	0	0						
132	N8110 - Combined facilities support activities	0	0						
133	N8299 - Other business support service activities n.e.c.	1,594	49						
134	Q8810 - Social work activities without accommodation for the elderly and disabled	0	0			0	0		
135	R9329 - Other amusement and recreation activities	0	0						

Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)			
Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
SEK m	of which environmentally sustainable (WTR)	SEK m	of which environmentally sustainable (WTR)	SEK m	of which environmentally sustainable (CE)	SEK m	of which environmentally sustainable (CE)	SEK m	of which environmentally sustainable (PPC)	SEK m	of which environmentally sustainable (PPC)	SEK m	of which environmentally sustainable (BIO)	SEK m	of which environmentally sustainable (BIO)	SEK m	of which environmentally sustainable (TOTAL)	SEK m	of which environmentally sustainable (TOTAL)
0				0				0								628	222		
																1	0		
				0												12	11		
				0				0								0	0		
0				3												44	0		
0				0				0				0				0	0		
																0	0		
0				0												0	0		
																0	0		
				0												0	0		
				0												0	0		
0				0												0	0		
0				0												3	0		
0				0												0	0		
				0												0	0		
0				0												0	0		
				0												0	0		
0				0												2,065	0		
				0				1,044								1,044	0		
																0	0		
0				0												0	0		
0				0												0	0		
0				0												21	0		
				0												0	0		
0				0												2	0		
0				0												0	0		
0				0												0	0		
0				0												1	0		
0				0												0	0		
0				0												0	0		
0				0												0	0		
																2	0		
				0												0	0		
				0												0	0		
																0	0		
																0	0		
0																0	0		
												0				3,157	182		
																75	0		
																0	0		
0				0												0	0		
0				0				0				0				0	0		
				0												0	0		
				0												0	0		
																172	0		
0				0												0	0		
																0	0		
																110	55		
				7				1								503	266		
0				28				0				0				99	48		
				0												2	0		
				99												130	32		
																137	18		
0				93				0				0				8,209	2,986		
																0	0		
0				0												3,664	1,251		
				0												27	0		
0				9				0				0				775	6		
																0	0		
				3				1								172	90		
				0												0	0		
																0	0		
				0												0	0		
																0	0		
																0	0		
				0												0	0		
												0				1,594	49		
																0	0		
				0												0	0		

GAR KPI stock – Turnover

2024-12-31

	% (compared to total covered assets in the denominator)	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR – Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	95.7	6.3	5.8	0.0	0.1	0.0	0.0		0.0	0.0			
2	**Financial undertakings**	**54.5**	**4.2**		**0.0**	**0.0**	**0.0**	**0.0**		**0.0**	**0.0**			
3	Credit institutions	55.0	4.3		0.0	0.0	0.0	0.0		0.0	0.0			
4	Loans and advances	67.1	9.1		0.0	0.0	0.1	0.0		0.0	0.0			
5	Debt securities, including UoP	50.5	2.6		0.0	0.0	0.0	0.0		0.0	0.0			
6	Equity instruments													
7	Other financial corporations	44.4	0.1		0.0	0.0	0.0	0.0		0.0	0.0			
8	Of which investment firms	42.7	0.0		0.0	0.0								
9	Loans and advances	42.7	0.0		0.0	0.0								
10	Debt securities, including UoP													
11	Equity instruments													
12	Of which management companies	48.5	2.2		0.0	0.0	0.0	0.0		0.0	0.0			
13	Loans and advances	48.5	2.2		0.0	0.0	0.0	0.0		0.0	0.0			
14	Debt securities, including UoP													
15	Equity instruments													
16	Of which insurance undertakings	48.5	2.3		0.1	0.0	0.0	0.0		0.0	0.0			
17	Loans and advances													
18	Debt securities, including UoP													
19	Equity instruments	48.5	2.2		0.0	0.0	0.0	0.0		0.0	0.0			
20	**Non-financial undertakings**	**35.6**	**7.4**		**1.1**	**2.3**	**0.4**	**0.0**		**0.0**	**0.1**			
21	Loans and advances	35.6	7.4		1.1	2.3	0.4	0.0		0.0	0.1			
22	Debt securities, including UoP													
23	Equity instruments	48.5	2.2		0.0	0.0	0.0	0.0			0.0			
24	**Households**	**100.0**	**6.3**	**6.3**										
25	Of which loans collateralised by residential immovable property	100.0	6.3	6.3										
26	Of which building renovation loans													
27	Of which motor vehicle loans	100.0												
28	**Local government financing**													
29	Housing financing													
30	Other local government financing													
31	**Collateral obtained by taking possession: residential and commercial immovable properties**													
32	**Total GAR assets**	**51.2**	**3.4**	**3.1**	**0.0**	**0.1**	**0.0**	**0.0**		**0.0**	**0.0**			

2024-12-31

	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	0.0				0.0				0.2				95.9	6.3	5.8	0.0	0.1	41.0
	0.1				**0.0**				**0.0**				**54.7**	**4.2**		**0.0**	**0.0**	**1.4**
	0.0				0.0				0.0				55.0	4.3		0.0	0.0	1.4
	0.0				0.0				0.0				67.1	9.1		0.0	0.0	0.4
	0.0				0.0				0.0				50.6	2.6		0.0	0.0	1.0
	3.6				0.0				0.0				48.0	0.1		0.0	0.0	0.1
	3.9				0.0								46.6	0.0		0.0	0.0	0.1
	3.9				0.0								46.6	0.0		0.0	0.0	0.1
	0.0				0.0				0.0				48.5	2.2		0.0	0.0	0.0
	0.0				0.0				0.0				48.5	2.2		0.0	0.0	0.0
	0.0				0.0				0.0				48.5	2.3		0.1	0.0	0.0
	0.0				0.0				0.0				48.5	2.2		0.0	0.0	0.0
	0.7				**0.9**				**3.7**				**41.4**	**7.4**		**1.1**	**2.3**	**1.8**
	0.7				0.9				3.7				41.4	7.4		1.1	2.3	1.8
	0.0				0.0				0.0				48.5	2.2		0.0	0.0	0.0
													100.0	**6.3**	**6.3**			**37.8**
													100.0	6.3	6.3			37.8
													100.0					0.0
	0.0				**0.0**				**0.1**				**51.3**	**3.4**	**3.1**	**0.0**	**0.1**	**76.6**

GAR KPI stock – Turnover

2023-12-31

	% (compared to total covered assets in the denominator)	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling
	GAR – Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	94.2	4.3	4.0	0.0	0.1	0.0	0.0		0.0				
2	**Financial undertakings**	**2.0**	**0.0**		**0.0**	**0.0**	**0.0**	**0.0**						
3	Credit institutions							0.0						
4	Loans and advances							0.1						
5	Debt securities, including UoP													
6	Equity instruments													
7	Other financial corporations	39.2	0.1		0.0	0.1								
8	Of which investment firms	44.6	0.0		0.0	0.0								
9	Loans and advances	44.6	0.0		0.0	0.0								
10	Debt securities, including UoP													
11	Equity instruments													
12	Of which management companies													
13	Loans and advances													
14	Debt securities, including UoP													
15	Equity instruments													
16	Of which insurance undertakings													
17	Loans and advances													
18	Debt securities, including UoP													
19	Equity instruments													
20	**Non-financial undertakings**	**27.0**	**5.2**		**0.0**	**1.5**	**0.4**	**0.0**		**0.0**				
21	Loans and advances	27.0	5.2		0.1	1.5	0.4	0.0		0.0				
22	Debt securities, including UoP													
23	Equity instruments													
24	**Households**	**100.0**	**4.3**	**4.3**										
25	Of which loans collateralised by residential immovable property	100.0	4.3	4.3										
26	Of which building renovation loans													
27	Of which motor vehicle loans	100.0												
28	**Local government financing**													
29	Housing financing													
30	Other local government financing													
31	**Collateral obtained by taking possession: residential and commercial immovable properties**													
32	**Total GAR assets**	**48.5**	**2.2**	**2.1**	**0.0**	**0.0**	**0.0**	**0.0**		**0.0**				

2023-12-31

Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)					
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
												95.4	4.3	4.0	0.0	0.0	39.6
												46.9	**0.0**		**0.0**	**0.0**	**1.0**
												47.0	0.0		0.0	0.0	0.9
												28.5	0.0		0.0	0.0	0.1
												49.9					0.8
												50.3					0.0
												44.0	0.1		0.0	0.1	0.0
												44.6	0.0		0.0	0.0	0.0
												44.6	0.0		0.0	0.0	0.0
												33.0					
												33.0					
												30.1	**5.5**		**0.0**	**1.5**	**1.8**
												30.1	5.5		0.0	1.5	1.8
												100.0	**4.3**	**4.3**			**36.8**
												100.0	4.3	4.3			36.8
												49.2	**2.2**	**2.1**	**0.0**	**0.0**	**76.9**

GAR KPI stock – CapEx

2024-12-31

	% (compared to total covered assets in the denominator)	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling
	GAR – Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	96.2	6.5	5.8	0.1	0.1	0.0	0.0		0.0	0.0			
2	**Financial undertakings**	**53.6**	4.2		**0.0**	**0.0**	**0.1**	**0.0**		**0.0**	**0.0**			
3	Credit institutions	55.0	4.4		0.0	0.0	0.1	0.0		0.0	0.0			
4	Loans and advances	67.1	9.1		0.0	0.0	0.1	0.0		0.0	0.0			
5	Debt securities, including UoP	50.6	2.6		0.0	0.0	0.1	0.0		0.0	0.0			
6	Equity instruments													
7	Other financial corporations	19.3	0.2		0.0	0.1	0.0	0.0		0.0	0.0			
8	Of which investment firms	13.6	0.0		0.0	0.0								
9	Loans and advances	13.6	0.0		0.0	0.0								
10	Debt securities, including UoP													
11	Equity instruments													
12	Of which management companies	48.7	2.2		0.0	0.0	0.0	0.0		0.0	0.0			
13	Loans and advances	48.7	2.2		0.0	0.0	0.0	0.0		0.0	0.0			
14	Debt securities, including UoP													
15	Equity instruments													
16	Of which insurance undertakings	48.7	2.3		0.1	0.0	0.0	0.0		0.0	0.0			
17	Loans and advances													
18	Debt securities, including UoP													
19	Equity instruments	48.7	2.2		0.0	0.0	0.0	0.0		0.0	0.0			
20	**Non-financial undertakings**	**47.9**	**12.6**		**1.4**	**2.7**	**0.3**	**0.0**		**0.0**	**0.0**			
21	Loans and advances	47.9	12.6		1.4	2.7	0.3	0.0		0.0	0.0			
22	Debt securities, including UoP													
23	Equity instruments	48.7	2.2		0.0	0.0	0.0	0.0			0.0			
24	**Households**	**100.0**	**6.3**	**6.3**										
25	Of which loans collateralised by residential immovable property	100.0	6.3	6.3										
26	Of which building renovation loans													
27	Of which motor vehicle loans	100.0												
28	**Local government financing**													
29	Housing financing													
30	Other local government financing													
31	**Collateral obtained by taking possession: residential and commercial immovable properties**													
32	**Total GAR assets**	**51.5**	**3.5**	**3.1**	**0.0**	**0.1**	**0.0**	**0.0**		**0.0**	**0.0**			

2024-12-31

Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)					
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
0.0				0.1				0.0				96.3	6.5	5.8	0.1	0.1	41.0
0.0				**0.0**				**0.0**				**53.6**	**4.2**		**0.0**	**0.0**	**1.4**
0.0				0.0				0.0				55.1	4.4		0.0	0.0	1.4
0.0				0.0				0.0				67.2	9.1		0.0	0.0	0.4
0.0				0.0				0.0				50.7	2.6		0.0	0.0	1.0
0.0				0.0				0.0				19.3	0.2		0.0	0.1	0.1
0.0				0.0								13.6	0.0		0.0	0.0	0.1
0.0				0.0								13.6	0.0		0.0	0.0	0.1
0.0				0.0				0.0				48.7	2.2		0.0	0.0	0.0
0.0				0.0				0.0				48.7	2.2		0.0	0.0	0.0
0.0				0.0				0.0				48.7	2.3		0.1	0.0	0.0
0.0				0.0				0.0				48.7	2.2		0.0	0.0	0.0
0.6				**1.8**				**0.0**				**50.6**	**12.6**		**1.4**	**2.7**	**1.8**
0.6				1.8				0.0				50.6	12.6		1.4	2.7	1.8
0.0				0.0				0.0				48.7	2.2		0.0	0.0	0.0
												100.0	**6.3**	**6.3**			**37.8**
												100.0	6.3	6.3			37.8
												100.0					0.0
0.0				**0.0**				**0.0**				**51.5**	**3.5**	**3.1**	**0.0**	**0.1**	**76.6**

GAR KPI stock – CapEx

2023-12-31

	% (compared to total covered assets in the denominator)	Climate change mitigation (CCM): Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	CCM: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	CCM: Of which Use of Proceeds	CCM: Of which transitional	CCM: Of which enabling	Climate change adaptation (CCA): Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	CCA: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	CCA: Of which Use of Proceeds	CCA: Of which enabling	Water and marine resources (WTR): Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	WTR: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	WTR: Of which Use of Proceeds	WTR: Of which enabling
	GAR – Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	94.5	4.2	4.0	0.1	0.1	0.0	0.0		0.0				
2	**Financial undertakings**	**0.8**	**0.1**		**0.0**	**0.1**								
3	Credit institutions													
4	Loans and advances													
5	Debt securities, including UoP													
6	Equity instruments													
7	Other financial corporations	16.9	1.2		0.0	1.2								
8	Of which investment firms	5.4	0.0		0.0	0.0								
9	Loans and advances	5.4	0.0		0.0	0.0								
10	Debt securities, including UoP													
11	Equity instruments													
12	Of which management companies													
13	Loans and advances													
14	Debt securities, including UoP													
15	Equity instruments													
16	Of which insurance undertakings													
17	Loans and advances													
18	Debt securities, including UoP													
19	Equity instruments													
20	**Non-financial undertakings**	**35.5**	**4.7**		**1.2**	**1.4**	**0.0**	**0.0**		**0.0**				
21	Loans and advances	35.5	4.7		1.2	1.4	0.0	0.0		0.0				
22	Debt securities, including UoP													
23	Equity instruments													
24	**Households**	**100.0**	**4.3**	**4.3**										
25	Of which loans collateralised by residential immovable property	100.0	4.3	4.3										
26	Of which building renovation loans													
27	Of which motor vehicle loans	100.0												
28	**Local government financing**													
29	Housing financing													
30	Other local government financing													
31	**Collateral obtained by taking possession: residential and commercial immovable properties**													
32	**Total GAR assets**	**48.7**	**2.2**	**2.1**	**0.0**	**0.0**	**0.0**	**0.0**		**0.0**				

4.3
cont.

2023-12-31

Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)					
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
												95.9	4.3	4.0	0.1	0.1	39.6
												45.7	**0.1**		**0.0**	**0.1**	**1.0**
												47.0			0.0	0.0	0.9
												28.5			0.0	0.0	0.1
												49.9					0.8
												50.3					0.0
												21.9	1.2		0.0	1.2	0.0
												5.5	0.0		0.0	0.0	0.0
												5.5	0.0		0.0	0.0	0.0
												33.0					
												33.0					
												40.1	**5.1**		**1.2**	**1.4**	**1.8**
												40.1	5.1		1.2	1.4	1.8
																	0.0
												100.0	**4.3**	**4.3**			**36.8**
												100.0	4.3	4.3			36.8
												49.4	**2.2**	**2.1**	**0.0**	**0.0**	**76.9**

GAR KPI flow – Turnover

2024-12-31

	% (compared to flow of total eligible assets)	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling
	GAR – Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	93.2	7.2	5.8	0.0	0.2	0.0	0.0		0.0	0.0			
2	**Financial undertakings**	**63.7**	**7.8**		**0.0**	**0.0**	**0.1**	**0.0**		**0.0**	**0.0**			
3	Credit institutions	68.8	9.6		0.0	0.0	0.1	0.0		0.0				
4	Loans and advances	68.8	9.6		0.0	0.0	0.1	0.0		0.0				
5	Debt securities, including UoP													
6	Equity instruments													
7	Other financial corporations	56.1	5.2		0.0	0.0	0.0	0.0		0.0	0.0			
8	Of which investment firms	42.7	0.0											
9	Loans and advances	42.7	0.0											
10	Debt securities, including UoP													
11	Equity instruments													
12	Of which management companies													
13	Loans and advances													
14	Debt securities, including UoP													
15	Equity instruments													
16	Of which insurance undertakings													
17	Loans and advances													
18	Debt securities, including UoP													
19	Equity instruments													
20	**Non-financial undertakings**	**45.7**	**10.6**		**0.6**	**2.7**	**0.5**	**0.0**		**0.0**	**0.1**			
21	Loans and advances	45.9	10.7		0.6	2.7	0.6	0.0		0.0	0.1			
22	Debt securities, including UoP													
23	Equity instruments													
24	**Households**	**100.0**	**6.9**	**6.9**										
25	Of which loans collateralised by residential immovable property	100.0	6.9	6.9										
26	Of which building renovation loans													
27	Of which motor vehicle loans	100.0												
28	**Local government financing**													
29	Housing financing													
30	Other local government financing													
31	**Collateral obtained by taking possession: residential and commercial immovable properties**													
32	**Total GAR assets**	**38.9**	**3.0**	**2.4**	**0.0**	**0.1**	**0.0**	**0.0**		**0.0**	**0.0**			

2024-12-31

Circular economy (CE) – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	CE – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	CE – Of which Use of Proceeds	CE – Of which enabling	Pollution (PPC) – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	PPC – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	PPC – Of which Use of Proceeds	PPC – Of which enabling	Biodiversity and Ecosystems (BIO) – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	BIO – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	BIO – Of which Use of Proceeds	BIO – Of which enabling	Total (CCM + CCA + WTR + CE + PPC + BIO) – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Total – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Total – Of which Use of Proceeds	Total – Of which transitional	Total – Of which enabling	Proportion of total assets covered
0.1				0.1				0.3				93.8	7.2	5.8	0.0	0.2	41.7
0.4				**0.0**				**0.0**				**64.1**	**7.8**		**0.0**	**0.0**	**3.2**
												68.9	9.6				1.9
												68.9	9.6				1.9
0.9				0.0				0.0				57.0	5.2		0.0	0.0	1.3
3.9												46.6					0.3
3.9												46.6					0.3
0.7				**1.9**				**4.3**				**53.1**	**10.6**		**0.6**	**2.8**	**3.0**
0.7				1.9				4.3				53.4	10.7		0.6	2.8	3.0
												100.0	**6.9**	**6.9**			**35.4**
												100.0	6.9	6.9			35.4
												100.0					0.0
0.0				**0.1**				**0.1**				**39.1**	**3.0**	**2.4**	**0.0**	**0.1**	**100.0**

GAR KPI flow – CapEx

2024-12-31

% (compared to flow of total eligible assets)		Climate change mitigation (CCM): Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	CCM: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	CCM: Of which Use of Proceeds	CCM: Of which transitional	CCM: Of which enabling	Climate change adaptation (CCA): Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	CCA: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	CCA: Of which Use of Proceeds	CCA: Of which enabling	Water and marine resources (WTR): Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	WTR: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	WTR: Of which Use of Proceeds	WTR: Of which enabling
	GAR – Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	94.0	7.7	5.8	0.1	0.3	0.1	0.0		0.0	0.0			
2	**Financial undertakings**	**61.1**	**7.8**		**0.0**	**0.0**	**0.1**	**0.0**		**0.0**	**0.0**			
3	Credit institutions	68.8	9.6		0.0	0.0	0.1	0.0		0.0				
4	Loans and advances	68.8	9.6		0.0	0.0	0.1	0.0		0.0				
5	Debt securities, including UoP													
6	Equity instruments													
7	Other financial corporations	49.7	5.2		0.0	0.0	0.1	0.0		0.0	0.0			
8	Of which investment firms	13.6	0.0											
9	Loans and advances	13.6	0.0											
10	Debt securities, including UoP													
11	Equity instruments													
12	Of which management companies													
13	Loans and advances													
14	Debt securities, including UoP													
15	Equity instruments													
16	Of which insurance undertakings													
17	Loans and advances													
18	Debt securities, including UoP													
19	Equity instruments													
20	**Non-financial undertakings**	**59.2**	**17.7**		**1.0**	**3.9**	**0.6**	**0.0**		**0.0**	**0.0**			
21	Loans and advances	59.4	17.8		1.0	3.9	0.6	0.0		0.0	0.0			
22	Debt securities, including UoP													
23	Equity instruments													
24	**Households**	**100.0**	**6.9**	**6.9**										
25	Of which loans collateralised by residential immovable property	100.0	6.9	6.9										
26	Of which building renovation loans													
27	Of which motor vehicle loans	100.0												
28	**Local government financing**													
29	Housing financing													
30	Other local government financing													
31	**Collateral obtained by taking possession: residential and commercial immovable properties**													
32	**Total GAR assets**	**39.2**	**3.2**	**2.4**	**0.0**	**0.1**	**0.0**	**0.0**		**0.0**	**0.0**			

2024-12-31

Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)					
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
0.0				0.3				0.0				94.3	7.7	5.8	0.1	0.3	41.7
0.0				**0.0**				**0.0**				**61.1**	**7.8**		**0.0**	**0.0**	**3.2**
												68.9	9.6		0.0	0.0	1.9
												68.9	9.6		0.0	0.0	1.9
0.0				0.0				0.0				49.7	5.2		0.0	0.0	1.3
0.0												13.6	0.0				0.3
0.0												13.6	0.0				0.3
0.4				**3.7**				**0.0**				**63.9**	**17.7**		**1.0**	**3.9**	**3.0**
0.4				3.7				0.0				64.1	17.8		1.0	3.9	3.0
												100.0	**6.9**	**6.9**			**35.4**
												100.0	6.9	6.9			35.4
												100.0					0.0
0.0				**0.1**				**0.0**				**39.3**	**3.2**	**2.4**	**0.0**	**0.1**	**100.0**

KPI off-balance-sheet exposures – Stock, Turnover

		2024-12-31												
		Climate change mitigation (CCM)					**Climate change adaptation (CCA)**				**Water and marine resources (WTR)**			
% (compared to total eligible offbalance sheet assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	2.2	0.6		0.0	0.6	0.0	0.0		0.0	0.0			
2	Assets under management (AuM KPI)	4.7	1.4		0.1	0.6	0.4	0.0		0.0	0.0	0.0		0.0

KPI off-balance-sheet exposures – Stock, CapEx

		2024-12-31												
		Climate change mitigation (CCM)					**Climate change adaptation (CCA)**				**Water and marine resources (WTR)**			
% (compared to total eligible offbalance sheet assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	3.2	0.5		0.0	0.5	0.0	0.0		0.0				
2	Assets under management (AuM KPI)	5.3	2.0		0.2	0.8	0.6	0.0		0.0	0.0	0.0		0.0

KPI off-balance-sheet exposures – Flow, Turnover

		2024-12-31												
		Climate change mitigation (CCM)					**Climate change adaptation (CCA)**				**Water and marine resources (WTR)**			
% (compared to total eligible offbalance sheet assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	1.0	0.3		0.0	0.2	0.0	0.0						
2	Assets under management (AuM KPI)	4.4	1.1		0.1	0.5	0.3	0.0		0.0	0.0	0.0		0.0

KPI off-balance-sheet exposures – Flow, CapEx

		2024-12-31												
		Climate change mitigation (CCM)					**Climate change adaptation (CCA)**				**Water and marine resources (WTR)**			
% (compared to total eligible offbalance sheet assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	1.8	0.2		0.0	0.2	0.0	0.0						
2	Assets under management (AuM KPI)	4.7	1.6		0.1	0.6	0.4	0.0		0.0	0.0	0.0		0.0

2024-12-31

Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)				
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
0.7				0.1				0.2				3.1	0.6		0.0	0.6
0.7	0.0			0.1	0.0			0.0				6.0	1.5		0.1	0.6

2024-12-31

Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)				
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
0.1				0.1								3.5	0.5		0.0	0.5
0.4	0.0		0.0	0.1	0.0			0.0	0.0			6.5	2.0		0.2	0.8

2024-12-31

Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)				
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
0.1				0.0				0.6				1.7	0.3		0.0	0.2
0.6	0.0		0.0	0.2	0.0			0.0				5.4	1.2		0.1	0.5

2024-12-31

Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)				
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
0.0				0.0				0.0				1.9	0.2		0.0	0.2
0.4	0.0		0.0	0.1	0.0			0.0	0.0			5.7	1.6		0.1	0.6

Nuclear and fossil gas related activities in accordance with (EU) 2022/1214

In 2022 the European Commission determined that certain activities for power generation from fossil gas and nuclear energy shall be included in the taxonomy. The regulation consists of detailed technical criteria as well as requirements for separate reporting for non-financial and financial undertakings. The Bank has low exposures in the balance sheet to a limited number of non-financial counterparties whose economic activities are subject to these regulations, and these exposures are disclosed in the set templates.

On-balance sheet – credit portfolio

	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Off-balance sheet – financial guarantees, capital in mutual funds and discretionary portfolios

	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

Taxonomy-aligned economic activities (denominator)

On-balance sheet – credit portfolio, turnover

		Amount (SEK m) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	374	0.0	374	0.0		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	254	0.0	254	0.0		
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**83,312**	**3.3**	**83,305**	**3.3**	**7**	**0.0**
8.	**Total applicable KPI**	**83,940**	**3.4**	**83,933**	**3.4**	**7**	**0.0**

Taxonomy-aligned economic activities (denominator) cont.

On-balance sheet – credit portfolio, CapEx

		Amount (SEK m) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	454	0.0	454	0.0		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	80	0.0	80	0.0		
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**86,386**	**3.5**	**86,376**	**3.5**	**10**	**0.0**
8.	**Total applicable KPI**	**86,920**	**3.5**	**86,910**	**3.5**	**10**	**0.0**

Off-balance sheet – financial guarantees, capital in mutual funds and discretionary portfolios, turnover

		Amount (SEK m) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	196	0.0	196	0.0		
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	183	0.0	183	0.0		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**11,989**	**1.3**	**11,827**	**1.3**	**161**	**0.0**
8.	**Total applicable KPI**	**12,369**	**1.4**	**12,207**	**1.4**	**161**	**0.0**

Off-balance sheet – financial guarantees, capital in mutual funds and discretionary portfolios, CapEx

		Amount (SEK m) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	267	0.0	267	0.0		
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	67	0.0	67	0.0		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**16,739**	**1.9**	**16,623**	**1.9**	**116**	**0.0**
8.	**Total applicable KPI**	**17,073**	**1.9**	**16,957**	**1.9**	**116**	**0.0**

Taxonomy-aligned economic activities (numerator)

On-balance sheet – credit portfolio, turnover

	Amount (SEK m) and proportion						
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	374	0.4	374	0.4		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	254	0.3	254	0.3		
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**83,312**	**99.3**	**83,305**	**99.3**	**7**	**100.0**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**83,940**	**100**	**83,933**	**100**	**7**	**100**

On-balance sheet – credit portfolio, CapEx

	Amount (SEK m) and proportion						
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	454	0.5	454	0.5		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	80	0.1	80	0.1		
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**86,386**	**99.4**	**86,376**	**99.4**	**10**	**100.0**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**86,920**	**100**	**86,910**	**100**	**10**	**100**

Taxonomy-aligned economic activities (numerator) cont.

Off-balance sheet – financial guarantees, capital in mutual funds and discretionary portfolios, turnover

		Amount (SEK m) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0	0	0.0		
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	196	1.6	196	1.6		
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	183	1.5	183	1.5		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0	0	0.0		
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0	0	0.0		
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0	0	0.0		
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**11,989**	**96.9**	**11,827**	**96.9**	**161**	**100.0**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**12,369**	**100.0**	**12,207**	**100.0**	**161**	**100.0**

Off-balance sheet – financial guarantees, capital in mutual funds and discretionary portfolios, CapEx

		Amount (SEK m) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0	0	0.0		
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	267	1.6	267	1.6		
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	67	0.4	67	0.4		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0	0	0.0		
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0	0	0.0		
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0	0	0.0		
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**16,739**	**98.0**	**16,623**	**98.0**	**116**	**100.0**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**17,073**	**100.0**	**16,957**	**100.0**	**116**	**100.0**

Taxonomy-eligible but not taxonomy-aligned economic activities

On-balance sheet – credit portfolio, turnover

	Amount (SEK m) and proportion						
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.0	1	0.0		
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.0	2	0.0		
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.0	2	0.0		
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.0	1	0.0		
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,192,299**	**47.8**	**1,192,042**	**47.8**	**257**	**0.0**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**1,192,303**	**47.8**	**1,192,046**	**47.8**	**257**	**0.0**

On-balance sheet – credit portfolio, CapEx

	Amount (SEK m) and proportion						
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,195,868**	**48.0**	**1,195,684**	**48.0**	**184**	**0.0**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**1,195,868**	**48.0**	**1,195,684**	**48.0**	**184**	**0.0**

Taxonomy-eligible but not taxonomy-aligned economic activities cont.

Off-balance sheet – financial guarantees, capital in mutual funds and discretionary portfolios, turnover

		Amount (SEK m) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.0	1	0.0	1	0.0
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0.0	1	0.0	1	0.0
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	0.0	2	0.0	2	0.0
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	132	0.0	66	0.0	66	0.0
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	48	0.0	24	0.0	24	0.0
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	0.0	2	0.0	2	0.0
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**30,913**	**3.5**	**15,457**	**1.7**	**15,457**	**1.7**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**31,105**	**3.5**	**15,552**	**1.7**	**15,552**	**1.7**

Off-balance sheet – financial guarantees, capital in mutual funds and discretionary portfolios, CapEx

		Amount (SEK m) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.7	0.0	0.4	0.0	0.4	0.0
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	28.0	0.0	14.0	0.0	14.0	0.0
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6.0	0.0	3.0	0.0	3.0	0.0
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.3	0.0	0.7	0.0	0.7	0.0
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**32,827**	**3.7**	**16,413**	**1.8**	**16,413**	**1.8**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**32,863**	**3.7**	**16,431**	**1.8**	**16,431**	**1.8**

Handelsbanken's taxonomy disclosure for life insurance operations

Taxonomy disclosures for life insurance in accordance with article 8 in the taxonomy regulation

The proportion of the insurance or reinsurance undertaking's investments that are directed at funding, or are associated with, Taxonomy-aligned in relation to total investments			
The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below:		The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights	
Turnover-based: (%)	2.3	Turnover-based: (SEK m)	6,770
Capital expenditures-based: (%)	0.1	Capital expenditures-based: (SEK m)	234
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities.		The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.	
Coverage ratio: (%)	93.3	Coverage: (SEK m)	293,563
Additional, complementary disclosures: breakdown of denominator of the KPI			
The percentage of derivatives relative to total assets covered by the KPI.		The value in monetary amounts of derivatives.	
(%)	0.0	(SEK m)	1
The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/ EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings: (%)	23.1	For non-financial undertakings: (SEK m)	67,859
For financial undertakings: (%)	0.0	For financial undertakings: (SEK m)	0
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings: (%)	21.6	For non-financial undertakings: (SEK m)	63,530
For financial undertakings: (%)	0.0	For financial undertakings: (SEK m)	0
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings: (%)	29.6	For non-financial undertakings: (SEK m)	86,772
For financial undertakings: (%)	0.0	For financial undertakings: (SEK m)	0
The proportion of exposures to other counterparties and assets over total assets covered by the KPI:		Value of exposures to other counterparties and assets:	
(%)	–	SEK m	–
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy- aligned economic activities:		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities:	
(%)	1.9	SEK m	5,458
The value of all the investments that are funding economic activities that are not Taxonomy-eligible relative to the value of total assets covered by the KPI:		Value of all the investments that are funding economic activities that are not Taxonomy-eligible:	
(%)	23.1	SEK m	67,859
The value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned relative to the value of total assets covered by the KPI:		Value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned:	
(%)	21.9	SEK m	64,386

Handelsbanken's taxonomy disclosure for life insurance operations cont.

Taxonomy disclosures for life insurance in accordance with article 8 in the taxonomy regulation

Additional, complementary disclosures: breakdown of numerator of the KPI			
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings - Turnover-based: (%)	2.3	For non-financial undertakings – Turnover-based: (SEK m)	6,770
For non-financial undertakings -Capital expenditures-based: (%)	0.1	For non-financial undertakings – Capital expenditures-based: (SEK m)	234
For financial undertakings - Turnover-based: (%)	0.0	For financial undertakings – Turnover-based: (SEK m)	0
For financial undertakings- Capital expenditures-based: (%)	0.0	For financial undertakings – Capital expenditures-based: (SEK m)	0
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy- aligned:		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned:	
Turnover-based: (%)	–	Turnover-based: (SEK m)	–
Capital expenditures-based: (%)	–	Capital expenditures-based: (SEK m)	–
The proportion of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI:		Value of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI:	
Turnover-based: (%)	–	Turnover-based: (SEK m)	–
Capital expenditures-based: (%)	–	Capital expenditures-based: (SEK m)	–
Breakdown of the numerator of the KPI per environmental objective			
Taxonomy-aligned activities – provided 'do-not-significant-harm'(DNSH) and social safeguards positive assessment:			
(1) Climate change mitigation			
Turnover-based: (%)	4.5	Transitional activities: A % Turnover)	0.1
		Enabling activities: B % (Turnover)	0.7
Capital expenditures-based: (%)	0.1	Transitional activities: A % (CapEx)	0.0
		Enabling activities: B % (CapEx)	0.0
(2) Climate change adaptation			
Turnover-based: (%)	0.7	Enabling activities: B % (Turnover)	0.0
Capital expenditures-based: (%)	0.0	Enabling activities: B % (CapEx)	0.0
(3) The sustainable use and protection of water and marine resources			
Turnover-based: (%)	0.0	Enabling activities: B % (Turnover)	0.0
Capital expenditures-based: (%)	0.0	Enabling activities: B % (CapEx)	0.0
4) The transition to a circular economy			
Turnover-based: (%)	0.0	Enabling activities: B % (Turnover)	0.0
Capital expenditures-based: (%)	0.0	Enabling activities: B % (CapEx)	0.0
(5) Pollution prevention and control			
Turnover-based: (%)	0.0	Enabling activities: B % (Turnover)	0.0
Capital expenditures-based: (%)	0.0	Enabling activities: B % (CapEx)	0.0
(6) The protection and restoration of biodiversity and ecosystems			
Turnover-based: (%)	0.0	Enabling activities: B % (Turnover)	0.0
Capital expenditures-based: (%)	0.0	Enabling activities: B % (CapEx)	0.0

Nuclear and fossil gas related activities in accordance with (EU) 2022/1214 Insurance operations in the life insurance company

Insurance operations in the life insurance company

	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

Taxonomy-aligned economic activities (denominator)

Insurance operations in the life insurance company, turnover

		Amount (SEK m) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	0.0	4	0.0		
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**13,412**	**4.6**	**13,340**	**4.5**	**72**	**0.0**
8.	**Total applicable KPI**	**13,417**	**4.6**	**13,345**	**4.5**	**72**	**0.0**

Insurance operations in the life insurance company, CapEx

		Amount (SEK m) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.0	1	0.0		
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	14	0.0	14	0.0		
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	0.0	4	0.0		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.0	1	0.0		
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**143**	**0.0**	**96**	**0.0**	**47**	**0.0**
8.	**Total applicable KPI**	**163**	**0.1**	**117**	**0.0**	**47**	**0.0**

Taxonomy-aligned economic activities (numerator)

Insurance operations in the life insurance company, turnover

		Amount (SEK m) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	0.0	4	0.0		
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**13,412**	**100.0**	**13,340**	**100.0**	**72**	**100.0**
8.	**Total applicable KPI**	**13,417**	**100.0**	**13,345**	**100.0**	**72**	**100.0**

Insurance operations in the life insurance company, CapEx

		Amount (SEK m) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.4	1	0.6		
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	14	8.7	14	12.2		
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	2.7	4	3.8		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.8	1	1.1		
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**143**	**87.4**	**96**	**82.4**	**47**	**100.0**
8.	**Total applicable KPI**	**163**	**100.0**	**117**	**100.0**	**47**	**100.0**

Taxonomy-eligible but not taxonomy-aligned economic activities

Insurance operations in the life insurance company, turnover

		Amount (SEK m) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0	0	0.0
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**18,736**	**6.4**	**9,368**	**3.2**	**9,368**	**3.2**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**18,736**	**6.4**	**9,368**	**3.2**	**9,368**	**3.2**

Insurance operations in the life insurance company, CapEx

		Amount (SEK m) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0	0	0.0
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0	0	0.0
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7	0.0	3	0.0	3	0.0
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.0	0	0.0	0	0.0
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0	0	0.0
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**3,628**	**1.2**	**1,814**	**0.6**	**1,814**	**0.6**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**3,636**	**1.2**	**1,818**	**0.6**	**1,818**	**0.6**

Auditor's report on the review of Svenska Handelsbanken AB's (publ) sustainability report

NOTE: this is an unofficial translation of the report originally issued in Swedish. In case of discrepancies between the original report and this translation the original Swedish version shall prevail.

To the management of Svenska Handelsbanken AB (publ), corporate identity number 502007-7862

Conclusion

We have been commissioned by the management of Svenska Handelsbanken AB (publ) to review Svenska Handelsbanken AB's sustainability report for 2024. Svenska Handelsbanken AB's Sustainability Report consists of pages 259-371 of this document.

Based on our review described in the section Auditor's Responsibilities, no circumstances have come to light that give us reason to believe that the Sustainability Report has not, in all material respects, been prepared in accordance with the criteria, which include:

- that the Sustainability Report meets the requirements of the ESRS, with the exception that it is presented outside the Board of Directors' Report and that it is the management that is responsible for the preparation of the Sustainability Report;
- that the process that the company has implemented to identify reported sustainability information has been carried out as described in the sustainability report
- compliance with the reporting requirements of the EU Green Taxonomy Regulation Article 8

Basis for conclusion

We have conducted the review in accordance with ISAE 3000 (revised) Assurance engagements other than audits and review reviews of historical financial information. Our responsibilities under this standard are described in more detail in the section Auditor's Responsibilities.

We believe that the documentation we obtained during our review is sufficient and appropriate in order to provide us with a basis for our conclusion.

Information of particular importance

We would like to draw attention to the description of the principles and criteria for the Sustainability Report on page 261, where it is stated that the Sustainability Report has been prepared in accordance with the ESRS, with the exception of the requirement for placement in the Board of Directors' Report, and that the management is responsible for the preparation of the Sustainability Report.

Management's responsibilities

Management is responsible for preparing the Sustainability Report in accordance with applicable criteria as set out on page 261 of the Sustainability Report.

Management is responsible for designing and implementing a process to identify the information reported in the Sustainability Report in accordance with the ESRS and for describing this process in the ESRS 2 IRO-1 section of the Sustainability Report. These responsibilities include:

- to understand the context in which the Group's activities and business relationships take place and to develop an understanding of its relevant stakeholders;
- to identify the actual and potential impacts (both negative and positive) related to sustainability issues, as well as risks and opportunities that affect, or can reasonably be expected to affect, the Group's financial position, financial results, cash flows, access to financing or cost of capital in the short, medium or long term;
- assessing the materiality of the identified impacts, risks and opportunities related to sustainability issues by selecting and applying appropriate thresholds; and
- make assumptions that are reasonable under the circumstances.

The management is also responsible for the preparation of the Sustainability Report, which includes:

- compliance with disclosure requirements under the ESRS;
- compliance with the reporting requirements of the EU Green Taxonomy Regulation Article 8 and
- the selection and application of appropriate sustainability reporting methodologies and to make assumptions and estimates that are reasonable in the circumstances.

This responsibility also includes the internal control deemed necessary to prepare a sustainability report that does not contain material misstatements, whether due to irregularities or mistakes.

Limitations in the preparation of the Sustainability Report

When reporting forward-looking statements in accordance with the ESRS, the management of Svenska Handelsbanken AB (publ) must prepare forward-looking statements based on the assumptions made about events that may occur in the future and possible future activities of Svenska Handelsbanken AB (publ). Actual outcomes are likely to be different because expected events often do not occur as expected.

Auditor's responsibilities

Our task is to give a limited opinion on the sustainability report based on our review.

We have carried out the review in accordance with ISAE 3000 (revised). This standard requires us to plan and implement our review procedures to achieve limited assurance that the Sustainability Report has been prepared in accordance with the European Sustainability Reporting Standards (ESRS), except that it is presented outside the Board of Directors' Report and that it is the management that is responsible for the preparation of the Sustainability Report.

Audit firms apply the International Standard on Quality Management 1, which requires firms to design, implement and manage a quality management system including guidelines or procedures regarding compliance with ethical requirements, standards for professional practice and applicable legal and regulatory requirements.

We are independent in relation to Svenska Handelsbanken AB in accordance with generally accepted auditing practice in Sweden and have otherwise fulfilled our professional ethical responsibilities in accordance with these requirements.

The review includes obtaining evidence about the sustainability report through various measures. The auditor chooses which actions are to be performed, including by assessing the risks of material misstatement in the basis for the sustainability report, whether these are due to irregularities or mistakes. In this risk assessment, the auditor takes into account those parts of the internal control that are relevant to how Svenska Handelsbanken AB prepares the documentation in order to design review procedures that are appropriate in the circumstances, but not for the purpose of making an opinion on the effectiveness of the internal control. The review has been limited to a general analysis of the sustainability report and the basis for it, as well as inquiries from the company's staff. Our assurance is therefore based on limited assurance compared to an audit.

The review procedures mainly include:
Our review measures regarding the process the company has undertaken to identify sustainability information to report included, but were not limited to, the following:

- gain an understanding of the process by:
  - conducting inquiries to understand the sources of information used by management (e.g., stakeholder dialogues, business plans, and strategy documents); and
  - review the company's internal documentation of its process; and
- evaluate whether the information obtained from our actions on the process implemented by the company is consistent with the description of the process in the sustainability report.

Our review actions regarding the Sustainability Report included, but were not limited to, the following:

- obtain through inquiries a general understanding of the internal control environment, reporting processes and information systems relevant to the preparation of the information in the sustainability report.
- evaluated whether information identified as material through the process that the company has carried out to identify the content of the sustainability report is also included.
- evaluated whether the structure and presentation of the sustainability report is in line with the requirements of the ESRS;
- carry out inquiries to relevant personnel and analytical review procedures regarding selected disclosures in the Sustainability Report;
- perform random substantive review on a selection of disclosures in the sustainability report
- obtain, through inquiries and analytical review procedures, evidence on the methodologies for producing material estimates and forward-looking information and on how those methodologies were applied;
- gain an understanding of the process of identifying economic activities that are covered by and consistent with the EU Green Taxonomy and the corresponding disclosures in the sustainability report.

Other information
Our assignment does not include information relating to previous periods.

Stockholm, February 26, 2025

PricewaterhouseCoopers AB

Magnus Svensson Henryson
Authorized Public Accountant

Deloitte AB

Malin Lüning
Authorized Public Accountant

5.0

Other

Definitions and explanations

Alternative performance measures

The Bank's financial reports contain alternative performance measures which Handelsbanken believes provide valuable information to the reader since they are used by the Executive Team for internal financial control and follow-up of performance, and also for comparison between reporting periods.

Alternative Performance Measures (APMs) are financial measures of performance, financial position or cash flow that are neither defined in IFRS nor the Capital Requirements Regulation. These need not be comparable with similar key metrics (performance measures) presented by other companies. Calculations of certain key metrics are reported in the Fact Book which is available at Handelsbanken.com/ir.

Adjusted equity per share
Equity at the end of the year reduced by the equity effect of cash flow hedges and the minority share of equity. Adjusted equity is then divided by the number of ordinary shares at the year-end reduced by buybacks. Where applicable, the dilution effect is taken into account.

C/I ratio
Total expenses in relation to total income. In segment reporting, profit allocation is included in total income.

Credit loss ratio
Losses on loans to the public in relation to gross loans to the public at the beginning of the year.

Earnings per share
The profit for the year attributable to shareholders divided by the average number of outstanding shares. Where applicable, the dilution effect is taken into account.

Economic capital (EC)
Economic capital is a model for calculating economic capital which, in one measurement, identifies the Group's overall risks and indicates the capital which, with very high probability, will cover unexpected losses or decreases in value.

Interest margin
Net interest income for the period calculated for the full year, in relation to average total assets.

P/E ratio
Share price at year-end divided by earnings per share for the year.

Proportion of loans in Stage 3
Net loans to the public in Stage 3 in relation to total loans to the public.

Provision ratio stage 1
Provisions in Stage 1 for loans to the public in relation to total loans to the public in Stage 1.

Provision ratio stage 2
Provisions in Stage 2 for loans to the public in relation to total loans to the public in Stage 2.

Provision ratio stage 3
Provisions in Stage 3 for loans to the public in relation to total loans to the public in Stage 3.

Return on allocated capital
The segment's operating profit after profit allocation and tax, calculated using a tax rate of 20.6%, in relation to the average capital allocated quarterly during the year.

Return on equity
The year's profit in relation to average equity. Average equity for the last four quarters is adjusted for value changes on financial assets classified as fair value through other comprehensive income, derivatives in cash flow hedges, revaluation effects from defined benefit pension plans and a weighted average of new share issues, dividends, and repurchases of own shares.

Return on total assets
The year's profit in relation to the average of total assets for the past five quarters.

Total provision ratio
Total provisions for loans to the public in relation to total loans to the public.

Total return
The total of the year's change in share price and the total dividend per share paid during the year, divided by the share price at the end of the previous year.

Key metrics and definitions defined in the Capital Requirements Regulation

Additional own funds requirement
The requirement consists of an additional minimum requirement based on a formal decision from the regulatory authorities within the Pillar 2 framework and concerns risks that a bank is or could be exposed to that are not covered by the general minimum requirements.

Additional tier 1 instruments
Additional tier 1 instruments comprise perpetual subordinated loans which meet the requirements stated in Regulation (EU) No 575/2013 and can therefore be included in the tier 1 capital.

Capital requirements
The statutory capital requirement means that an institution which is subject to CRR must have a common equity tier 1 ratio of at least 4.5%, a tier 1 ratio of at least 6% and a total capital ratio of at least 8%. This means that own funds for the respective ratio must be at least the stated percentage of the risk exposure amount. For definitions of the respective own funds amounts, see Common equity tier 1 capital, Tier 1 capital and Total capital. In addition to the general requirements, the supervisory authority may add institution-specific requirements in accordance with Pillar 2 of the regulations.

Credit conversion factor (CCF)
Credit Conversion Factor (CCF) is a percentage value by which off-balance sheet exposures are multiplied to calculate the exposure amount. The credit conversion factor corresponds to the expected utilisation level of the exposure in the event of default.

Credit valuation adjustment (CVA) risk
Credit valuation adjustment (CVA) risk means the risk that the market value of a derivative will decrease, owing to deterioration of the creditworthiness of the counterparty. The CVA is a component in the regulations for the valuation of derivatives. An exposure to a counterparty with weaker creditworthiness must have a lower carrying amount than the equivalent exposure to a counterparty with better creditworthiness. In this context, credit valuation adjustment risk means that if a given counterparty's creditworthiness weakens, the balance sheet values of all derivative transactions with this counterparty with a positive market value decrease – and thus the Bank's equity decreases.

Common equity tier 1 capital
Common equity tier 1 capital is one of the components of own funds and mainly comprises equity. Deductions are made for dividends generated, goodwill and other intangible assets, etc. and the difference between an expected loss and provisions made for probable credit losses.

Common equity tier 1 ratio
Common equity tier 1 capital in relation to total risk exposure amount.

Common equity tier 1 ratio available for use as a buffer
The common equity tier 1 ratio after a deduction for the part of common equity tier 1 capital required to comply with alll formal capital requirements.

Exposure amount
Exposure amount (exposure at default) is the amount which is subject to capital adequacy requirements. For off-balance sheet items, the amounts are recalculated using the credit conversion factor (CCF). For derivatives, the exposure value is calculated according to the standardised approach for counterparty risk (SA-CCR).

Exposure value
Exposure value is the same as exposure amount. The exposure value concept is used in the standardised approach for credit risk.

Guidance in Pillar 2
Guidance in accordance with Pillar 2 of the regulations allows the supervisory authority to inform the bank of the capital level which it deems the bank must maintain, excluding the minimum and buffer requirements maintained to cover risks and manage future financial strain.

Leverage ratio
Tier 1 capital in relation to total assets, including certain off-balance sheet items recalculated with conversion factors defined in the standardised approach and regulatory adjustments from own funds.

Liquidity coverage ratio (LCR)
High-quality liquid assets in relation to an estimated net outflow of liquidity over a period of 30 days.

Own funds
Own funds are the sum of tier 1 and tier 2 capital.

Risk exposure amount
The capital requirement in accordance with CRR is multiplied by 12.5. Risk exposure amount is used in conjunction with market risk and operational risk.

Risk weight
A measure to describe the level of risk an exposure is expected to have according to the Capital Requirements Regulation.

Risk-weighted exposure amount
Exposure amount multiplied by risk weight. Risk-weighted exposure amount is used in conjunction with credit risk and counterparty risk.

Tier 1 capital
Common equity tier 1 capital including additional tier 1 instruments.

Tier 1 ratio
Tier 1 capital in relation to total risk exposure amount.

Tier 2 capital
Tier 2 capital mainly comprises subordinated loans which meet the requirements stated in Regulation (EU) No 575/2013 and can therefore be included in tier 2 capital.

Total capital ratio
Total capital in relation to total risk exposure amount.

Total risk-weighted exposure amount
Total risk exposure amount is the sum of risk exposure amount and risk-weighted exposure amount.

Explanations

CRR
Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

Defaults
A default shall be considered to have occurred with regard to a particular obligor when either or both of the following have taken place:
a) the institution considers that the obligor is unlikely to pay its credit obligations to the institution, the parent undertaking or any of its subsidiaries in full, without recourse by the institution to actions such as realising security;
b) the obligor is past due more than 90 days on any material credit obligation to the institution, the parent undertaking or any of its subsidiaries.

Expected loss (EL)
Expected loss or EL means the ratio of the amount expected to be lost on an exposure from a potential default of a counterparty or dilution over a one year period to the amount outstanding at default.

Forbearance measure
A forbearance measure is a concession by an institution towards an obligor that is experiencing or is likely to experience difficulties in meeting its financial commitments.

Internal ratings-based approach (IRB approach)
The internal ratings-based approach is the approach provided for in Chapter 3 of Regulation (EU) No 575/2013 for the calculation of risk-weighted exposure amounts for the purposes of points (a) and (f) of Article 92(3).

Loss given default (LGD)
Loss given default or LGD means the ratio of the loss on an exposure due to the default of a counterparty to the amount outstanding at default.

MREL requirement
Minimum requirement for own funds and eligible liabilities (MREL). The MREL requirement is expressed as a share of own funds and eligible liabilities relative to the risk-weighted exposure amount and the non risk-weighted exposure amount, respectively. The requirement is determined annually by the Swedish resolution authority, in accordance with the Swedish Resolution Act (SFS 2015:1016).

Net Stable Funding Ratio (NSFR)
The structural liquidity measure that is a ratio between available stable funding and the stable funding required.

Non-recurring items
Non-recurring items are items which Handelsbanken deems to be of a one-off nature. These are specified in Handelsbanken's Fact Book, which is available at Handelsbanken.com/ir.

OTC derivatives
Over-the-counter derivatives are uncleared tailor-made derivatives.

Own funds and eligible liabilities
The sum total of own funds and eligible liabilities according to the Swedish Resolution Act (SFS 2015:1016), intended to meet the MREL requirement.

Probability of default (PD)
Probability of default or PD means the probability of default of a counterparty over a one-year period.

Securitisation
Securitisation means a transaction or scheme, whereby the credit risk associated with an exposure or pool of exposures is tranched, having both of the following characteristics:
a) payments in the transaction or scheme are dependent upon the performance of the exposure or pool of exposures; b) the subordination of tranches determines the distribution of losses during the ongoing life of the transaction or scheme; c) the transaction or scheme does not create exposures with all the characteristics listed in Article 147(8) of Regulation (EU) No 575/2013.

Social security costs
Fees for financing social security systems. This comprises employers' contributions and special payroll tax in Sweden and equivalent taxes and charges for operations elsewhere.

Special items
Special items are items which tend to vary between financial reporting periods, such as provisions to the Oktogonen profit-sharing scheme, and which Handelsbanken has specified in detail to facilitate comparison of financial performance.

Standardised approach
The standardised approach is the approach provided for in Chapter 2 of Regulation (EU) No 575/2013 for the calculation of risk-weighted exposure amounts for the purposes of points (a) and (f) of Article 92(3). The standardised approach means that the risk weights used when calculating the capital requirement for credit risk are specified in the regulations.

Sustainability

2030 Agenda
The action plan containing the 17 Sustainable Development Goals (SDGs) that is to be achieved by 2030 and which was adopted by global leaders at the UN Sustainable Development Summit in September 2015.

Article 8 fund
Funds that, in accordance with the disclosure requirements stipulated in the SFDR, promote environmental or social characteristics and contribute to sustainability without having sustainability as the objective of management.

Article 9 fund
Funds that, in accordance with the disclosure requirements stipulated in the SFDR, have sustainable investment as their objective and invest in companies or projects that meet specific environmental or social objectives.

Carbon footprint
A calculation of the total greenhouse gas (GHG) emissions caused directly and indirectly by an individual, organisation, event or product.

Corporate Sustainability Reporting Directive (CSRD)
The EU Corporate Sustainability Reporting Directive that will regulate how certain companies will be required to report on sustainability in their annual reports. It applies to financial years beginning after 1 July 2024.

ESG
Environmental, social and governance criteria.

EU Taxonomy
An EU-wide classification system for sustainable activities. The introduction of the Taxonomy is part of the EU action plan for financing sustainable growth.

Equator Principles
A financial industry benchmark for determining, assessing and managing environmental and social risk in projects.

European Sustainability Reporting Standards (ESRS)
The EU standards that describe the sustainability reporting requirements under the CSRD.

Global Reporting Initiative (GRI)
GRI is an international standard for sustainability reporting.

Greenhouse Gas Protocol (GHG Protocol)
The most commonly used standard for calculating and reporting a company's GHG emissions.

Network for Greening the Financial System (NGFS)
A global network of more than 100 central banks and supervisors, which was founded in 2017 to promote a sustainable and climate-friendly financial systems by integrating climate-related risks in financial decisions and regulations.

Paris Agreement
At the UN Climate Change Conference in Paris in December 2015, world leaders reached a new global and legally binding climate agreement. The agreement entered into force in 2016 and commits countries to limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C.

Paris Aligned Benchmark (PAB)
An index that approximates a pathway for investments to achieve alignment with the goals of the Paris Agreement. This index is part of the EU's sustainability agenda to promote transparent and reliable climate-friendly investments.

Partnership for Carbon Accounting Financials (PCAF)
A global partnership of financial institutions that work together to develop and implement a harmonised approach to assess and disclose the GHG emissions associated with their loans and investments. The PCAF is the GHG Protocol's approved standard for the financial sector.

Physical climate risks
Physical climate risks arise as a consequence of global warming brought about by increased GHG emissions. This results in increased occurrences of extreme weather events, as well as rising sea levels, coastal erosion and similar consequences.

Principles For Responsible Banking (PRB)
The UN Principles for Responsible Banking. The aim of the Principles is to increase and visualise the banking sector's contribution to sustainability and strengthen the need for the finance sector to act in line with the Paris Agreement and the 17 SDGs.

Scope (1, 2 and 3)
These are different categories of emissions set by the GHG Protocol. Scope 1 includes direct GHG emissions that occur in the company's own operations. Scope 2 is indirect GHG emissions, for example, electricity that is purchased and used by the reporting company. Scope 3 comprises all other indirect GHG emissions that occur from a company's value chain that are not owned or controlled by the company.

Sustainable Development Goals
The Sustainable Development Goals (SDGs) are part of the 2030 Agenda. There are a total of 17 SDGs, which in turn have 169 associated targets. With these SDGs, global leaders have pledged to eradicate extreme poverty, combat inequalities and injustice and solve the climate crisis by 2030.

Sustainable Finance Disclosure Regulation (SFDR)
An EU regulation that aims to make it easier to compare the sustainability performance of different funds by requiring fund companies to disclose how sustainability risks are integrated into investment decisions, how the principal adverse impacts of sustainability factors are considered, and whether a fund has sustainable investment as its objective or promotes environmental or social characteristics.

Task Force on Climate-related Financial Disclosure (TCFD)
A global initiative that developed a framework to help businesses identify and prevent their climate-related risks and opportunities. The framework also provides guidance on reporting and transparency.

Taskforce on Nature-related Financial Disclosures (TNFD)
A global initiative to develop a set of disclosure recommendations and guidance for organisations to report and act on evolving nature-related dependencies, impacts, risks and opportunities.

Transition company
A company that is transitioning its operations to be more sustainable. An example is a company that is shifting away from fossil energy production to renewable energy.

Transition risks
Transition risks are risks that arise through changes to legislation, changes in the demand for products and services, changed customer behaviour or other structural shifts which take place as part of society's attempts to transition to a climate-neutral economy.

Branches and branch managers

Handelsbanken's strength lies in close relationships and local presence. With a nationwide network of branches in Sweden, the UK, Norway and the Netherlands, local experts are always available to provide qualified advice based on customer needs. This closeness to customers is not only the foundation that enables Handelsbanken to offer high-quality advisory services, but also one of the reasons why Handelsbanken is one of the most stable banks in the world. Local business decisions are made by employees who know both the customer and the local market, which results in more satisfied customers and better decisions.

The information applies as per 31 December 2024.

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Arboga **Larry Andersson**
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