

Interim Report

January-June

2024

Handelsbanken's Interim Report

January - June 2024

Q2 2024 (Q1 2024)

- Operating profit increased to SEK 8,511m (8,267).
- Return on equity increased to 15.2% (13.7).
- Earnings per share increased to SEK 3.43 (3.33).
- The C/I ratio improved to 41.5% (42.2).
- The credit loss ratio was -0.02% (-0.01).
- The common equity tier 1 ratio was 18.9% (18.8).
- The anticipated dividend was SEK 4.00 per share, equivalent to 116% of profit for the quarter.

JANUARY - JUNE 2024 (JANUARY - JUNE 2023)

- Operating profit was SEK 16,778m (17,357).
- Return on equity was 14.4% (15.6).
- Earnings per share amounted to SEK 6.77 (7.03).
- The C/I ratio was 41.9% (37.8).
- The credit loss ratio was -0.01% (0.01).
- The common equity tier 1 ratio was 18.9% (19.8).
- The anticipated dividend was SEK 5.20 per share, equivalent to 78% of profit for the period.

A stable quarter, with improved return on equity in all home markets

Income increased as net interest margins recovered and asset management and payment commissions increased. Expenses decreased and again net recoveries of credit losses were reported. Both the C/I ratio and return on equity improved. In the Bank's Norwegian operations, a new management group has taken measures with a focus on profitable growth. With balanced business growth, margin-driven increase in net interest income, and reduced expenses, the Norwegian operations reported improved earnings and return on equity during the quarter.

Measures taken to enhance efficiency

Actions were taken during the second quarter to improve efficiency. Group-wide functions have been streamlined and downsized, business support units have been rationalised and organised closer to the business-generating activities. During the quarter, agreements were reached with just over 200 employees regarding the termination of their employment, giving rise to a restructuring charge of just above SEK 300m. Around half of these individuals remained employed until the final day of the quarter, and the remainder will conclude their employment during the second half of the year. In addition, we have scaled back by 15% on agreements with external consultants during the quarter, corresponding to the equivalent of around 160 consultants. A lower cost base in business support units sharpens the Bank's competitive edge, and this efficiency work will continue throughout the rest of the year.

Stability, a long-term approach and a position of financial strength

The Bank's robust financial position, together with a business model based on a local presence, long-term approach and decentralisation, creates good conditions for the Bank to achieve profitable growth and high customer satisfaction. Demonstrating the strength of the Bank's business model, low level of risk and financial stability, Moody's raised the Bank's outlook from negative to stable, and confirmed the Bank's Aa2 rating. Credit ratings from the leading rating agencies put the Bank in a class with but a few others across the globe, sharing the highest combined rating.

SEK m	Q2 2024	Q1 2024	Change	Jan-Jun 2024	Jan-Jun 2023	Change
Total income	15,457	15,318	1%	30,775	30,151	2%
Total expenses	-6,420	-6,470	-1%	-12,890	-11,410	13%
Net credit losses	133	95	40%	228	-88	
Risk tax and resolution fee	-663	-680	-3%	-1,343	-1,307	3%
Operating profit	8,511	8,267	3%	16,778	17,357	-3%
Non-recurring items and special items in operating profit*	-173	-233		-361	-44	
Operating profit adjusted for items affecting comparability	8,684	8,500	2%	17,139	17,401	-2%

* Items affecting comparability consist of foreign exchange effects, non-recurring items and special items, which are presented in the tables on page 5 and 7.

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For definitions and calculation of alternative performance measures, together with specifications of foreign exchange effects, non-recurring items and special items, please see the Fact Book which is available at handelsbanken.com/ir. The figures presented in the tables in this interim report have not been rounded off, which may result in the sum totals for certain sub-items not equalling the total presented.

Group - Overview

SEK m	Q2 2024	Q1 2024	Change	Q2 2023	Change	Jan-Jun 2024	Jan-Jun 2023	Change	Full year 2023
Summary income statement									
Net interest income	11,746	11,587	1%	11,687	1%	23,333	23,172	1%	47,578
Net fee and commission income	2,939	2,754	7%	2,761	6%	5,693	5,527	3%	11,139
Net gains/losses on financial transactions	580	750	-23%	393	48%	1,330	995	34%	2,661
Net insurance result	138	125	10%	116	19%	263	207	27%	493
Other dividend income	0	2	-100%	1	-100%	2	2	0%	3
Share of profit of associates	6	68	-91%	20	-70%	74	19	289%	51
Other income	49	32	53%	187	-74%	81	229	-65%	325
Total income	15,457	15,318	1%	15,166	2%	30,775	30,151	2%	62,249
Staff costs	-3,990	-3,935	1%	-3,259	22%	-7,925	-6,729	18%	-13,642
Other expenses	-1,926	-2,056	-6%	-1,953	-1%	-3,982	-3,805	5%	-7,796
Depreciation, amortisation and impairment of property, equipment and intangible assets	-504	-479	5%	-421	20%	-983	-875	12%	-1,743
Total expenses	-6,420	-6,470	-1%	-5,634	14%	-12,890	-11,410	13%	-23,182
Profit before credit losses, risk tax and resolution fee	9,037	8,848	2%	9,531	-5%	17,885	18,741	-5%	39,067
Net credit losses	133	95	40%	-58		228	-88		-141
Gains/losses on disposal of property, equipment and intangible assets	4	4	0%	4	0%	8	11	-27%	20
Risk tax and resolution fee	-663	-680	-3%	-636	4%	-1,343	-1,307	3%	-2,624
Operating profit	8,511	8,267	3%	8,841	-4%	16,778	17,357	-3%	36,322
Taxes	-1,921	-1,874	3%	-2,066	-7%	-3,795	-4,000	-5%	-8,417
Profit for the period from continuing operations	6,590	6,393	3%	6,775	-3%	12,983	13,357	-3%	27,905
Profit for the period from discontinued operations after tax	204	211	-3%	329	-38%	415	561	-26%	1,209
Profit for the period	6,794	6,604	3%	7,104	-4%	13,398	13,918	-4%	29,114
Summary balance sheet*, end of period									
Loans to the public	2,301,960	2,297,097	0%	2,335,959	-1%	2,301,960	2,335,959	-1%	2,291,808
<i>of which households</i>	1,235,328	1,234,446	0%	1,243,247	-1%	1,235,328	1,243,247	-1%	1,223,770
<i>of which corporates</i>	1,065,961	1,062,215	0%	1,092,712	-2%	1,065,961	1,092,712	-2%	1,061,289
Deposits and borrowing from the public	1,416,323	1,422,065	0%	1,433,843	-1%	1,416,323	1,433,843	-1%	1,298,480
<i>of which households</i>	623,938	607,326	3%	617,206	1%	623,938	617,206	1%	596,671
<i>of which corporates</i>	792,385	814,739	-3%	816,636	-3%	792,385	816,636	-3%	701,809
Total equity	195,035	189,571	3%	196,286	-1%	195,035	196,286	-1%	205,085
Total assets	3,727,558	3,756,288	-1%	3,755,442	-1%	3,727,558	3,755,442	-1%	3,537,792
Summary of key figures									
Return on equity, total operations	15.2%	13.7%		16.2%		14.4%	15.6%		15.9%
C/I ratio, Continuing operations	41.5%	42.2%		37.1%		41.9%	37.8%		37.2%
Earnings per share (before and after dilution), SEK	3.43	3.33		3.59		6.77	7.03		14.70
Common equity tier 1 ratio, CRR	18.9%	18.8%		19.8%		18.9%	19.8%		18.8%
Total capital ratio, CRR	22.5%	22.4%		24.2%		22.5%	24.2%		23.9%

* A specification of assets and liabilities held for sale in the disposal groups in Finland is set out in Note 10.

Q2 2024 COMPARED WITH Q1 2024

Operating profit improved by 3% to SEK 8,511m (8,267).

Income grew by 1% to SEK 15,457m (15,318).

Expenses decreased by 1% to SEK -6,420m (-6,470).

A restructuring charge of SEK -302m was recognised during the quarter, alongside a reversal of the previously recognised preliminary provision for Oktogonen totalling SEK 74m (-233). Foreign exchange effects totalled SEK -49m. Adjusted for these items affecting comparability, expenses decreased by 2%.

The *C/I ratio* improved to 41.5% (42.2).

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

Profit increased to SEK 6,794m (6,604).

Earnings per share grew to SEK 3.43 (3.33).

Return on equity increased to 15.2% (13.7).

After deductions for the anticipated dividend, the *common equity tier 1 ratio* was 18.9% (18.8).

Income

SEK m	Q2 2024	Q1 2024	Change
Net interest income	11,746	11,587	1%
Net fee and commission income	2,939	2,754	7%
Net gains/losses on financial trans.	580	750	-23%
Other	192	227	-15%
Total income	15,457	15,318	1%

Net interest income rose by 1%, or SEK 159m, to SEK 11,746m (11,587). Foreign exchange effects totalled SEK 92m. Adjusted for foreign exchange effects, the change in net interest income was 1%, or SEK 67m. The net effect of margins and funding costs was positive, amounting to SEK 50m. Higher business volumes contributed SEK 3m. Other effects had a SEK 14m impact on net interest income.

Net fee and commission income increased by 7% to SEK 2,939m (2,754). Fund management, custody and other asset management commissions increased by 8% to SEK 1,798m (1,662), which included an 8% increase in mutual fund commissions to SEK 1,505m (1,400). Net payment commissions went up by 10% to SEK 455m (413), of which net card commissions increased by 8% to SEK 250m (232) as an effect of seasonally higher customer activity. Brokerage income increased by 9% to SEK 116m (106). Income from advisory services fell by 35% to SEK 36m (55). Lending and deposit commissions fell by 5% and amounted to SEK 253m (265). Insurance commissions increased by 5% to SEK 188m (179). Other items in net fee and commission income increased to SEK 93m (74).

Net gains/losses on financial transactions totalled SEK 580m (750). The contribution from the customer-driven business in Handelsbanken Markets was SEK 287m (327). The Bank's liquidity portfolio gave a SEK 32m lower contribution compared to the previous quarter, amounting to SEK 62m (94). Other net gains/losses on financial transactions, primarily related to bond repurchases and 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 231m (329).

Net insurance result rose by SEK 13m to SEK 138m (125), due to an improved insurance result of SEK 41m (27). Return on assets held on behalf of policyholders was SEK 97m (98).

Remaining income items decreased to SEK 55m (102).

Expenses

Staff costs rose by 1% to SEK -3,990m (-3,935). During the quarter, agreements were reached with just over 200 employees regarding the termination of their employment, giving rise to a restructuring charge in the amount of SEK -302m. Around half of these employees terminated their employment at the end of the quarter, with the remainder set to leave during the second half of the year. No provision was made for the Oktogonen profit-sharing scheme during the quarter, and the Bank reversed the preliminary provision of SEK -63m made during the first quarter. An amount of SEK 11m was reclassified from continuing to discontinued operations during the quarter, relating to the provision made during Q1 for the 2023 accounting year. The impact of Oktogonen on staff costs thus amounted to SEK 74m (-233) during the quarter. Foreign exchange effects totalled SEK -30m. Adjusted for the aforementioned items affecting comparability, staff costs increased by SEK 30m, or 1%. The average number of employees increased by 1% to 12,295 (12,200), although due to employment terminations at the end of the quarter linked to the Bank's efficiency work, the number of employees at the end of the quarter decreased to 12,229, compared to 12,242 at the end of the previous quarter.

Other expenses fell by 6% to SEK -1,926m (-2,056). The reduction was mainly due to a drop in consultant numbers, resulting from both a lower development rate and the replacement of consultants with salaried employees.

Depreciation, amortisation and impairment increased by 5% to SEK -504m (-479).

Credit losses

SEK m	Q2 2024	Q1 2024	Change
Net credit losses	133	95	38
Credit loss ratio as % of loans to the public	-0.02	-0.01	

Credit losses consisted of net reversals and amounted to SEK 133m (95). The credit loss ratio was -0.02% (-0.01).

Actual credit losses, amounting to SEK -89m (-48), were counterbalanced by previous provisions of SEK 61m (38). Recoveries of previously confirmed losses were SEK 31m (-7). Expected credit losses in Stage 3 totalled SEK -30m (-82). Provisions in Stage 1 and Stage 2 reduced credit losses by SEK 159m (195), partly due to the reversal of an expert-based provision of SEK 75m, partly to updated macroeconomic assumptions reducing the provisions by SEK 59m (65).

At the end of the quarter, the expert-based provision amounted to SEK 454m (529).

Risk tax and resolution fee

The risk tax and resolution fee totalled SEK -663m (-680). The invoice for the 2024 resolution fee was received during the second quarter. The final fee fell below the provisional calculation for the full year by SEK 35m. The resolution fee totalled SEK -249m (-266). The risk tax totalled SEK -414m (-414).

Taxes

The effective tax rate in continuing operations was 22.6% (22.7). 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 22.5% (22.6).

Discontinued operations

Profit from discontinued operations consists of the external income and expenses in the operations in Finland that are in the process of being divested, as well as additional costs in Sweden deriving from discontinued operations.

Profit from discontinued operations, after tax, decreased by 3% and amounted to SEK 204m (211).

Income decreased by 3% compared to the previous quarter, to SEK 643m (662), with net interest income decreasing by 3% to SEK 548m (563).

Expenses decreased by 3% to SEK -345m (-357).

Credit losses totalled SEK -9m (-3).

Non-recurring items and special items in operating profit

	Q2	Q1
SEK m	2024	2024
Special items		
Oktogonen: adjustment of allocation previous year (staff costs)	11	-170
Oktogonen: provision current year (staff costs)	63	-63
Non-recurring items		
Restructuring charge (staff costs)	-302	
Total	-228	-233

Foreign exchange effects

	Q2
Foreign exchange effects vs. previous quarter, SEKm	2024
Net interest income	92
Net fee and commission income	8
Net gains/losses on financial transactions	2
Other income	0
Total income	102
Staff costs	-30
Other expenses	-16
Depreciation and amortisation	-3
Total expenses	-49
Net loan losses	2
Gains/losses on disposal of property, equipment and intangible assets	0
Risk tax and resolution fee	
Operating profit	55

JANUARY – JUNE 2024 COMPARED WITH JANUARY – JUNE 2023

Operating profit decreased by 3% to SEK 16,778m (17,357).

Income rose by 2%, or SEK 624m, to SEK 30,775m (30,151).

Expenses rose by 13%, or SEK 1,480m, to SEK -12,890m (-11,410). Adjusted for items affecting comparability, expenses increased by 10%.

The *C/I ratio* was 41.9% (37.8).

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

Profit for the period amounted to SEK 13,398m (13,918).

Earnings per share amounted to SEK 6.77 (7.03).

Return on equity was 14.4% (15.6).

After deductions for the anticipated dividend, the *common equity tier 1 ratio* was 18.9% (19.8).

Income

SEK m	Jan-Jun 2024	Jan-Jun 2023	Change
Net interest income	23,333	23,172	1%
Net fee and commission income	5,693	5,527	3%
Net gains/losses on financial trans.	1,330	995	34%
Other	419	457	-8%
Total income	30,775	30,151	2%

Net interest income rose by 1%, or SEK 161m, to SEK 23,333m (23,172). Foreign exchange effects totalled

SEK 167m. All in all, the net effect of margins and funding costs had a SEK 432m impact. Lower business volumes had an impact of SEK -360m on net interest income. The liquidity portfolio contributed SEK -98m. The day effect, arising because of the additional day entailed by a leap year, was

SEK 103m. Lower costs for deposit guarantee schemes had an impact of SEK 49m. Other effects amounted to SEK -132m.

Net fee and commission income increased by 3% to SEK 5,693m (5,527). Fund management, custody and other asset management commissions increased by 7% to SEK 3,460m (3,223), which included a 6% increase in mutual fund commissions to SEK 2,905m (2,738). Brokerage income declined by 5% to SEK 222m (234). There was growth of 4% in net payment commissions to SEK 868m (831), with net card commissions totalling SEK 482m (489). Lending and deposit commissions fell by 11% to SEK 518m (579). Insurance commissions increased to SEK 367m (334). Advisory commissions decreased to SEK 91m (137). Other net fee and commission income amounted to SEK 167m (189).

Net gains/losses on financial transactions increased by 34%, or SEK 335m, to SEK 1,330m (995). The contribution from the customer-driven business in Handelsbanken Markets increased by SEK 46m to SEK 614m (568). The Bank's liquidity portfolio had a positive effect of SEK 145m, and amounted to SEK 156m (11). Other net gains/losses on financial transactions, primarily related to bond repurchases and 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 560m (416).

Net insurance result rose by SEK 56m to SEK 263m (207). The return on assets held on behalf of policyholders improved by SEK 73m and amounted to SEK 195m (122). Insurance result was SEK 68m (85).

Remaining income items totalled SEK 157m (250).

Expenses

Staff costs rose by 18%, or SEK 1,196m, to SEK -7,925m (-6,729). During the second quarter, agreements were reached with just over 200 employees regarding the termination of their employment, giving rise to a restructuring charge in the amount of SEK -302m. The provision for Oktogonen was SEK -159m (-202). Foreign exchange effects totalled SEK -48m. Adjusted for the restructuring charge, Oktogonen and foreign exchange effects, staff costs increased by 14%. The increase was attributable to a rise in the number of employees, annual salary adjustments, and the replacement of consultants with salaried employees.

The average number of employees grew by 7% to 12,248 (11,434). Of this increase, 5 percentage points were attributable to additional employees working in the branch operations, and 2 percentage within the Bank's IT development (primarily through the replacement of consultants with salaried employees).

Other expenses rose by 5%, or SEK 177m, to SEK -3,982m (-3,805). Adjusted for foreign exchange effects, the increase was 4%, or SEK 150m, which was mainly attributable to cost inflation in the Bank's home markets.

Depreciation, amortisation and impairments of property, equipment and intangible assets rose by 12% to SEK -983m (-875).

Credit losses

SEK m	Jan-Jun 2024	Jan-Jun 2023	Change
Net credit losses	228	-88	316
Credit loss ratio as % of loans to the public	-0.01	0.01	

Credit losses consisted of net reversals of SEK 228m (-88), with SEK 150m referring to a reversal of an expert-based provision, which thus amounted to SEK 454m (529) at the end of the period. The credit loss ratio was -0.01% (0.01).

Risk tax and resolution fee

The risk tax and resolution fee totalled SEK -1,343m (-1,307). The risk tax totalled SEK -828m (-822). The resolution fee totalled SEK -515m (-485).

Taxes

The effective tax rate in continuing operations was 22.6% (23.0). 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 22.5% (22.7).

Discontinued operations

Profit from discontinued operations, after tax, amounted to SEK 415m (561).

Income fell to SEK 1,305m (1,348), of which net interest income decreased by 1% to SEK 1,111m (1,118).

Expenses rose by 14% to SEK -702m (-617).

Credit losses totalled SEK -12m (15).

Non-recurring items and special items in operating profit

SEK m	Jan-Jun 2024	Jan-Jun 2023
Special items		
Oktagonen: adjustment of allocation previous year (staff costs)	-159	-202
Oktagonen: provision current year (staff costs)	0	
Non-recurring items		
Restructuring charge (staff costs)	-302	
Reversal of value added tax paid when divesting card acquiring business (Income)		158
Total	-461	-44

Foreign exchange effects

Foreign exchange effects vs. previous year, SEKm	Jan-Jun 2024
Net interest income	167
Net fee and commission income	12
Net gains/losses on financial transactions	-1
Other income	0
Total income	178
Staff costs	-48
Other expenses	-27
Depreciation and amortisation	-3
Total expenses	-78
Net loan losses	0
Gains/losses on disposal of property, equipment and intangible assets	0
Risk tax and resolution fee	
Operating profit	100

BUSINESS DEVELOPMENT

Q2 2024 compared with Q1 2024

The average volume of *loans to the public* in the home markets grew to SEK 2,256bn (2,246).

The average volume of *deposits and borrowing from the public* in the home markets grew by 2% and totalled SEK 1,252bn (1,227).

Total assets under management in the Group increased by 3% and amounted to SEK 1,148bn (1,115) at the end of the period, of which SEK 1,050bn (1,028) was invested in the Bank's mutual funds. The net flow in the Bank's mutual funds was SEK 2.8bn (-0.6), of which SEK 1.9bn (4.0) was in the Swedish market.

January – June 2024 compared with January – June 2023

The average volume of *loans to the public* in the home markets fell by 1%, and totalled SEK 2,251bn (2,275).

The average volume of *deposits and borrowing from the public* in the home markets was SEK 1,240bn (1,256).

Total assets under management in the Group increased by 11% over the past 12 months and at the end of the period amounted to SEK 1,148bn (1,035), of which SEK 1,050bn (939) was invested in the Bank's mutual funds. The net flow to the Bank's mutual funds in Sweden amounted to SEK 2.2bn (16.0).

Of the net flow in the Swedish mutual fund market during the first six months of the year, a total of 6% was invested in Handelsbanken's funds. The Bank's share of the Swedish mutual fund market was 11.8%.

RATING

	Long-term	Short-term	Counterparty risk rating
Standard & Poor's	AA-	A-1+	AA-
Fitch	AA	F1+	
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 combined rating from the three leading rating agencies. All of the Bank's credit ratings by all rating agencies were confirmed as unchanged during the first half of the year. In June 2024, Moody's changed the outlook for the Bank to stable (negative). The outlooks from Fitch and Standard and 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.

Long-term assets are funded with stable long-term liabilities in the form of stable market funding and long-term stable deposits and borrowing from the public. Short-term liabilities, in the form of other deposits and borrowing from the public and short-term market funding, are matched by short-term assets and a liquidity reserve of SEK 880bn (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 encumbrance ratio of its assets acts as further protection against liquidity risk, as it entails an unutilised issue amount of approximately SEK 690bn, mainly in the form of covered bonds. The low encumbrance 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 amounted to 256% (261 at year-end 2023).

At the end of the quarter, the Group's liquidity coverage ratio, (LCR), calculated according to the European Commission's delegated act, was 188% (210% at the end of the preceding year). At the end of the quarter, the net stable funding ratio (NSFR) according to CRR2 was 121% (120 at the end of the preceding year).

During the period, the Bank had access to all of its desired funding markets. A contributing factor to the Bank's good access to market funding is that its credit rating among the leading rating agencies is the combined highest in the world, a position shared with but a few other private banks.

Bond issues during the first half of the year totalled SEK 97bn (146 during the corresponding period of the previous year), of which SEK 71bn (89) was in covered bonds and SEK 26bn (57) in senior bonds, with SEK 9bn (11) non-preferred bonds also constituting eligible liabilities issued according to the Bank's framework for green bonds. A green covered bond denominated in Swedish kronor was also issued during the quarter according to the same framework, amounting to SEK 6bn. No subordinated loans were issued during the period (-).

CAPITAL

After anticipated dividends, the common equity tier 1 ratio was 18.9% at the end of the quarter. The Bank's assessment is that the common equity tier 1 capital requirement, including Pillar 2 guidance, amounted to 14.9% (SEK 126bn) on the same date. The common equity tier 1 capital requirement in Pillar 2 is 1.8 percentage points (0.5 percentage points Pillar 2 guidance and 1.3 percentage points Pillar 2 requirement), corresponding to SEK 15bn. The countercyclical buffer requirement increased slightly during the quarter, and was 2.0%.

At the end of the quarter, the total capital ratio was 22.5%. The Bank's estimation is that the total capital requirement, including Pillar 2 guidance, amounted to 19.1% (SEK 162bn) on the same date. The total capital requirement in Pillar 2 comprises 2.5 percentage points, corresponding to SEK 21bn.

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. Considering the current environment, the Bank intends during 2024 to maintain an extra common equity tier 1 capital buffer of one percentage point over the usual long-term target range of 1-3 percentage points more than the amount required by the Swedish Financial Supervisory Authority. This level sets Handelsbanken apart as a first-class counterparty in uncertain times, and contributes to cementing the Bank's particular financial position as one of the world's safest banks according to the leading international rating agencies. The extra buffer also means that, regardless of surrounding developments, the Bank has the capacity to take significant responsibility for the supply of credit and to grow its business in pace with customer demand. In connection with the year-end report at the latest, the Bank will make a reassessment of the appropriate buffer, depending on the prevailing business environment. In order to calibrate the common equity tier 1 ratio to 4 percentage points above the Swedish Financial Supervisory Authority's requirement, a dividend was anticipated during the quarter corresponding to SEK 4.00 per share.

Capital for consolidated situation 30 June 2024 compared with 31 March 2024

SEK m	30 Jun 2024	31 Mar 2024	Change
Common equity tier 1 ratio (%)	18.9%	18.8%	0.1
Total capital ratio (%)	22.5%	22.4%	0.1
Total risk-weighted exposure amount	848,556	863,310	-2%
Common equity tier 1 (CET1) capital	160,292	162,648	-1%
Total capital	190,568	193,227	-1%
Total equity	195,035	189,571	3%

Total own funds amounted to SEK 191bn (193) and the total capital ratio was 22.5% (22.4). The common equity tier 1 capital was SEK 160bn (163), while the common equity tier 1 ratio was 18.9% (18.8).

Profit for the period increased the common equity tier 1 ratio by 0.7 percentage points. Anticipated dividends had an impact of -0.9 percentage points. Volume changes had a neutral effect. Credit risk migrations had an impact of -0.1 percentage points. The net effect of differing credit qualities for

inflows and outflows had an impact of 0.1 percentage points. Foreign exchange effects were neutral. Structural foreign exchange positions in GBP, which were temporarily higher during the previous quarter, had an impact of 0.2 percentage points quarter on quarter. Other effects had a 0.1 percentage points impact.

Capital for consolidated situation 30 June 2024 compared with 30 June 2023

SEK m	30 Jun 2024	30 Jun 2023	Change
Common equity tier 1 ratio (%)	18.9%	19.8%	-0.9
Total capital ratio (%)	22.5%	24.2%	-1.7
Total risk-weighted exposure amount	848,556	837,505	1%
Common equity tier 1 (CET1) capital	160,292	166,003	-3%
Total capital	190,568	202,556	-6%
Total equity	195,035	196,286	-1%

Total own funds were SEK 191bn (203), and the total capital ratio amounted to 22.5% (24.2). The common equity tier 1 capital was SEK 160bn (166), while the common equity tier 1 ratio was 18.9% (19.8).

Profit for the period increased the common equity tier 1 ratio by 3.2 percentage points. Paid and anticipated dividends had an impact of -3.5 percentage points. Volume changes had an impact of 0.2 percentage points, rating migrations -0.5 percentage points and the net effect of differing credit qualities for inflows and outflows 0.1 percentage points. Exchange rate movements had a neutral effect. The move of the risk weight floor for lending secured by commercial properties in Sweden from Pillar 2 to Pillar 1 accounted for -0.4 percentage points. Overall, other effects were neutral.

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 quarter, Group EC totalled SEK 66.6bn (66.7), while AFR was SEK 229.2bn (236.7). Thus, the ratio between AFR and EC was 344% (355). For the consolidated situation, EC totalled SEK 37.6bn (39.0), and AFR was SEK 221.0bn (229.0).

SUSTAINABILITY

Handelsbanken published its Green Bond Impact Report for 2023 during the second quarter, which describes the Bank's green assets and the positive environmental impact achieved by the Bank's outstanding green bonds. During the year, the Bank's green bonds contributed to reducing, and eliminating, carbon dioxide emissions of just over 90,000 tonnes.

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. In Morningstar's late-April report on the largest funds in the highest sustainability category (article 9), three of Handelsbanken's funds were included on the accompanying top 10 list. The largest of all article 9 funds was Handelsbanken Global Index Criteria, with a total volume of assets under management of EUR 10bn.

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 38% to SEK 104.8bn (75.9); as part of this total, green mortgages grew by 11% to SEK 37.6bn (33.9). In addition, sustainability-linked loan facilities amounted to SEK 120bn (79).

Handelsbanken Group - Business segments in continuing operations

January - June 2024	Home markets						Adj. & elim.	Total Jan-Jun 2024
	Sweden	UK	Norway	The Netherlands	Markets	Other		
SEK m								
Net interest income	14,655	5,313	2,473	978	-16	-70		23,333
Net fee and commission income	4,414	424	331	85	267	172		5,693
Net gains/losses on financial transactions	579	110	42	9	614	-24		1,330
Net insurance result	264		-1					263
Share of profits associated companies						74		74
Other income	39	0	4	1	1	38		83
Total income	19,950	5,848	2,848	1,073	866	189		30,775
Staff costs	-2,522	-1,751	-636	-306	-493	-2,352	135	-7,925
Other expenses	-624	-446	-312	-84	-262	-2,254		-3,982
Internal purchased and sold services	-2,622	-741	-407	-158	51	3,878		
Depreciation, amortisation and impairments of property, equipment and intangible assets	-363	-188	-54	-29	-71	-267	-12	-983
Total expenses	-6,132	-3,126	-1,408	-577	-776	-995	123	-12,890
Profit before credit losses, risk tax and resolution fee	13,819	2,722	1,440	497	91	-806	123	17,885
Net credit losses	95	116	16	1				228
Gains/losses on disposal of property, equipment and intangible assets	4	0	3			0		8
Risk tax and resolution fee	-1,016		-205	-66	-13	-43		-1,343
Operating profit	12,902	2,838	1,254	432	78	-848	123	16,778
Profit allocation	174	22	27	0	-193	-29		
Operating profit after profit allocation	13,075	2,860	1,281	432	-115	-878	123	16,778
Internal income	2,820	1,899	-5,360	-59	105	595		

January - June 2023	Home markets						Adj. & elim.	Total Jan-Jun 2023
	Sweden	UK	Norway	The Netherlands	Markets	Other		
SEK m								
Net interest income	14,648	5,274	2,215	940	-11	106		23,172
Net fee and commission income	4,182	417	323	82	329	193		5,527
Net gains/losses on financial transactions	357	113	41	7	568	-91		995
Net insurance result	205		1					207
Share of profits associated companies						19		19
Other income	175	1	3	0	1	51		231
Total income	19,568	5,805	2,584	1,029	887	279		30,151
Staff costs	-2,382	-1,496	-527	-264	-469	-1,789	198	-6,729
Other expenses	-732	-422	-254	-67	-216	-2,114		-3,805
Internal purchased and sold services	-2,342	-692	-352	-126	10	3,501		
Depreciation, amortisation and impairments of property, equipment and intangible assets	-328	-148	-46	-29	-65	-247	-12	-875
Total expenses	-5,783	-2,758	-1,179	-486	-740	-650	186	-11,410
Profit before credit losses, risk tax and resolution fee	13,785	3,048	1,404	544	146	-371	186	18,741
Net credit losses	-116	-7	25	1		9		-88
Gains/losses on disposal of property, equipment and intangible assets	8	0	3	0				11
Risk tax and resolution fee	-956		-194	-54	-10	-93		-1,307
Operating profit	12,720	3,040	1,238	491	136	-454	186	17,357
Profit allocation	236	28	22	0	-246	-41		
Operating profit after profit allocation	12,957	3,068	1,260	491	-110	-495	186	17,357
Internal income	2,275	1,173	-3,651	-71	294	-20		

The business segments consist of Handelsbanken Sweden, Handelsbanken UK, Handelsbanken Norway, Handelsbanken the Netherlands and Handelsbanken Markets. The income statements by segment include internal items such as internal interest, commissions and payment for internal services rendered, primarily according to the cost price principle. The part of Handelsbanken Markets' operating profit that does not involve risk-taking is allocated to branches with customer responsibility. 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.

A reorganisation took place during Q2 2024, with the aim of creating an even more efficient and business-centric organisation. Parts of the central HR, finance and accounting and communications departments, the financial crime prevention unit that was previously part of Other, and parts of business support that were previously part of Handelsbanken Markets, have been transferred to Handelsbanken Sweden. The operations in Luxembourg and New York, i.e. the business undertaken outside the home markets, has been transferred from Handelsbanken Markets to Other. In addition, parts of Handelsbanken's IT department that were previously part of Other have been transferred to Handelsbanken Markets. As communicated via press release on 5 July, the comparative figures in the segment reporting have been recalculated following the reorganisation.

Handelsbanken Sweden

INCOME STATEMENT

SEK m	Q2 2024	Q1 2024 Change	Q2 2023 Change	Jan-Jun 2024	Jan-Jun 2023 Change	Full year 2023
Net interest income	7,328	7,327 0%	7,430 -1%	14,655	14,648 0%	30,222
Net fee and commission income	2,290	2,124 8%	2,109 9%	4,414	4,182 6%	8,460
Net gains/losses on financial transactions	249	330 -25%	152 64%	579	357 62%	1,185
Net insurance result	139	125 11%	115 21%	264	205 29%	494
Other income	26	13 100%	161 -84%	39	175 -78%	214
Total income	10,031	9,919 1%	9,969 1%	19,950	19,568 2%	40,575
Staff costs	-1,269	-1,253 1%	-1,169 9%	-2,522	-2,382 6%	-4,783
Other expenses	-303	-321 -6%	-384 -21%	-624	-732 -15%	-1,353
Internal purchased and sold services	-1,295	-1,327 -2%	-1,147 13%	-2,622	-2,342 12%	-4,738
Depreciation, amortisation and impairments of property, equipment and intangible assets	-180	-183 -2%	-163 10%	-363	-328 11%	-665
Total expenses	-3,047	-3,085 -1%	-2,862 6%	-6,132	-5,783 6%	-11,538
Profit before credit losses, risk tax and resolution fee	6,984	6,835 2%	7,106 -2%	13,819	13,785 0%	29,037
Net credit losses	29	66 -56%	-77	95	-116	-142
Gains/losses on disposal of property, equipment and intangible assets	2	2 0%	2 0%	4	8 -50%	14
Risk tax and resolution fee	-505	-511 -1%	-464 9%	-1,016	-956 6%	-1,919
Operating profit	6,510	6,392 2%	6,567 -1%	12,902	12,720 1%	26,990
Profit allocation	80	94 -15%	96 -17%	174	236 -26%	406
Operating profit after profit allocation	6,589	6,486 2%	6,664 -1%	13,075	12,957 1%	27,395
Internal income	1,414	1,406 1%	1,166 21%	2,820	2,275 24%	5,767
Cost/income ratio, %	30.1	30.8	28.4	30.5	29.2	28.2
Credit loss ratio, %	-0.01	-0.01	0.01	-0.01	0.01	0.01
Allocated capital	114,065	127,599 -11%	113,187 1%	114,065	113,187 1%	123,899
Return on allocated capital, %	18.3	16.1	18.7	17.2	17.5	18.2
Average number of employees	4,790	4,760 1%	4,650 3%	4,775	4,633 3%	4,695

BUSINESS VOLUMES

Average volumes, SEK bn	Q2 2024	Q1 2024 Change	Q2 2023 Change	Jan-Jun 2024	Jan-Jun 2023 Change	Full year 2023
Loans to the public*						
Household	967	971 0%	984 -2%	969	984 -2%	981
<i>of which mortgage loans</i>	940	943 0%	949 -1%	941	949 -1%	948
Corporates	627	627 0%	644 -3%	627	646 -3%	644
<i>of which mortgage loans</i>	450	447 1%	438 3%	448	434 3%	439
Total	1,594	1,598 0%	1,628 -2%	1,596	1,630 -2%	1,625
Deposits and borrowing from the public						
Household	482	474 2%	485 -1%	478	482 -1%	483
Corporates	361	357 1%	365 -1%	359	371 -3%	365
Total	842	831 1%	851 -1%	837	854 -2%	848

* Excluding loans to the National Debt Office.

Q2 2024 COMPARED WITH Q1 2024

Operating profit increased by 2% to SEK 6,510m (6,392). *Return on allocated capital* increased to 18.3% (16.1). The *C/I ratio* was 30.1% (30.8).

Income grew by 1% to SEK 10,031m (9,919).

Expenses decreased by 1% to SEK -3,047m (-3,085).

Net interest income increased marginally to SEK 7,328m (7,327). Changed business volumes had an impact of SEK -19m. The net amount of changed margins and funding costs reduced net interest income by SEK 17m. Other effects had a SEK 37m impact.

Net fee and commission income rose by 8% to SEK 2,290m (2,124). The increase was primarily due to continued positive developments in mutual fund commissions and a positive net payment commissions trend.

Net gains/losses on financial transactions totalled SEK 249m (330).

Net insurance result increased to SEK 139m (125).

Other income amounted to SEK 26m (13).

Staff costs rose by 1% to SEK -1,269m (-1,253). The average number of employees was 4,790 (4,760), although due to employment terminations at the end of the quarter, the number of employees at the end of the quarter decreased to 4,751, compared to 4,773 at the end of the previous quarter.

Other expense items fell by 3% to SEK -1,778m (-1,831).

Credit losses consisted of net reversals of SEK 29m (66). The credit loss ratio was -0.01% (-0.01).

The *risk tax* totalled SEK -308m (-302). The *resolution fee* was SEK -197m (-209).

JANUARY – JUNE 2024 COMPARED WITH JANUARY – JUNE 2023

Operating profit increased by 1% to SEK 12,902m (12,720). *Return on allocated capital* was 17.2% (17.5). The *C/I ratio* was 30.5% (29.2).

Income grew by 2% to SEK 19,950m (19,568).

Expenses rose by 6% to SEK -6,132m (-5,783).

Net interest income increased to SEK 14,655m (14,648).

Lower business volumes reduced net interest income by SEK 271m. The net effect of changes to margins and funding costs was an increase in net interest income amounting to SEK 155m. The day effect had an impact of SEK 66m. Costs for the Swedish deposit guarantee scheme decreased by SEK 46m to SEK -108m (-154). Other effects in net interest income contributed SEK 11m.

Net fee and commission income increased by 6% to SEK 4,414m (4,182), mainly due to mutual fund commissions increasing by 7% to SEK 2,528m (2,359). Custody and other asset management commissions increased by 18% to SEK 414m (352). Brokerage and other securities commissions decreased by 5% to SEK 83m (87). Insurance commissions increased by 10% to SEK 366m (332). Commission income

from loans and deposits and from guarantees decreased by 11% to SEK 369m (414). Net payment commissions went up by 5% to SEK 644m (614), of which net card commissions decreased marginally to SEK 482m (489).

Net gains/losses on financial transactions increased to SEK 579m (357).

Net insurance result increased to SEK 264m (205).

Other income amounted to SEK 39m (175).

Staff costs rose by 6% to SEK -2,522m (-2,382). The increase was due to annual salary adjustments and a 3% increase in the average number of employees to 4,775 (4,633), arising due to additional employees in the branch operations.

Other expense items rose by 6% to SEK -3,609m (-3,402), mainly due to increased IT investments and business development, as well as the general effects of cost inflation on purchased services.

Credit losses consisted of net reversals of SEK 95m (-116) and the credit loss ratio was -0.01% (0.01).

The *risk tax* amounted to SEK -610m (-600), and the *resolution fee* amounted to SEK -406m (-357).

BUSINESS DEVELOPMENT

Q2 2024 compared with Q1 2024

The total *average volume of lending* fell marginally to SEK 1,594bn (1,598). Household lending fell marginally to SEK 967bn (971) and corporate lending was unchanged at SEK 627bn (627).

The total *average volume of deposits* increased by 1% to SEK 842bn (831). Household deposits went up by 2% to SEK 482bn (474), while corporate deposits increased by 1% to SEK 361bn (357).

Total assets under management in Sweden increased to SEK 1,008bn (972) at the end of the quarter, of which the volume of assets under management increased to SEK 930bn (906). *The net flow to the Bank's mutual funds in Sweden* amounted to SEK 1.9bn (4.0).

January – June 2024 compared with January – June 2023

The total *average volume of lending* fell by 2% to SEK 1,596bn (1,630). Household lending decreased by 2% to SEK 969bn (984) and corporate lending decreased by 3% to SEK 627bn (646).

The total *average volume of deposits* fell by 2% to SEK 837bn (854). Household deposits went down by 1% to SEK 478bn (482), while corporate deposits decreased by 3% to SEK 359bn (371).

Total assets under management in Sweden increased to SEK 1,008bn (893) at the end of the period, of which the volume of assets under management increased to SEK 930bn (821). *The net flow to the Bank's mutual funds in Sweden* amounted to SEK 5.9bn (14.9).

Handelsbanken UK

INCOME STATEMENT

SEK m	Q2			Q1			Q2			Jan-Jun			Full year
	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2023	
Net interest income	2,688	2,625	2%	2,718	-1%	5,313	5,274	1%	11,010				
Net fee and commission income	220	204	8%	215	2%	424	417	2%	845				
Net gains/losses on financial transactions	53	57	-7%	53	0%	110	113	-3%	253				
Other income	0	0	0%	0	0%	0	1	-100%	13				
Total income	2,962	2,886	3%	2,985	-1%	5,848	5,805	1%	12,121				
Staff costs	-884	-867	2%	-782	13%	-1,751	-1,496	17%	-3,149				
Other expenses	-232	-214	8%	-226	3%	-446	-422	6%	-907				
Internal purchased and sold services	-363	-378	-4%	-362	0%	-741	-692	7%	-1,414				
Depreciation, amortisation and impairments of property, equipment and intangible assets	-104	-84	24%	-78	33%	-188	-148	27%	-310				
Total expenses	-1,583	-1,543	3%	-1,449	9%	-3,126	-2,758	13%	-5,780				
Profit before credit losses, risk tax and resolution fee	1,379	1,343	3%	1,538	-10%	2,722	3,048	-11%	6,340				
Net credit losses	61	55	11%	2		116	-7		-51				
Gains/losses on disposal of property, equipment and intangible assets	0	0	0%	0	0%	0	0	0%	-1				
Operating profit	1,440	1,398	3%	1,538	-6%	2,838	3,040	-7%	6,289				
Profit allocation	10	12	-17%	15	-33%	22	28	-21%	52				
Operating profit after profit allocation	1,449	1,411	3%	1,553	-7%	2,860	3,068	-7%	6,340				
Internal income	998	901	11%	612	63%	1,899	1,173	62%	2,999				
Cost/income ratio, %	53.3	53.2		48.3		53.3	47.3		47.5				
Credit loss ratio, %	-0.10	-0.10		0.00		-0.10	0.01		0.03				
Allocated capital	25,518	26,399	-3%	22,460	14%	25,518	22,460	14%	25,856				
Return on allocated capital, %	18.0	17.0		22.0		17.5	22.1		21.2				
Average number of employees	2,852	2,821	1%	2,671	7%	2,837	2,626	8%	2,707				

INCOME STATEMENT IN LOCAL CURRENCY

GBP m	Q2			Q1			Q2			Jan-Jun			Full year
	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2023	
Net interest income	199.4	199.2	0%	206.5	-3%	398.6	408.0	-2%	834.0				
Net fee and commission income	16.3	15.5	5%	16.3	0%	31.8	32.3	-2%	64.0				
Net gains/losses on financial transactions	4.0	4.3	-7%	3.9	3%	8.3	8.7	-5%	19.2				
Other income	0.0	0.0	0%	0.0	0%	0.0	0.1	-98%	1.0				
Total income	219.7	219.0	0%	226.8	-3%	438.7	449.1	-2%	918.2				
Staff costs	-65.6	-65.8	0%	-59.5	10%	-131.4	-115.8	13%	-238.6				
Other expenses	-17.2	-16.3	6%	-17.2	0%	-33.5	-32.6	3%	-68.7				
Internal purchased and sold services	-26.9	-28.7	-6%	-27.5	-2%	-55.6	-53.5	4%	-107.1				
Depreciation, amortisation and impairments of property, equipment and intangible assets	-7.8	-6.3	24%	-6.0	30%	-14.1	-11.5	23%	-23.5				
Total expenses	-117.4	-117.1	0%	-110.2	7%	-234.5	-213.4	10%	-437.9				
Profit before credit losses, risk tax and resolution fee	102.3	101.9	0%	116.7	-12%	204.2	235.8	-13%	480.3				
Net credit losses	4.5	4.2	7%	0.1		8.7	-0.6		-3.8				
Gains/losses on disposal of property, equipment and intangible assets	0.0	0.0	0%	0.0	0%	0.0	0.0	98%	-0.1				
Operating profit	106.8	106.1	1%	116.8	-9%	212.9	235.2	-9%	476.4				
Profit allocation	0.8	0.9	-11%	1.2	-33%	1.7	2.2	-23%	3.9				
Operating profit after profit allocation	107.5	107.1	0%	118.0	-9%	214.6	237.4	-10%	480.3				

BUSINESS VOLUMES

Average volumes, GBP m	Q2			Q1			Q2			Jan-Jun			Full year
	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2023	
Loans to the public													
Household	5,141	5,220	-2%	5,593	-8%	5,181	5,662	-8%	5,520				
Corporates	12,686	12,729	0%	13,141	-3%	12,708	13,167	-3%	13,101				
Total	17,827	17,950	-1%	18,733	-5%	17,888	18,829	-5%	18,621				
Deposits and borrowing from the public													
Household	5,192	5,153	1%	5,459	-5%	5,173	5,541	-7%	5,441				
Corporates	15,123	14,983	1%	14,683	3%	15,053	14,788	2%	14,924				
Total	20,314	20,136	1%	20,142	1%	20,225	20,329	-1%	20,365				

Q2 2024 COMPARED WITH Q1 2024

Operating profit increased by 3% to SEK 1,440m (1,398). Foreign exchange effects amounted to SEK 30m, and in local currency terms, profit rose by 1%. *Return on allocated capital* increased to 18.0% (17.0), and the *C/I ratio* was 53.3% (53.2).

Income increased by 3% to SEK 2,962m (2,886). Foreign exchange effects amounted to SEK 63m, and in local currency terms, income was essentially unchanged.

Expenses increased by 3% to SEK -1,583m (-1,543). Foreign exchange effects amounted to SEK -35m, and in local currency terms, expenses were essentially unchanged.

Net interest income increased by 2% to SEK 2,688m (2,625). Foreign exchange effects amounted to SEK 57m, and in local currency terms, net interest income was essentially unchanged. Changed business volumes had an impact of SEK 7m on net interest income. The net amount of changed margins and funding costs reduced net interest income by SEK 6m. Other effects amounted to SEK 5m.

Net fee and commission income increased by 8% to SEK 220m (204). Adjusted for foreign exchange effects of SEK 5m, net fee and commission income increased by 5%. The increase derived from all items within net fee and commission income, although above all from payment, lending and deposit commissions.

Staff costs rose by 2% to SEK -884m (-867). In local currency terms, staff costs were virtually unchanged. The average number of employees was 2,852 (2,821). The number of employees at the end of the quarter was 2,883 (2,825). The increase was due to summer interns.

Other expense items rose by 3% to SEK -699m (-676). Expressed in local currency, other expense items went up by 1%.

Credit losses consisted of net reversals of SEK 61m (55). The credit loss ratio was -0.10% (-0.10).

JANUARY – JUNE 2024 COMPARED WITH JANUARY – JUNE 2023

Operating profit decreased by 7% to SEK 2,838m (3,040). Foreign exchange effects amounted to SEK 89m, and in local currency terms, operating profit declined by 9%. *Return on allocated capital* was 17.5% (22.1). The *C/I ratio* worsened to 53.3% (47.3).

Income grew by 1% to SEK 5,848m (5,805). Foreign exchange effects amounted to SEK 173m, and in local currency terms, income fell by 2%.

Expenses increased by 13% to SEK -3,126m (-2,758). Foreign exchange effects amounted to SEK -83m, and in local currency terms, costs rose by 10%.

Net interest income increased by 1% to SEK 5,313m (5,274). Foreign exchange effects amounted to SEK 156m, and in local currency terms, net interest income went down by 2%. Lower business volumes had an impact of SEK -97m. The net amount of changed margins and funding costs reduced net interest income by SEK 11m. The day effect made a contribution of SEK 25m. Other effects had a SEK -34m impact on net interest income.

Net fee and commission income increased by 2% to SEK 424m (417). Foreign exchange effects amounted to SEK 13m, and in local currency terms, net fee and commission income fell by 2%. Commission income from the fund management, custody account management and asset management business, including brokerage and advisory services, decreased by 2% to SEK 213m (218). Net fee and commission income from payments increased by 6% to SEK 142m (134).

Staff costs rose by 17% to SEK -1,751m (-1,496). Foreign exchange effects amounted to SEK -47m, and in local currency terms, staff costs rose by 13%. The increase was due to annual salary adjustments and an 8% increase in the average number of employees to 2,837 (2,626). The increase in the 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 9% to SEK -1,375m (-1,262). Expressed in local currency, other expense items went up by 6%. The increase was mainly attributable to increased IT development and business development, as well as to underlying cost inflation in purchased services.

Credit losses consisted of net reversals of SEK 116m (-7). The credit loss ratio was -0.10% (0.01).

BUSINESS DEVELOPMENT

Q2 2024 compared with Q1 2024

The total *average volume of lending* decreased by 1% to GBP 17.8bn (18.0). Household lending decreased by 2% to GBP 5.1bn (5.2), and corporate lending was essentially unchanged at GBP 12.7bn (12.7).

The total *average volume of deposits* increased by 1% to GBP 20.3bn (20.1). Household deposits increased by 1% to GBP 5.2bn (5.2), and corporate deposits increased by 1% to GBP 15.1bn (15.0).

The volume of assets under management in Handelsbanken Wealth & Asset Management amounted to GBP 4.3bn (4.3) at the end of the quarter. New savings in Handelsbanken Wealth & Asset Management totalled net GBP 48m (-95).

January – June 2024 compared with January – June 2023

The total *average volume of lending* decreased by 5% to GBP 17.9bn (18.8). Household lending decreased by 8% to GBP 5.2bn (5.7), and corporate lending decreased by 3% to GBP 12.7bn (13.2).

The total *average volume of deposits* decreased by 1% to GBP 20.2bn (20.3). Household deposits decreased by 7% to GBP 5.2bn (5.5), and corporate deposits increased by 2% to GBP 15.1bn (14.8).

The volume of assets under management in Handelsbanken Wealth & Asset Management increased to GBP 4.3bn (4.1) at the end of the period. *New savings* totalled net GBP -47m (70).

Handelsbanken Norway

INCOME STATEMENT

SEK m	Q2		Q1		Q2		Jan-Jun		Full year
	2024	2024	2024	2023	2024	2023	2023	2023	
		Change		Change					
Net interest income	1,274	1,199	6%	1,076	18%	2,473	2,215	12%	4,624
Net fee and commission income	175	156	12%	167	5%	331	323	2%	659
Net gains/losses on financial transactions	22	20	10%	19	16%	42	41	2%	79
Net insurance result		-1		0		-1	1		0
Other income	3	1	200%	2	50%	4	3	33%	5
Total income	1,473	1,375	7%	1,264	17%	2,848	2,584	10%	5,366
Staff costs	-313	-323	-3%	-253	24%	-636	-527	21%	-1,103
Other expenses	-146	-166	-12%	-117	25%	-312	-254	23%	-493
Internal purchased and sold services	-206	-201	2%	-184	12%	-407	-352	16%	-708
Depreciation, amortisation and impairments of property, equipment and intangible assets	-27	-27	0%	-23	17%	-54	-46	17%	-97
Total expenses	-691	-717	-4%	-578	20%	-1,408	-1,179	19%	-2,401
Profit before credit losses, risk tax and resolution fee	782	658	19%	685	14%	1,440	1,404	3%	2,965
Net credit losses	44	-28		21	110%	16	25	-36%	37
Gains/losses on disposal of property, equipment and intangible assets	1	2	-50%	1	0%	3	3	0%	6
Risk tax and resolution fee	-102	-103	-1%	-93	10%	-205	-194	6%	-393
Operating profit	726	528	38%	614	18%	1,254	1,238	1%	2,615
Profit allocation	17	10	70%	10	70%	27	22	23%	47
Operating profit after profit allocation	744	537	39%	624	19%	1,281	1,260	2%	2,662
Internal income	-2,691	-2,669	1%	-1,911	41%	-5,360	-3,651	47%	-8,567
Cost/income ratio, %	46.4	51.8		45.4		49.0	45.2		44.4
Credit loss ratio, %	-0.04	0.04		-0.02		0.00	0.00		-0.01
Allocated capital	21,622	23,689	-9%	21,209	2%	21,622	21,209	2%	23,339
Return on allocated capital, %	10.9	7.2		9.4		9.0	9.1		9.4
Average number of employees	980	966	1%	798	23%	973	791	23%	828

INCOME STATEMENT IN LOCAL CURRENCY

NOK m	Q2		Q1		Q2		Jan-Jun		Full year
	2024	2024	2024	2023	2024	2023	2023		
		Change		Change					
Net interest income	1,282	1,213	6%	1,093	17%	2,495	2,210	13%	4,599
Net fee and commission income	176	158	11%	170	4%	334	323	3%	656
Net gains/losses on financial transactions	22	20	10%	19	16%	42	41	2%	79
Net insurance result		-1		0		-1	1		0
Other income	3	1	200%	2	50%	4	3	33%	5
Total income	1,483	1,391	7%	1,282	16%	2,874	2,577	12%	5,338
Staff costs	-315	-327	-4%	-258	22%	-642	-526	22%	-1,097
Other expenses	-146	-168	-13%	-120	22%	-314	-254	24%	-491
Internal purchased and sold services	-206	-204	1%	-187	10%	-410	-351	17%	-704
Depreciation, amortisation and impairments of property, equipment and intangible assets	-27	-27	0%	-23	17%	-54	-46	17%	-96
Total expenses	-694	-726	-4%	-586	18%	-1,420	-1,176	21%	-2,388
Profit before credit losses, risk tax and resolution fee	788	665	18%	696	13%	1,453	1,401	4%	2,950
Net credit losses	45	-29		21	114%	16	25	-36%	36
Gains/losses on disposal of property, equipment and intangible assets	1	2	-50%	1	0%	3	3	0%	6
Risk tax and resolution fee	-103	-104	-1%	-94	10%	-207	-193	7%	-391
Operating profit	731	534	37%	623	17%	1,265	1,235	2%	2,601
Profit allocation	17	10	70%	10	70%	27	22	23%	47
Operating profit after profit allocation	749	544	38%	633	18%	1,293	1,257	3%	2,648

BUSINESS VOLUMES

Average volumes, NOK bn	Q2		Q1		Q2		Jan-Jun		Full year
	2024	2024	2024	2023	2024	2023	2023		
		Change		Change					
Loans to the public									
Household	131.5	125.0	5%	112.7	17%	128.2	112.6	14%	114.3
Corporates	191.4	192.3	0%	193.3	-1%	191.9	191.0	0%	192.0
Total	322.9	317.2	2%	305.9	6%	320.1	303.6	5%	306.3
Deposits and borrowing from the public									
Household	40.7	36.9	10%	31.9	28%	38.8	31.6	23%	32.4
Corporates	53.4	55.8	-4%	66.6	-20%	54.6	67.2	-19%	64.6
Total	94.1	92.7	2%	98.5	-4%	93.4	98.8	-5%	97.0

Q2 2024 COMPARED WITH Q1 2024

Operating profit increased by 38% to SEK 726m (528). Foreign exchange effects were SEK 3m, and expressed in local currency, operating profit grew by 37%. *Return on allocated capital* increased to 10.9% (7.2), and the *C/I ratio* improved to 46.4% (51.8).

Income grew by 7% to SEK 1,473m (1,375). Foreign exchange effects amounted to SEK 7m, and in local currency terms, income rose by 7%.

Expenses decreased by 4% to SEK -691m (-717). Foreign exchange effects amounted to SEK -4m, and in local currency terms, expenses fell by 4%.

Net interest income grew by 6% to SEK 1,274m (1,199). Foreign exchange effects amounted to SEK 6m, and in local currency terms, net interest income rose by 6%. Higher business volumes contributed SEK 5m.

The net amount of changed margins and funding costs contributed SEK 67m, which includes an effect from the required notification period, entailing an eight-week delay before interest rates can be changed for household customers. Other effects, together with changed government fees, made a contribution of SEK -3m.

Net fee and commission income rose by 12% to SEK 175m (156). Foreign exchange effects were marginally positive, and expressed in local currency, net fee and commission income grew by 11%. The increase was mainly due to higher commission income from mutual funds, custody accounts and other asset management, as well as payments.

Net gains/losses on financial transactions totalled SEK 22m (20).

Net insurance result was SEK 0m (-1) and *Other income* was SEK 3m (1).

Staff costs fell by 3% to SEK -313m (-323). Foreign exchange effects were SEK -2m, and expressed in local currency, staff costs decreased by 4%. The average number of employees increased by 1% to 980 (966). The number of employees at the end of the quarter was 990 (969). The increase was due to summer interns.

Other expense items fell by 4% to SEK -379m (-394). Expressed in local currency, other expense items went down by 5%. The decrease was mainly due to lower IT development expenses.

Credit losses consisted of net reversals of SEK 44m (-28) and the credit loss ratio was -0.04% (0.04).

The *risk tax* amounted to SEK -59m (-58), and the *resolution fee* amounted to SEK -43m (-45).

JANUARY – JUNE 2024 COMPARED WITH JANUARY – JUNE 2023

Operating profit increased by 1% to SEK 1,254m (1,238). Foreign exchange effects amounted to SEK -13m, and in local currency terms, operating profit rose by 2%. *Return on allocated capital* was 9.0% (9.1). The *C/I ratio* was 49.0% (45.2).

Income grew by 10% to SEK 2,848m (2,584). Foreign exchange effects amounted to SEK -25m, and in local currency terms, income rose by 12%.

Expenses increased by 19% to SEK -1,408m (-1,179). Foreign exchange effects amounted to SEK 12m, and in local currency terms, expenses rose by 21%.

Net interest income increased by 12% to SEK 2,473m (2,215). Foreign exchange effects amounted to SEK -22m, and in local currency terms, net interest income rose by 13%. Changed business volumes made a contribution of SEK -9m.

The net amount of changed margins and funding costs increased net interest income by SEK 285m. The day effect made a contribution of SEK 10m. Other effects on net interest income had a SEK -6m impact.

Net fee and commission income increased by 2% to SEK 331m (323). Foreign exchange effects amounted to SEK -3m, and in local currency terms, net fee and commission income rose by 3%. Net commission income from the fund management, custody account management and other asset management business, including brokerage and advisory services, increased by 2% to SEK 179m (175). Net payment commissions decreased by 2% to SEK 87m (88).

Net gains/losses on financial transactions totalled SEK 42m (41).

Net insurance result was SEK -1m (1) and *Other income* was SEK 4m (3).

Staff costs rose by 21% to SEK -636m (-527). Foreign exchange effects amounted to SEK 6m, and in local currency terms, the increase was 22%. The increase was mainly due to annual salary adjustments and a 23% increase in the average number of employees to 973 (791). The new employees were mainly hired in the digital business development area and within financial crime prevention.

Other expense items increased by 19% to SEK -773m (-652). Foreign exchange effects amounted to SEK 7m, and in local currency terms, the increase was 20%. 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 16m (25). The credit loss ratio was 0.00% (0.00).

The *risk tax* amounted to SEK -117m (-115), and the *resolution fee* amounted to SEK -88m (-78).

BUSINESS DEVELOPMENT

Q2 2024 compared with Q1 2024

The total *average volume of lending* increased by 2% to NOK 322.9bn (317.2). Household lending increased by 5% to NOK 131.5bn (125.0), and corporate lending decreased marginally to NOK 191.4bn (192.3).

The total *average volume of deposits* increased by 2% to NOK 94.1bn (92.7). Household deposits increased by 10% to NOK 40.7bn (36.9), and corporate deposits decreased by 4% to NOK 53.4bn (55.8).

Total assets under management increased to SEK 47bn (45) at the end of the quarter, of which the volume of assets under management increased to SEK 45bn (43). *The net flow to the Bank's mutual funds in Norway* amounted to SEK 2.1bn (0.4).

January – June 2024 compared with January – June 2023

The total *average volume of lending* increased by 5% to NOK 320.1bn (303.6). Household lending increased by 14% to NOK 128.2bn (112.6), and corporate lending increased marginally to NOK 191.9bn (191.0).

The total *average volume of deposits* decreased by 5% to NOK 93.4bn (98.8). Household deposits increased by 23% to NOK 38.8bn (31.6), and corporate deposits decreased by 19% to NOK 54.6bn (67.2).

Total assets under management increased to SEK 47bn (40) at the end of the period, of which the volume of assets under management increased to SEK 45bn (39). *The net flow to the Bank's mutual funds in Norway* amounted to SEK 2.5bn (1.0).

Handelsbanken the Netherlands

INCOME STATEMENT

SEK m	Q2		Q1		Q2		Jan-Jun		Jan-Jun		Full year		
	2024	2024	2024	2023	2024	2023	2024	2023	2024	2023	Q2	Q1	
		Change	Change	Change	Change	Change	Change	Change	Change	Change	2024	2024	
Net interest income	498	480	4%	43	2%	85	62	4%	167	167	4,883	4,867	0%
Net fee and commission income	42	43	-2%	43	-2%	85	82	4%	167	167	3,913	3,885	1%
Net gains/losses on financial transactions	3	6	-50%	4	-25%	8	7	100%	15	15			
Other income	0	1	-100%	1	-100%	0	0	0%	0	0			
Total income	544	529	3%	43	2%	85	62	4%	167	167	8,797	8,752	1%
Staff costs	-159	-147	8%	8	8%	16	15	7%	31	31			
Other expenses	-43	-41	5%	5	5%	9	8	13%	17	17			
Internal purchased and sold services	-81	-77	5%	5	5%	10	9	11%	20	20	848	812	4%
Depreciation, amortisation and impairments of property, equipment and intangible assets	-15	-14	7%	7	7%	14	13	7%	28	28	2,846	2,655	7%
Total expenses	-298	-279	7%	-255	17%	-577	-486	19%	-1,009	-1,009			
Profit before credit losses, risk tax and resolution fee	247	250	-1%	272	-9%	497	544	-9%	1,148	1,148			
Net credit losses	0	1	-100%	0	0%	1	1	0%	13	13			
Gains/losses on disposal of property, equipment and intangible assets				0		0	0		0	0			
Risk tax and resolution fee	-33	-33	0%	-25	32%	-66	-54	22%	-113	-113			
Operating profit	214	218	-2%	247	-13%	432	491	-12%	1,048	1,048			
Profit allocation	0	0	0%	0	0%	0	0	0%	0	0			
Operating profit after profit allocation	214	218	-2%	247	-13%	432	491	-12%	1,048	1,048			
Internal income	-18	-41	-56%	-34	-47%	-59	-71	-17%	-98	-98			
Cost/income ratio, %	54.8	52.7		48.5		53.8	47.2		46.8	46.8			
Credit loss ratio, %	0.00	0.00		0.00		0.00	0.00		-0.01	-0.01			
Allocated capital	5,334	5,688	-6%	4,673	14%	5,334	4,673	14%	5,177	5,177			
Return on allocated capital, %	12.8	12.1		16.8		12.4	16.5		16.9	16.9			
Average number of employees	426	415	3%	387	10%	420	381	10%	388	388			

INCOME STATEMENT IN LOCAL CURRENCY

EUR m	Q2		Q1		Q2		Jan-Jun		Jan-Jun		Full year	
	2024	2024	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
		Change	Change	Change	Change	Change	Change	Change	Change	Change	2024	2023
Net interest income	43.3	42.5	2%	41.8	4%	85.8	83.0	3%	169.1	169.1		
Net fee and commission income	3.7	3.8	-3%	3.8	-3%	7.5	7.2	4%	17.2	17.2		
Net gains/losses on financial transactions	0.3	0.5	-40%	0.4	-25%	0.8	0.6	33%	1.5	1.5		
Other income		0.1		0.0		0.1	0.0		0.1	0.1		
Total income	47.3	46.9	1%	45.9	3%	94.2	90.8	4%	187.9	187.9		
Staff costs	-13.8	-13.0	6%	-12.1	14%	-26.8	-23.3	15%	-46.8	-46.8		
Other expenses	-3.7	-3.7	0%	-3.4	9%	-7.4	-5.9	25%	-11.9	-11.9		
Internal purchased and sold services	-7.1	-6.8	4%	-5.5	29%	-13.9	-11.2	24%	-24.1	-24.1		
Depreciation, amortisation and impairments of property, equipment and intangible assets	-1.2	-1.3	-8%	-1.3	-8%	-2.5	-2.5	0%	-5.1	-5.1		
Total expenses	-25.9	-24.7	5%	-22.3	16%	-50.6	-42.9	18%	-87.9	-87.9		
Profit before credit losses, risk tax and resolution fee	21.4	22.2	-4%	23.7	-10%	43.6	48.0	-9%	100.0	100.0		
Net credit losses		0.1		0.0		0.1	0.1	0%	1.1	1.1		
Gains/losses on disposal of property, equipment and intangible assets				0.0		0.0	0.0		0.0	0.0		
Risk tax and resolution fee	-2.9	-2.9	0%	-2.1	38%	-5.8	-4.7	23%	-9.8	-9.8		
Operating profit	18.6	19.3	-4%	21.5	-13%	37.9	43.3	-12%	91.3	91.3		
Profit allocation	0.0	0.0	0%	0.0	0%	0.0	0.0		0.0	0.0		
Operating profit after profit allocation	18.6	19.3	-4%	21.6	-14%	37.9	43.4	-13%	91.3	91.3		

Q2 2024 COMPARED WITH Q1 2024

Operating profit decreased by 2% to SEK 214m (218). Foreign exchange effects amounted to SEK 5m, and in local currency terms, operating profit declined by 4%. *Return on allocated capital* was 12.8% (12.1), and the *C/I ratio* was 54.8% (52.7).

Income increased by 3% to SEK 544m (529). Foreign exchange effects amounted to SEK 10m, and in local currency terms, income rose by 1%.

Expenses rose by 7% to SEK -298m (-279). Foreign exchange effects amounted to SEK -5m, and in local currency terms, expenses rose by 5%.

Net interest income grew by 4% to SEK 498m (480). Foreign exchange effects totalled SEK 9m, and expressed in local currency terms, net interest income grew by 2%. Changed business volumes had a SEK 10m positive impact on net interest income. The net effect of changes to margins and funding costs was a marginal reduction of net interest income. Other effects, including the day effect, had a neutral impact on net interest income.

Net fee and commission income declined by 2% to SEK 42m (43). Foreign exchange effects amounted to SEK 1m, and in local currency terms, net fee and commission income fell by 3%.

Staff costs rose by 8% to SEK -159m (-147). Foreign exchange effects amounted to SEK -3m, and in local currency terms, staff costs rose by 6%. The increase was due to a 3% rise in the average number of employees to 426 (415). The number of employees at the end of the quarter was 427 (424). The increase was due to more employees to work within financial crime prevention.

Other expense items increased by 5% to SEK -139m (-132). In local currency terms, the increase was 2%.

Credit losses consisted of net reversals and amounted to SEK 0m (1). The credit loss ratio was 0.00% (0.00).

The *risk tax* amounted to SEK -19m (-18), and the *resolution fee* amounted to SEK -14m (-15).

JANUARY – JUNE 2024 COMPARED WITH JANUARY – JUNE 2023

Operating profit decreased by 12% to SEK 432m (491). Foreign exchange effects amounted to SEK 3m, and in local currency terms, operating profit declined by 12%. *Return on allocated capital* was 12.4% (16.5), and the *C/I ratio* was 53.8% (47.2).

Income grew by 4% to SEK 1,073m (1,029). Foreign exchange effects amounted to SEK 6m, and in local currency terms, income rose by 4%.

Expenses rose by 19% to SEK -577m (-486). Foreign exchange effects amounted to SEK -3m, and in local currency terms, costs rose by 18%.

Net interest income increased by 4% to SEK 978m (940). Foreign exchange effects amounted to SEK 5m, and in local currency terms, net interest income rose by 3%. Changed business volumes made a contribution of SEK 17m. The net amount of changed margins and funding costs increased net interest income by SEK 12m. The day effect was SEK 2m. Other effects increased net interest income by SEK 2m.

Net fee and commission income increased by 4% to SEK 85m (82). Foreign exchange effects were marginal. The increase was mainly due to higher income from brokerage, custody account management and other asset management.

Staff costs rose by 16% to SEK -306m (-264). Foreign exchange effects amounted to SEK -2m, and in local currency terms, staff costs rose by 15%. The increase was mainly due to annual salary adjustments and a 10% increase in the

number of employees to 420 (381). The increase in the number of employees was due mainly to further recruitments within financial crime prevention and to the expansion of the business.

Other expense items rose by 22% to SEK -271m (-222). In local currency terms, the increase was 21%, mainly attributable to increased IT development and business growth.

Credit losses consisted of net reversals of SEK 1m (1). The credit loss ratio was 0.00% (0.00).

The *risk tax* amounted to SEK -37m (-35), and the *resolution fee* amounted to SEK -29m (-19).

BUSINESS DEVELOPMENT

Q2 2024 compared with Q1 2024

The total *average volume of lending* increased by 1% to EUR 8.8bn (8.8). Household lending was unchanged and amounted to EUR 4.9bn (4.9), and corporate lending increased by 1% to EUR 3.9bn (3.9).

The total *average volume of deposits* increased by 7% to EUR 3.7bn (3.5). Household deposits increased by 4% to EUR 0.8bn (0.8), and corporate deposits increased by 7% to EUR 2.8bn (2.7).

Assets under management at Optimix totalled EUR 2.1bn (2.1) at the end of the period, including the company's own mutual funds. *New savings* in Optimix during the quarter totalled net EUR -22m (-30).

January – June 2024 compared with January – June 2023

The total *average volume of lending* increased by 2% to EUR 8.8bn (8.6). Household lending decreased marginally to EUR 4.9bn (4.9), and corporate lending increased by 4% to EUR 3.9bn (3.7).

The total *average volume of deposits* increased marginally to EUR 3.6bn (3.6). Household deposits increased by 27% to EUR 0.8bn (0.7), and corporate deposits decreased by 6% to EUR 2.8bn (2.9).

Assets under management at Optimix, including the company's own mutual funds, increased to EUR 2.1bn (2.0) at the end of the period.

Handelsbanken Markets

INCOME STATEMENT

SEK m	Q2 2024	Q1 2024	Change	Q2 2023	Change	Jan-Jun 2024	Jan-Jun 2023	Change	Full year 2023
Net interest income	-5	-11	-55%	-11	-55%	-16	-11	45%	-50
Net fee and commission income	126	141	-11%	126	0%	267	329	-19%	592
Net gains/losses on financial transactions	287	327	-12%	294	-2%	614	568	8%	1,091
Other income	0	1	-100%	1	-100%	1	1	0%	1
Total income	409	457	-11%	410	0%	866	887	-2%	1,634
Staff costs	-240	-253	-5%	-232	3%	-493	-469	5%	-954
Other expenses	-151	-111	36%	-112	35%	-262	-216	21%	-461
Internal purchased and sold services	52	-1		24	117%	51	10	410%	17
Depreciation, amortisation and impairments of property, equipment and intangible assets	-38	-33	15%	-33	15%	-71	-65	9%	-131
Total expenses	-378	-398	-5%	-352	7%	-776	-740	5%	-1,530
Profit before credit losses, risk tax and resolution fee	32	59	-46%	57	-44%	91	146	-38%	104
Risk tax and resolution fee	-2	-11	-82%	-6	-67%	-13	-10	30%	-20
Operating profit	29	49	-41%	51	-43%	78	136	-43%	83
Profit allocation	-97	-96	1%	-99	-2%	-193	-246	-22%	-421
Operating profit after profit allocation	-67	-48	40%	-48	40%	-115	-110	5%	-338
Internal income	-78	183		47		105	294	-64%	667
Cost/income ratio, %	121.2	110.2		113.2		115.3	115.4		126.1
Allocated capital	1,673	1,495	12%	1,615	4%	1,673	1,615	4%	1,686
Return on allocated capital, %	-12.9	-10.1		-9.3		-11.6	-12.3		-17.6
Average number of employees	486	485	0%	482	1%	485	478	1%	479

A large proportion of the fee and commission income and net gains/losses on financial transactions related to Markets' products is recognised in the profit/loss of the respective home market segment.

Q2 2024 COMPARED WITH Q1 2024

Operating profit was SEK 29m (49). Income decreased by 11% and expenses decreased by 5%.

Net interest income totalled SEK -5m (-11).

Net fee and commission income declined by 11% to SEK 126m (141), mainly because of a higher level of advisory commissions during the comparison quarter.

Net gains/losses on financial transactions decreased by 12% to SEK 287m (327).

Staff costs fell by 5% to SEK -240m (-253). The average number of employees increased to 486 (485), although due to employment terminations at the end of the quarter, the number of employees at the end of the quarter decreased to 468, compared to 486 at the end of the previous quarter.

Other expense items decreased to SEK -137m (-145).

The risk tax and resolution fee totalled SEK -2m (-11).

JANUARY – JUNE 2024 COMPARED WITH JANUARY – JUNE 2023

Operating profit decreased to SEK 78m (136). Income decreased by 2% to SEK 866m (887). Expenses rose by 5% to SEK -776m (-740).

Net interest income totalled SEK -16m (-11).

Net fee and commission income declined by 19% to SEK 267m (329), mainly because of a drop in advisory commissions.

Net gains/losses on financial transactions increased by 8% to SEK 614m (568).

Staff costs rose by 5% to SEK -493m (-469), due to annual salary adjustments and a 1% increase in the average number of employees to 485 (478).

Other expense items increased by 4% to SEK -282m (-271).

The risk tax and resolution fee totalled SEK -13m (-10).

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 to Oktogonen and central business support units.

INCOME STATEMENT

SEK m	Q2 2024	Q1 2024	Change	Q2 2023	Change	Jan-Jun 2024	Jan-Jun 2023	Change	Full year 2023
Net interest income	-37	-33	12%	-4		-70	106		-170
Net fee and commission income	86	86	0%	100	-14%	172	193	-11%	385
Net gains/losses on financial transactions	-35	11		-129	-73%	-24	-91	-74%	37
Share of profit of associates	6	68	-91%	20	-70%	74	19	289%	51
Other income	20	18	11%	24	-17%	38	51	-25%	94
Total income	38	151	-75%	13	192%	189	279	-32%	397
Staff costs	-1,187	-1,165	2%	-791	50%	-2,352	-1,789	31%	-3,519
Other expenses	-1,052	-1,202	-12%	-1,075	-2%	-2,254	-2,114	7%	-4,446
Internal purchased and sold services	1,893	1,985	-5%	1,731	9%	3,878	3,501	11%	7,120
Depreciation, amortisation and impairments of property, equipment and intangible assets	-135	-132	2%	-102	32%	-267	-247	8%	-457
Total expenses	-481	-514	-6%	-238	102%	-995	-650	53%	-1,303
Profit before credit losses, risk tax and resolution fee	-444	-362	23%	-225	97%	-806	-371	117%	-906
Net credit losses	-2	2		-3	-33%		9		3
Gains/losses on disposal of property, equipment and intangible assets	0					0			
Risk tax and resolution fee	-22	-21	5%	-49	-55%	-43	-93	-54%	-179
Operating profit	-466	-382	22%	-276	69%	-848	-454	87%	-1,082
Profit allocation	-9	-20	-55%	-23	-61%	-29	-41	-29%	-83
Operating profit after profit allocation	-476	-402	18%	-299	59%	-878	-495	77%	-1,165
Internal income	375	220	70%	120	213%	595	-20		-768
Average number of employees	2,762	2,753	0%	2,550	8%	2,758	2,525	9%	2,587
Allocated capital Finland	6,143	6,731	-9%	6,341	-3%	6,143	6,341	-3%	6,904

Q2 2024 COMPARED WITH Q1 2024

Operating profit was SEK -466m (-382).

Income was SEK 38m (151).

Expenses decreased to SEK -481m (-514).

Staff costs increased by 2% to SEK -1,187m (-1,165).

A restructuring charge of SEK -302m was recognised during the quarter, alongside a reversal of the previously recognised preliminary provision for Oktogonen totalling SEK 74m (-233). Adjusted for Oktogonen and the restructuring charge, staff costs increased by 3%.

The average number of employees increased to 2,762 (2,753), although due to employment terminations at the end of the quarter, the number of employees at the end of the quarter decreased to 2,710, compared to 2,765 at the end of the previous quarter.

Other expenses fell by 12% to SEK 1,052m (1,202). One reason for the decrease was lower IT costs.

JANUARY – JUNE 2024 COMPARED WITH JANUARY – JUNE 2023

Operating profit was SEK -848m (-454).

Income was SEK 189m (279).

Expenses rose to SEK -995m (-650).

Staff costs rose by 31% to SEK -2,352m (-1,789). Adjusted for Oktogonen and the restructuring charge in the second quarter, staff costs increased by 19%. Of this increase, 10 percentage points were attributable to higher pension costs. The remainder of the increase was due to an increase in employee numbers and annual salary adjustments. The average number of employees grew by 9% to 2,758 (2,525), with the number of employees at the Bank's IT department totalling 2,034 (1,827).

Other expenses rose by 7% to SEK 2,254m (2,114).

Depreciation, amortisation and impairment of property, equipment and intangible assets amounted to SEK -267m (-247).

Key metrics – Group

	Q2 2024	Q1 2024	Q2 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Return on equity, total operations	15.2%	13.7%	16.2%	14.4%	15.6%	15.9%
CI ratio, Continuing operations	41.5%	42.2%	37.1%	41.9%	37.8%	37.2%
Earnings per share, SEK	3.43	3.33	3.59	6.77	7.03	14.70
<i>of which continuing operations</i>	3.33	3.23	3.42	6.56	6.75	14.09
<i>of which discontinued operations</i>	0.10	0.11	0.17	0.21	0.28	0.61
Ordinary dividend per share, SEK						6.50
Total dividend per share, SEK						13.00
Adjusted equity per share, SEK	98.47	95.69	98.99	98.47	98.99	103.48
Common equity tier 1 ratio, CRR	18.9%	18.8%	19.8%	18.9%	19.8%	18.8%
Total capital ratio, CRR	22.5%	22.4%	24.2%	22.5%	24.2%	23.9%
Average number of employees	12,295	12,200	11,537	12,248	11,434	11,683

THE HANDELSBANKEN SHARE

	Q2 2024	Q1 2024	Q2 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Number of converted shares						
Number of repurchased shares						
Holding of own shares in trading book, end of period						
Number of outstanding shares after repurchases and deduction for trading book, end of period	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494
Number of outstanding shares after dilution, end of period	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494
Average number of shares converted during the period						
Average holdings of own shares (repurchased and holdings in trading book)						
Average number of outstanding shares	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494
- after dilution	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494
Share price SHB class A, end of period, SEK	100.95	108.25	90.34	100.95	90.34	109.45
Share price SHB class B, end of period, SEK	122.40	135.40	107.60	122.40	107.60	130.20
Market capitalisation, end of period, SEK bn	201	215	179	201	179	217

Condensed set of financial statements – Group

INCOME STATEMENT - GROUP

SEK m	Q2 2024	Q1 2024	Q1 2024 Change	Q2 2023	Q2 2023 Change	Jan-Jun 2024	Jan-Jun 2023	Jan-Jun 2023 Change	Full year 2023
Interest income	44,180	43,993	0%	38,329	15%	88,173	71,255	24%	159,805
<i>of which interest income according to the effective interest method and interest on derivatives in hedge accounting</i>	38,959	38,018	2%	31,708	23%	76,977	59,317	30%	133,602
Interest expenses	-32,434	-32,406	0%	-26,642	22%	-64,840	-48,083	35%	-112,227
Net interest income	Note 2 11,746	11,587	1%	11,687	1%	23,333	23,172	1%	47,578
Fee and commission income	3,307	3,118	6%	3,127	6%	6,425	6,245	3%	12,559
Fee and commission expenses	-369	-364	1%	-366	1%	-733	-718	2%	-1,421
Net fee and commission income	Note 3 2,939	2,754	7%	2,761	6%	5,693	5,527	3%	11,139
Net gains/losses on financial transactions	Note 4 580	750	-23%	393	48%	1,330	995	34%	2,661
Insurance result	41	27	52%	58	-29%	68	85	-20%	157
Return on assets held on behalf of policyholders	97	98	-1%	58	67%	195	122	60%	336
Net insurance result	Note 5 138	125	10%	116	19%	263	207	27%	493
Other dividend income	0	2	-100%	1	-100%	2	2	0%	3
Share of profit of associates	6	68	-91%	20	-70%	74	19	289%	51
Other income	49	32	53%	187	-74%	81	229	-65%	325
Total income	15,457	15,318	1%	15,166	2%	30,775	30,151	2%	62,249
Staff costs	-3,990	-3,935	1%	-3,259	22%	-7,925	-6,729	18%	-13,642
Other expenses	Note 6 -1,926	-2,056	-6%	-1,953	-1%	-3,982	-3,805	5%	-7,796
Depreciation, amortisation and impairment of property, equipment and intangible assets	-504	-479	5%	-421	20%	-983	-875	12%	-1,743
Total expenses	-6,420	-6,470	-1%	-5,634	14%	-12,890	-11,410	13%	
Profit before credit losses, risk tax and resolution fee	9,037	8,848	2%	9,531	-5%	17,885	18,741	-5%	-23,181
Net credit losses	Note 7 133	95	40%	-58		228	-88		-141
Gains/losses on disposal of property, equipment and intangible assets	4	4		4		8	11	-27%	20
Risk tax and resolution fee	-663	-680	-3%	-636	4%	-1,343	-1,307	3%	-2,624
Operating profit	8,511	8,267	3%	8,841	-4%	16,778	17,357	-3%	36,322
Taxes	-1,921	-1,874	3%	-2,066	-7%	-3,795	-4,000	-5%	-8,417
Profit for the period from continuing operations	6,590	6,393	3%	6,775	-3%	12,983	13,357	-3%	27,905
Profit for the period from discontinued operations after tax	Note 10 204	211	-3%	329	-38%	415	561	-26%	1,209
Profit for the period from discontinued operations after tax	6,794	6,604	3%	7,104	-4%	13,398	13,918	-4%	29,114
Attributable to									
Shareholders in Svenska Handelsbanken AB	6,793	6,603	3%	7,103	-4%	13,396	13,917	-4%	29,107
Non-controlling interest	1	1		0		2	1	100%	8

EARNINGS PER SHARE – GROUP

	Q2	Q1		Q2		Jan-Jun	Jan-Jun		Full year
	2024	2024	Change	2023	Change	2024	2023	Change	2023
Profit for the year, attributable to shareholders in Svenska Handelsbanken AB	6,793	6,603	3%	7,103	-4%	13,396	13,917	-4%	29,107
Average number of outstanding shares, millions	1,980.0	1,980.0		1,980.0		1,980.0	1,980.0		1,980.0
Average number of outstanding shares after dilution, millions	1,980.0	1,980.0		1,980.0		1,980.0	1,980.0		1,980.0
Earnings per share, SEK	3.43	3.33	3%	3.59	-4%	6.77	7.03	-4%	14.70
Earnings per share, continuing operations, SEK	3.33	3.23	3%	3.42	-3%	6.56	6.75	-3%	14.09
Earnings per share, discontinued operations, SEK	0.10	0.11	-9%	0.17	-41%	0.21	0.28	-25%	0.61

STATEMENT OF COMPREHENSIVE INCOME – GROUP

SEK m	Q2	Q1		Q2		Jan-Jun	Jan-Jun		Full year
	2024	2024	Change	2023	Change	2024	2023	Change	2023
Profit for the period	6,794	6,604	3%	7,104	-4%	13,398	13,918	-4%	29,114
Items that will not be reclassified to the income statement									
Defined benefit pension plans	-1,528	1,767		955		239	735	-67%	-2,226
Instruments measured at fair value through other comprehensive income - equity instruments	-12	50		35		38	66	-42%	63
Tax on items that will not be reclassified to income statement	319	-340		-201		-21	-164	-87%	439
<i>of which defined benefit pension plans</i>	314	-329		-195		-15	-154	-90%	450
<i>of which equity instruments measured at fair value through other comprehensive income</i>	5	-11		-6		-6	-10	-40%	-11
Total items that will not be reclassified to the income statement	-1,221	1,477		789		256	637	-60%	-1,724
Items that may subsequently be reclassified to the income statement									
Cash flow hedges	-38	-109	-65%	399		-147	732		614
Instruments measured at fair value through other comprehensive income - debt instruments	12	12	0%	0		24	-2		25
Insurance contracts	-128	194		36		66	-16		-396
Translation differences for the period	-207	2,074		3,311		1,867	2,976	-37%	-1,078
<i>of which hedging net investment in foreign operations</i>	52	-387		-293		-335	-371	-10%	31
Tax on items that may subsequently be reclassified to the income statement	11	-25		-225		-14	-91	-85%	113
<i>of which cash flow hedges</i>	8	22	-64%	-82		30	-151		-127
<i>of which debt instruments measured at fair value through other comprehensive income</i>	-2	-3	-33%	0		-5	0		-5
<i>of which hedging net investment in foreign operations</i>	-11	80		60		69	76	-9%	-6
<i>of which translation difference</i>	16	-124		-204		-108	-17		251
Total items that may subsequently be reclassified to the income statement	-350	2,146		3,520		1,796	3,599	-50%	-722
Total other comprehensive income for the period	-1,571	3,623		4,307		2,052	4,234	-52%	-2,447
Total comprehensive income for the period	5,223	10,227	-49%	11,411	-54%	15,450	18,152	-15%	26,667
Attributable to									
Shareholders in Svenska Handelsbanken AB	5,230	10,226	-49%	11,411	-54%	15,456	18,152	-15%	26,662
Non-controlling interest	-7	1		-2	250%	-6	-1	500%	5

For the period January – June 2024, other comprehensive income totalled SEK 2,052m (4,234) after tax. Defined benefit pension plans were positively affected during the period in the amount of SEK 224m (581) after tax, deriving from value increases of plan assets. At the same time, pension obligations rose slightly due to a lower discount rate on Swedish pension obligations. The discount rate was 3.4%, compared with 3.5% at year-end.

The translation of the foreign operations had a positive effect of SEK 1,828m after tax (3,035), which is a result of the depreciation of the Swedish krona since year-end versus the majority of the currencies in the countries where the Group operates.

QUARTERLY PERFORMANCE – GROUP

SEK m	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Net interest income	11,746	11,587	12,222	12,184	11,687
Net fee and commission income	2,939	2,754	2,800	2,812	2,761
Net gains/losses on financial transactions	580	750	579	1,087	393
Net insurance result	138	125	207	79	116
Other dividend income	0	2	1		1
Share of profit of associates	6	68	-17	49	20
Other income	49	32	64	32	187
Total income	15,457	15,318	15,854	16,244	15,166
Staff costs	-3,990	-3,935	-3,531	-3,382	-3,259
Other expenses	-1,926	-2,056	-2,152	-1,839	-1,953
Depreciation, amortisation and impairment of property, equipment and intangible assets	-504	-479	-402	-466	-421
Total expenses	-6,420	-6,470	-6,086	-5,686	-5,634
Profit before credit losses, risk tax and resolution fee	9,037	8,848	9,768	10,558	9,531
Net credit losses	133	95	-52	-1	-58
Gains/losses on disposal of property, equipment and intangible assets	4	4	6	3	4
Risk tax and resolution fee	-663	-680	-664	-653	-636
Operating profit	8,511	8,267	9,057	9,908	8,841
Taxes	-1,921	-1,874	-2,093	-2,324	-2,066
Profit for the period from continuing operations	6,590	6,393	6,965	7,583	6,775
Profit for the period from discontinued operations after tax	204	211	280	368	329
Profit for the period	6,794	6,604	7,244	7,952	7,104
Earnings per share, SEK	3.43	3.33	3.66	4.02	3.59

BALANCE SHEET – GROUP

SEK m		30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023
Assets						
Cash and balances with central banks		581,551	561,864	476,171	482,302	503,673
Other loans to central banks	Note 8	3,519	22,212	6,282	6,379	5,163
Interest-bearing securities eligible as collateral with central banks		206,318	230,519	199,128	231,839	265,238
Loans to other credit institutions	Note 8	26,351	27,342	19,294	28,796	38,247
Loans to the public	Note 8	2,301,960	2,297,097	2,291,808	2,330,086	2,335,959
Value change of interest-hedged item in portfolio hedge		-9,007	-9,690	-9,657	-14,837	-16,046
Bonds and other interest-bearing securities		57,560	54,358	50,087	61,484	57,611
Shares		32,084	33,223	12,216	24,980	22,409
Investments in associates		754	725	657	642	606
Assets where the customer bears the value change risk		279,367	269,726	244,893	232,741	238,626
Derivative instruments	Note 11,12	30,992	39,451	30,110	45,612	56,729
Intangible assets	Note 13	8,589	8,603	8,567	8,530	8,553
Property and equipment		4,908	4,971	4,777	4,762	4,786
Current tax assets		2,127	1,014	203	1,213	1,140
Deferred tax assets		399	325	358	1,518	1,527
Net pension assets		12,830	13,906	11,699	16,080	14,469
Assets held for sale	Note 10	162,549	174,370	178,590	190,761	201,478
Other assets		21,408	22,571	10,276	23,915	12,422
Prepaid expenses and accrued income		3,300	3,699	2,331	2,527	2,853
Total assets	Note 17	3,727,558	3,756,288	3,537,792	3,679,330	3,755,442
Liabilities and equity						
Due to credit institutions	Note 14	107,793	98,824	90,143	135,502	143,863
Deposits and borrowing from the public	Note 14	1,416,323	1,422,065	1,298,480	1,369,077	1,433,843
Liabilities where the customer bears the value change risk		279,606	269,929	245,100	232,916	238,627
Issued securities	Note 15	1,580,571	1,611,848	1,523,481	1,556,596	1,563,875
Derivative instruments	Note 11,12	16,060	18,353	34,238	20,533	22,307
Short positions		15,456	15,013	2,364	12,558	13,459
Insurance liabilities		8,056	8,055	8,407	8,040	8,290
Current tax liabilities		1,207	1,025	1,211	1,872	1,314
Deferred tax liabilities		4,028	4,186	3,969	6,342	6,113
Provisions		487	543	601	541	577
Liabilities held for sale	Note 10	51,908	62,571	63,721	66,267	72,942
Other liabilities		17,456	20,198	14,882	18,283	16,398
Accrued expenses and deferred income		3,561	3,962	2,990	3,459	2,462
Subordinated liabilities		30,010	30,146	43,117	43,598	35,085
Total liabilities	Note 17	3,532,522	3,566,717	3,332,706	3,475,583	3,559,156
Non-controlling interest		2	9	8	3	2
Share capital		3,069	3,069	3,069	3,069	3,069
Share premium		8,758	8,758	8,758	8,758	8,758
Reserves		18,299	19,862	16,239	22,119	22,920
Retained earnings		151,512	151,270	147,905	147,931	147,621
Profit for the period, attributable to shareholders in Svenska Handelsbanken AB		13,396	6,603	29,107	21,867	13,917
Total equity		195,035	189,571	205,085	203,747	196,286
Total liabilities and equity		3,727,558	3,756,288	3,537,792	3,679,330	3,755,442

STATEMENT OF CHANGES IN EQUITY – GROUP

January - June 2024 SEK m	Share capital	Share premium	Defined benefit plans	Hedge reserve	Fair value reserve	Insurance contracts	Trans- lation reserve	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 period								13,396	2	13,398
Other comprehensive income			224	-117	52	66	1,835		-7	2,052
<i>of which reclassified within equity</i>							-241			-241
Total comprehensive income for the period			224	-117	52	66	1,835	13,396	-6	15,450
Reclassified to retained earnings								235		235
Dividend								-25,740		-25,740
Share-based payments to employees of Handelsbanken Plc *								54		
Repurchase own shares *								-54		
Closing equity	3,069	8,758	12,187	64	249	462	5,336	164,908	2	195,035

January – December 2023 SEK m	Share capital	Share premium	Defined benefit plans	Hedge reserve	Fair value reserve	Insurance contracts	Trans- lation reserve	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 period								29,107	8	29,114
Other comprehensive income			-1,776	488	71	-396	-831		-3	-2,447
<i>of which reclassified within equity</i>			49				-284			-235
Total comprehensive income for the period			-1,776	488	71	-396	-831	29,107	5	26,667
Reclassified to retained earnings								235		235
Dividend								-15,840		-15,840
Share-based payments to employees of Handelsbanken Plc*								79		79
Repurchase own shares*								-79		-79
Closing equity	3,069	8,758	11,963	181	197	396	3,502	177,011	8	205,085

January - June 2023 SEK m	Share capital	Share premium	Defined benefit plans	Hedge reserve	Fair value reserve	Insurance contracts	Trans- lation reserve	Retained earnings incl profit for the year	Non- controlling interest	Total
Opening equity 2023	3,069	8,758	13,740	-307	126	793	4,332	163,510	3	194,024
Profit for the period								13,917	1	13,918
Other comprehensive income			581	581	54	-16	3,035		-3	4,234
<i>of which reclassified within equity</i>			49							49
Total comprehensive income for the period			581	581	54	-16	3,035	13,917	-1	18,152
Reclassified to retained earnings								-49		-49
Dividend								-15,840		-15,840
Closing equity	3,069	8,758	14,321	274	181	777	7,368	161,537	2	196,286

*Starting from the earnings year 2020 all employees in Handelsbanken plc are part of a share incentive plan ("SIP).

CONDENSED STATEMENT OF CASH FLOWS – GROUP

SEK m	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Operating profit	16,778	17,357	36,322
Profit from discontinued operations, before tax	519	643	1,394
Adjustment for non-cash items in profit/loss and result from discontinued operations	326	1,235	907
Paid income tax	-5,996	-3,523	-7,681
Changes in the assets and liabilities of operating activities	115,801	14,550	-7,816
Cash flow from operating activities	127,428	30,261	23,125
Change in shares	-19	-53	-53
Change in property and equipment	-303	-209	-506
Change in intangible assets	-388	-485	-957
Cash flow from investing activities	-711	-748	-1,517
Repayment of subordinated loans	-13,371	-8,351	-8,351
Issued subordinated loans			8,635
Dividend paid	-25,740	-15,840	-15,840
Cash flow from financing activities	-39,111	-24,192	-15,556
Cash and cash equivalents at beginning of the period*	476,181	475,882	475,882
Cash flow for the period	87,606	5,321	6,052
Exchange rate difference on cash and cash equivalents	17,774	22,480	-5,753
Cash and cash equivalents at end of the period*	581,560	503,684	476,181

* Cash and cash equivalents are defined as Cash and balances with central banks.

The statement of cash flows in the above table includes the discontinued operations in Finland (see Note 10).

Notes

NOTE 1 ACCOUNTING POLICIES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated accounts have been prepared in accordance with international financial reporting standards (IFRS) and interpretations of these standards as adopted by the EU. The accounting policies also follow 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 Annual reports in credit institutions and securities companies. RFR 1 Supplementary Accounting Rules for Groups, and statements from the Swedish Financial Reporting Board, are also applied in the consolidated accounts.

The interim report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies, and the regulations and general guidelines issued by the Swedish Financial Supervisory Authority, FFFS 2008:25 Annual reports in credit institutions and securities companies. The parent company also applies the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for legal entities and statements.

Changed accounting policies

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

The interim report of the Group and the parent company has been prepared in accordance with the same accounting policies and calculation methods that were applied in the Annual and Sustainability Report for 2023.

Future regulatory changes

IFRS 18 Presentation and Disclosure in Financial Statements

The IASB published the new IFRS 18 — Presentation and Disclosure in Financial Statements standard on 9 April 2024, which supersedes IAS 1 Presentation of Financial Statements. Assuming that IFRS 18 is adopted by the EU, and the date of implementation proposed by the IASB is not changed, this standard is to be applied as of the 2027 financial year. IFRS 18 sets out new requirements for the presentation and disclosure of information in financial statements, with a particular focus on the income statement and enhanced transparency surrounding management-defined performance measures.

The standard is not expected to entail any financial effects for Handelsbanken, as IFRS 18 focuses on presentation and disclosure in financial statements. The Bank plans to commence work on analysing the effects of the new standard.

Other changes in IFRS

None of the other forthcoming changes in the accounting regulations issued for application are assessed to have a material impact on Handelsbanken's financial reports, capital adequacy, large exposures or other circumstances according to the applicable regulatory requirements.

Note 2 Net interest income

SEK m	Q2 2024	Q1 2024	Change	Q2 2023	Change	Jan-Jun 2024	Jan-Jun 2023	Change	Full year 2023
Interest income									
Loans to credit institutions and central banks	9,022	8,458	7%	6,826	32%	17,480	12,765	37%	29,262
Loans to the public	26,717	26,282	2%	21,842	22%	52,999	41,054	29%	91,518
Interest-bearing securities eligible as collateral with central banks	2,212	2,433	-9%	2,160	2%	4,645	3,415	36%	8,110
Bonds and other interest-bearing securities	601	609	-1%	646	-7%	1,210	859	41%	2,076
Derivative instruments	6,218	7,012	-11%	7,875	-21%	13,230	14,662	-10%	32,227
Other interest income	80	98	-18%	203	-61%	178	436	-59%	853
Total	44,853	44,890	0%	39,552	13%	89,743	73,191	23%	164,046
Deduction of interest income reported in Net gains/losses on financial transactions	-672	-898	-25%	-1,221	-45%	-1,570	-1,936	-19%	-4,242
Total interest income	44,180	43,993	0%	38,329	15%	88,173	71,255	24%	159,805
<i>of which interest income according to the effective interest method and interest on derivatives in hedge accounting</i>	38,959	38,018	2%	31,708	23%	76,977	59,317	30%	133,602
Interest expense									
Due to credit institutions and central banks	-601	-772	-22%	-1,208	-50%	-1,373	-1,864	-26%	-3,768
Deposits and borrowing from the public	-11,487	-10,957	5%	-8,178	40%	-22,444	-14,796	52%	-35,195
Issued securities	-13,553	-13,603	0%	-11,334	20%	-27,156	-20,691	31%	-45,983
Derivative instruments	-7,186	-7,554	-5%	-6,188	16%	-14,740	-11,061	33%	-28,562
Subordinated liabilities	-351	-475	-26%	-391	-10%	-826	-768	8%	-1,615
Deposit guarantee fee	-61	-61	0%	-85	-28%	-122	-171	-29%	-246
Other interest expenses	-154	-117	32%	-117	32%	-271	-232	17%	-513
Total	-33,393	-33,539	0%	-27,502	21%	-66,932	-49,584	35%	-115,881
Deduction of interest expense reported in Net gains/losses on financial transactions	959	1,134	-15%	861	11%	2,093	1,501	39%	3,654
Total interest expense	-32,434	-32,406	0%	-26,642	22%	-64,840	-48,083	35%	-112,227
<i>of which interest expense according to the effective interest method and interest on derivatives in hedge accounting</i>	-30,182	-29,885	1%	-24,019	26%	-60,067	-43,314	39%	-100,238
Net interest income	11,746	11,587	1%	11,687	1%	23,333	23,172	1%	47,578

Included on the Derivative instruments rows is net interest income which relates to assets and liabilities that are hedged. These can have either a positive or a negative impact on interest income and interest expenses.

Note 3 Net fee and commission income

SEK m	Q2	Q1	Q2		Jan-Jun	Jan-Jun	Full year		
	2024	2024	Change	2023	Change	2024	2023	Change	2023
Brokerage and other securities commissions	116	106	9%	111	5%	222	234	-5%	420
Mutual funds	1,505	1,400	8%	1,387	9%	2,905	2,738	6%	5,534
Custody and other asset management fees	293	262	12%	251	17%	555	485	14%	997
Advisory services	36	55	-35%	32	13%	91	137	-34%	236
Insurance	188	179	5%	167	13%	367	334	10%	673
Payments	722	674	7%	715	1%	1,396	1,378	1%	2,811
Loans and deposits	253	265	-5%	283	-11%	518	579	-11%	1,156
Guarantees	44	48	-8%	46	-4%	92	96	-4%	196
Other	151	129	17%	135	12%	280	264	6%	536
Total fee and commission income	3,307	3,118	6%	3,127	6%	6,425	6,245	3%	12,559
Securities	-71	-76	-7%	-51	39%	-147	-108	36%	-243
Payments	-267	-261	2%	-284	-6%	-528	-547	-3%	-1,053
Other	-31	-27	15%	-31	0%	-58	-63	-8%	-124
Total fee and commission expenses	-369	-364	1%	-366	1%	-733	-718	2%	-1,421
Net fee and commission income	2,939	2,754	7%	2,761	6%	5,693	5,527	3%	11,139

Net fee and commission income per business segment

January - June 2024		Home markets						Total Jan-Jun 2024
SEK m		Sweden	UK	Norway	The Nether- lands	Markets	Other Adj. & elim.	
Brokerage and other securities commissions	83	2	6	9	123	6	-7	222
Mutual funds	2,528	168	114	30	97	-32	2,905	
Custody and other asset management fees	414	18	59	50	0	13	1	555
Advisory services		25	0	61	6	-1	91	
Insurance	366	0	1	1	1	367		
Payments	1,100	160	134	1	0	0	1,396	
Loans and deposits	322	76	61	4	13	54	-12	518
Guarantees	47	7	17	0	20	1	92	
Other	266	3	3	1	132	1	-126	280
Total fee and commission income	5,127	460	394	95	329	198	-178	6,425
Total fee and commission expenses	-714	-35	-64	-10	-63	-26	178	-733
Net fee and commission income	4,414	424	331	85	267	172	0	5,693
<i>of which Net card commissions</i>	<i>423</i>	<i>31</i>	<i>35</i>	<i>0</i>	<i>0</i>	<i>-7</i>	<i>482</i>	

January - June 2023		Home markets						Total Jan-Jun 2023
SEK m		Sweden	UK	Norway	The Nether- lands	Markets	Other Adj. & elim.	
Brokerage and other securities commissions	87	3	6	7	132	9	-10	234
Mutual funds	2,359	170	114	30	97	-32	2,738	
Custody and other asset management fees	352	20	55	46	-1	13	485	
Advisory services	0	25	0	110	3	-1	137	
Insurance	332	0	1	1	1	334		
Payments	1,084	161	130	1	2	1,378		
Loans and deposits	367	69	54	4	1	85	-1	579
Guarantees	47	7	21	0	20	1	96	
Other	253	2	3	0	155	1	-150	264
Total fee and commission income	4,883	458	385	88	398	230	-197	6,245
Total fee and commission expenses	-701	-40	-62	-6	-69	-37	197	-718
Net fee and commission income	4,182	417	323	82	329	193	0	5,527
<i>of which Net card commissions</i>	<i>425</i>	<i>32</i>	<i>39</i>	<i>0</i>	<i>0</i>	<i>-7</i>	<i>489</i>	

The comparative figures have been recalculated due to the reorganisation, see page 9.

Note 4 Net gains/losses on financial transactions

SEK m	Q2 2024	Q1 2024	Change	Q2 2023	Change	Jan-Jun 2024	Jan-Jun 2023	Change	Full year 2023
Amortised cost	135	235	-43%	80	69%	370	203	82%	668
<i>of which loans</i>	19	34	-44%	-16		53	-15		95
<i>of which interest-bearing securities</i>							0		0
<i>of which issued securities</i>	116	200	-42%	96	21%	316	218	45%	573
Fair value through other comprehensive income	0			-1		0	-1		-1
<i>of which interest-bearing securities - expected credit losses</i>	0	0	0%	0	0%	0	0	82%	0
<i>of which interest-bearing securities - reclassification from other comprehensive income</i>		0	-100%	-1	-100%	0	-1		-1
Fair value through profit or loss, fair value option	172	-523		-606		-351	-485	28%	670
<i>of which interest-bearing securities</i>	172	-523		-606		-351	-485	28%	670
Fair value through profit or loss, mandatory including FX effects	386	1,193	-68%	1,169	-67%	1,579	1,612	-2%	1,494
<i>of which assets held on behalf of policyholders</i>	97	98	-1%	58	67%	195	122	60%	336
Hedge accounting	-17	-57	70%	-191	91%	-74	-212	65%	166
<i>of which net gains/losses on fair value hedges</i>	-18	-56	68%	-124	85%	-74	-107	31%	82
<i>of which cash flow hedge ineffectiveness</i>	1	-1		-67			-105	-100%	83
Total	677	848	-20%	452	50%	1,525	1,118	36%	2,997
Deduction of return on assets held on behalf of policyholders	-97	-98	1%	-58	-67%	-195	-122	-60%	-336
Net gains/losses on financial transactions	580	750	-23%	393	48%	1,330	995	34%	2,661

Note 5 Net insurance result

SEK m	Q2 2024	Q1 2024	Change	Q2 2023	Change	Jan-Jun 2024	Jan-Jun 2023	Change	Full year 2023
Insurance revenue	290	322	-10%	291	0%	612	593	3%	1,169
Insurance service expenses	-229	-284	-19%	-227	1%	-513	-495	4%	-958
Insurance service result	60	38	58%	64	-6%	98	98	0%	211
Result from reinsurance contracts held									-10
Financial income and expenses from insurance contracts	-18	-12	50%	-6	200%	-30	-13	131%	-44
Insurance result	41	27	52%	58	-29%	68	85	-20%	157
Return on assets held on behalf of policyholders	97	98	-1%	58	67%	195	122	60%	336
Net insurance result	138	125	10%	116	19%	263	207	27%	493

Note 6 Other expenses

mkr	Q2 2024	Q1 2024	Change	Q2 2023	Change	Jan-Jun 2024	Jan-Jun 2023	Change	Full year 2023
Property and premises	-181	-183	-1%	-183	-1%	-364	-345	6%	-686
IT related expenses	-886	-930	-5%	-799	11%	-1,816	-1,636	11%	-3,379
Communication	-61	-71	-14%	-74	-18%	-132	-145	-9%	-284
Travel and marketing	-80	-60	33%	-81	-1%	-140	-144	-3%	-299
Purchased services	-532	-600	-11%	-653	-19%	-1,132	-1,208	-6%	-2,355
Supplies	-39	-42	-7%	-46	-15%	-81	-98	-17%	-188
Other expenses	-147	-170	-14%	-117	26%	-317	-229	38%	-605
Other expenses	-1,926	-2,056	-6%	-1,953	-1%	-3,982	-3,805	5%	-7,796

Note 7 Credit losses

SEK m	Q2 2024	Q1 2024	Change	Q2 2023	Change	Jan-Jun 2024	Jan-Jun 2023	Change	Full year 2023
Expected credit losses on balance sheet items									
The period's provision Stage 3	-56	-134	-58%	-60	-7%	-190	-151	26%	-328
Reversal of Stage 3 provisions previous years	27	52	-48%	71	-62%	79	110	-28%	209
Total expected credit losses Stage 3	-29	-82	-65%	11		-111	-41	171%	-119
The period's net provision Stage 2	87	93	-6%	-87		180	-171		-112
The period's net provision Stage 1	59	51	16%	22	168%	110	36	206%	39
Total expected credit losses in Stage 1 and Stage 2	145	144	1%	-65		289	-135		-72
Total expected credit losses on balance sheet items	117	62	89%	-55		179	-176		-192
Expected credit losses on off-balance sheet items									
The period's net provision Stage 3	-2	0		1		-2	7		8
The period's net provision Stage 2	-3	33		-57	-95%	30	-22		-39
The period's net provision Stage 1	17	18	-6%	7	143%	35	15	133%	8
Total expected credit losses on off-balance sheet items	12	51	-76%	-50		63	0		-23
Write-offs									
Actual credit losses for the period	-89	-48	85%	-55	62%	-137	-116	18%	-260
Utilised share of previous provision Stage 3	61	38	61%	47	30%	99	104	-5%	185
Total write-offs	-27	-11	145%	-8	238%	-38	-12	217%	-75
Recoveries	31	-7		55	-44%	24	101	-76%	149
Net credit losses	133	95	40%	-58		228	-88		-141
<i>of which loans to the public</i>	<i>120</i>	<i>45</i>	<i>167%</i>	<i>-9</i>		<i>165</i>	<i>-88</i>		<i>-120</i>

SEK m	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
1) Expected credit losses Stage 3 on and off balance sheet	-30	-82	-73	-4	12
Change in model-based provision Stage 1 and Stage 2:					
Update of macroeconomic scenarios and risk factors	59	65	37	-2	27
Transfer of exposures in exposed sectors from Stage 1 to Stage 2*	0	-3	5	0	1
Change in probability of default in portfolio at beginning of quarter (net rating changes)	-88	-49	-137	-77	-176
Effects of changes in exposures (existing, new and terminated exposures)	39	24	44	10	11
Other in Stage 1 and Stage 2	72	85	84	69	17
<i>Deducted, discontinued operations</i>	<i>2</i>	<i>-3</i>	<i>-11</i>	<i>3</i>	<i>-1</i>
Model-based credit losses in Stage 1 and Stage 2	84	119	22	3	-121
Expert based provision					
Expert based provision	-463	-540	-617	-617	-632
<i>Deducted, discontinued operations</i>	<i>9</i>	<i>11</i>	<i>13</i>	<i>13</i>	<i>14</i>
Expert based provision in continuing operations	-454	-529	-604	-604	-618
Quarterly change of provisions which affect credit losses in Stage 1 and Stage 2	75	75	0	14	6
2) Expected credit losses in Stage 1 and Stage 2 on and off balance sheet	159	195	22	17	-115
3) Write-offs	-27	-11	-24	-39	-8
4) Recoveries	31	-7	23	25	55
Net credit losses (1+2+3+4)	133	95	-52	-1	-58

* Expert-based assessment of significant increase in credit risk

The total provision requirement in Stage 1 and Stage 2 has decreased slightly during the second quarter. The provision consists of a model-based provision which is affected by aspects including macroeconomic risk factors and customer migration, together with an expert-based provision. The selection of macroeconomic risk factors upon which the model is based is unchanged since the first quarter. Updated assumptions for macroeconomic risk factors have led to an overall SEK 59m decrease in the provision requirement during the quarter. Negative rating migration in the customer portfolio increased the provision requirement by SEK 88m. Changes in the size of the exposures decreased the provision requirement by SEK 39m. The Other line item in Stage 1 and Stage 2 reduced the provision requirement due to the impact of factors such as agreements entering default and maturity effects.

During Q2, 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 primarily linked to macroeconomic conditions and potentially substantial changes in demand. Given the challenges, at the end of the quarter, in assessing how the uncertainty factors noted above affect the credit risk at individual company level, the Bank has therefore applied an expert-based stress in sectors at risk of extra sensitivity. This stress has been applied in addition to the model-based calculations, and results in an additional provision requirement of SEK 454m (529 during the previous quarter) in continuing operations and SEK 463m (540) 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.

Loans to the public – Key metrics

%	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023
Credit loss ratio, continuing operations YTD	-0.01	-0.01	0.01	0.01	0.01
Total credit loss reserve ratio	0.09	0.09	0.10	0.10	0.10
Credit loss reserve ratio Stage 1	0.01	0.02	0.02	0.02	0.02
Credit loss reserve ratio Stage 2	0.56	0.58	0.60	0.62	0.74
Credit loss reserve ratio Stage 3	13.36	14.96	16.28	16.79	18.50
Proportion of loans Stage 3	0.30	0.28	0.24	0.23	0.22

For definitions, please see the Fact Book which is available at handelsbanken.com/ir. The reserve ratios and proportions of loans above include the disposal groups in Finland, which have been reclassified on the balance sheet as Assets held for sale (see Note 10).

Sensitivity analysis and macroeconomic forecast in ECL calculations

The table below shows the percentage increase and decrease, respectively, to the provision for expected credit losses in Stage 1 and Stage 2 as at 30 June 2024, if the negative and positive scenarios are assigned probabilities of 100%. The effect of assigning a probability of 100% to the severe downturn scenario for the UK is not included in the total.

%	30 June 2024		31 December 2023	
	Percentage increase in the provision in a negative scenario	Percentage decrease in the provision in a positive scenario	Percentage increase in the provision in a negative scenario	Percentage decrease in the provision in a positive scenario
Sweden	20.34	-11.41	27.45	-15.70
Great Britain	16.59	-21.79	21.13	-29.56
Great Britain, severe downturn scenario	24.15		29.99	
Norway	19.75	-10.99	33.68	-18.20
Finland	9.08	-4.92	8.52	-5.06
The Netherlands	22.56	-14.36	36.85	-22.53
United States	37.24	-23.74	57.50	-36.86
Other countries	13.01	-8.22	23.51	-12.04
Total	17.66	-13.48	23.58	-18.51

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 calculated forecasts. Three scenarios are applied for exposures outside the UK. 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 is also applied. The probability weighting for severe downturn/downturn/base case/upturn scenarios for the UK is 15%/20%/60%/5% (15/20/60/5). These scenarios and weightings have formed the basis for the calculation of expected credit losses in Stage 1 and Stage 2 as at 30 June 2024.

Macroeconomic risk factor		Downturn scenario			Base case scenario			Upturn scenario		
		2024	2025	2026	2024	2025	2026	2024	2025	2026
GDP growth, %	Sweden	0.06	-1.33	2.02	1.06	2.67	2.37	2.56	4.67	2.67
	Great Britain	-0.38	-2.58	1.18	0.62	1.42	1.53	2.12	3.42	1.83
	Great Britain, severe downturn scenario	-1.38	-5.08	2.53						
	Norway	-0.24	-2.77	1.12	0.76	1.23	1.47	2.26	3.23	1.77
	Finland	-1.20	-2.50	1.25	-0.20	1.50	1.60	1.30	3.50	1.90
	Euro area	-0.26	-2.66	1.17	0.74	1.34	1.52	2.24	3.34	1.82
	United States	1.54	-2.18	1.27	2.54	1.82	1.62	4.04	3.82	1.92
Unemployment rate, %	Sweden	9.55	10.20	9.90	8.35	8.10	7.70	7.85	6.90	6.80
	Great Britain	6.20	7.10	7.10	5.00	5.40	5.20	4.50	4.20	4.30
	Great Britain, severe downturn scenario	6.50	8.90	8.70						
	Norway	3.73	4.30	4.40	2.03	2.20	2.20	1.53	1.50	1.50
	Finland	9.00	9.40	9.10	7.80	7.30	6.90	7.30	6.10	6.00
	Euro area	7.85	8.83	8.73	6.65	6.73	6.53	6.15	5.53	5.63
	United States	5.08	6.18	6.39	3.88	4.08	4.19	3.38	2.88	3.29
Policy interest rate, %	Sweden	4.25	4.50	3.75	3.25	2.25	2.25	2.25	1.25	1.25
	Great Britain	5.75	6.00	4.75	4.75	4.00	3.00	3.75	3.00	2.00
	Great Britain, severe downturn scenario	1.75	0.75	0.75						
	Norway	5.50	6.00	4.75	4.50	3.75	3.25	3.50	2.75	2.25
	Finland	4.25	4.50	3.50	3.25	2.25	2.00	2.25	1.25	1.00
	Euro area	4.25	4.50	3.50	3.25	2.25	2.00	2.25	1.25	1.00
	United States	5.88	6.13	4.63	4.88	3.88	3.13	3.88	2.88	2.13
Residential real estate, value change %	Sweden	-2.03	-3.40	4.19	2.00	3.44	3.05	3.59	5.18	6.60
	Great Britain	-2.96	-3.14	-3.14	-3.54	0.93	1.51	-2.14	5.14	4.27
	Great Britain, severe downturn scenario	-7.10	-4.34	-4.06						
	Norway	1.81	1.94	6.55	2.91	6.29	6.54	4.03	8.27	6.90
	Finland	-1.67	-3.89	2.43	0.43	3.76	2.72	-0.14	3.27	2.55
	Euro area	4.08	1.93	3.97	3.08	3.43	3.52	3.99	4.63	3.12
	United States									
Commercial real estate, value change %	Sweden	-15.19	-5.16	6.42	-4.51	3.19	4.37	-0.86	10.55	8.49
	Great Britain	-11.47	-15.02	-2.10	-4.64	-0.75	-0.17	-2.27	5.86	3.07
	Great Britain, severe downturn scenario	-13.91	-20.22	-4.85						
	Norway	-12.48	-12.25	-0.40	-2.74	-1.64	-1.11	1.49	5.67	2.14
	Finland	-14.96	-6.10	3.87	-5.79	1.08	2.44	-2.86	7.05	5.79
	Euro area	-15.12	-9.96	2.03	-5.59	-0.12	1.53	-1.80	6.80	5.08
	United States									

Note 8 Loans

The balance sheet items in the tables below include the disposal groups in Finland, which have been reclassified to Assets held for sale and Liabilities held for sale in the balance sheet, respectively (see Note 10).

Loans and interest-bearing securities that are subject to impairment testing, net

SEK m	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023
Cash and balances with central banks	581,540	561,855	476,162	482,291	503,660
Other loans to central banks	23,773	42,751	32,145	33,470	38,776
Interest-bearing securities eligible as collateral with central banks					
Loans to other credit institutions	26,356	27,344	19,297	28,803	38,259
<i>of which reverse repos</i>	18,676	16,463	9,623	19,011	22,325
Loans to the public	2,433,554	2,440,007	2,434,217	2,483,022	2,492,465
<i>of which reverse repos</i>	18,522	19,088	17,404	18,555	14,233
Bonds and interest-bearing securities	13,226	13,396	12,709	13,222	12,531
Total	3,078,449	3,085,353	2,974,529	3,040,809	3,085,691

Loans and interest-bearing securities that are subject to impairment testing, divided into stages

SEK m	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023
Volume, gross	3,080,551	3,087,673	2,976,927	3,043,294	3,088,268
<i>of which Stage 1</i>	2,957,338	2,951,914	2,833,004	2,895,613	2,959,699
<i>of which Stage 2</i>	114,771	127,760	136,859	140,830	121,957
<i>of which Stage 3</i>	8,442	7,999	7,064	6,851	6,612
Provisions	-2,104	-2,322	-2,400	-2,487	-2,579
<i>of which Stage 1</i>	-324	-386	-430	-463	-454
<i>of which Stage 2</i>	-652	-740	-820	-874	-902
<i>of which Stage 3</i>	-1,128	-1,197	-1,150	-1,150	-1,223

Loans to the public that are subject to impairment testing, divided into stages

SEK m	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023
Volume, gross	2,435,643	2,442,324	2,436,611	2,485,501	2,495,036
<i>of which Stage 1</i>	2,312,534	2,306,576	2,292,700	2,337,820	2,366,466
<i>of which Stage 2</i>	114,667	127,749	136,848	140,830	121,957
<i>of which Stage 3</i>	8,442	7,999	7,064	6,851	6,612
Provisions	-2,090	-2,317	-2,395	-2,480	-2,571
<i>of which Stage 1</i>	-321	-382	-426	-459	-449
<i>of which Stage 2</i>	-640	-738	-819	-870	-898
<i>of which Stage 3</i>	-1,128	-1,197	-1,150	-1,150	-1,223

Change in the provision for expected credit losses – Loans and interest-bearing securities

30 June 2024				
SEK m	Stage 1	Stage 2	Stage 3	Total
Provision at beginning of year	-430	-820	-1,150	-2,400
Derecognised assets	26	41	31	98
Write-offs	0	0	150	151
Remeasurements due to changes in credit risk	-20	92	-63	9
Changes due to update in the methodology for estimation				
Foreign exchange effect, etc	-2	-13	-10	-24
Purchased or originated assets	-13	-13	-1	-27
Transfer to Stage 1	-27	47	0	19
Transfer to Stage 2	55	-164	1	-108
Transfer to Stage 3	87	178	-86	179
Provision at end of period	-324	-652	-1,128	-2,104

31 December 2023				
SEK m	Stage 1	Stage 2	Stage 3	Total
Provision at beginning of year	-480	-723	-1,257	-2,459
Derecognised assets	37	89	211	337
Write-offs		1	213	214
Remeasurements due to changes in credit risk	-219	140	-96	-175
Changes due to update in the methodology for estimation	-32	-16		-48
Foreign exchange effect, etc	2	2	1	5
Purchased or originated assets	-34	-33	-8	-75
Transfer to Stage 1	-40	56	1	17
Transfer to Stage 2	169	-503	6	-328
Transfer to Stage 3	167	166	-221	111
Provision at end of period	-430	-820	-1,150	-2,400

Change in the provision for expected credit losses – Loans to the public

30 June 2024				
SEK m	Stage 1	Stage 2	Stage 3	Total
Provision at beginning of year	-426	-819	-1,150	-2,395
Derecognised assets	26	41	31	98
Write-offs	0	0	150	151
Remeasurements due to changes in credit risk	-20	102	-63	18
Changes due to update in the methodology for estimation				
Foreign exchange effect, etc	-2	-13	-10	-24
Purchased or originated assets	-13	-13	-1	-27
Transfer to Stage 1	-27	47	0	19
Transfer to Stage 2	55	-164	1	-108
Transfer to Stage 3	87	178	-86	179
Provision at end of period	-321	-640	-1,128	-2,090

31 December 2023				
SEK m	Stage 1	Stage 2	Stage 3	Total
Provision at beginning of year	-475	-722	-1,257	-2,454
Derecognised assets	36	89	211	337
Write-offs		1	213	214
Remeasurements due to changes in credit risk	-219	140	-96	-176
Changes due to update in the methodology for estimation	-32	-16		-48
Foreign exchange effect, etc	2	2	1	5
Purchased or originated assets	-34	-33	-8	-75
Transfer to Stage 1	-40	56	1	17
Transfer to Stage 2	169	-502	6	-326
Transfer to Stage 3	167	166	-221	111
Provision at end of period	-426	-819	-1,150	-2,395

The change analysis shows the net effect on the provision for the stage in question for each explanatory item during the period. The impact of reversals and write-offs is calculated on the opening balance. The effect of revaluations arising as a result of changes due to updates in the methodology for estimation, foreign exchange effects, etc., is calculated before any transfer of net amounts 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.

Loans to the public – by sector

30 June 2024 SEK m	Gross			Provisions			Net
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Private individuals	1,168,639	28,229	4,936	-86	-109	-626	1,200,983
<i>of which mortgage loans</i>	997,325	21,039	2,141	-26	-38	-53	1,020,388
<i>of which other loans with property mortgages</i>	141,045	5,789	1,523	-20	-25	-91	148,221
<i>of which other loans to private individuals</i>	30,269	1,401	1,272	-40	-46	-482	32,374
Housing co-operative associations	281,379	12,489	19	-4	-22	-8	293,853
<i>of which mortgage loans</i>	266,093	6,570	18	-1	-4	-7	272,669
Property management	672,621	60,039	2,538	-121	-229	-101	734,747
Manufacturing	18,707	3,820	55	-15	-80	-32	22,455
Retail	33,059	582	89	-10	-8	-65	33,647
Hotel and restaurant	5,228	798	139	-5	-6	-24	6,130
Passenger and goods transport by sea	384	1	0	0	0	0	385
Other transport and communication	6,851	749	17	-3	-2	-15	7,597
Construction	14,477	3,964	297	-44	-136	-99	18,459
Electricity, gas and water	15,211	14	4	-1		-4	15,224
Agriculture, hunting and forestry	20,645	1,097	77	-6	-6	-5	21,802
Other services	20,322	772	157	-8	-7	-87	21,149
Holding, investment and insurance Comp., funds etc.	27,320	1,762	26	-8	-12	-9	29,079
Government and municipalities	4,786	93		0	-1		4,878
<i>of which Swedish national debt office</i>	672						672
Other corporate lending	22,905	258	88	-10	-22	-53	23,166
Total	2,312,534	114,667	8,442	-321	-640	-1,128	2,433,554

31 December 2023 SEK m	Gross			Provisions			Net
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Private individuals	1,158,428	28,771	4,159	-143	-132	-589	1,190,494
<i>of which mortgage loans</i>	991,247	21,664	1,592	-38	-43	-44	1,014,378
<i>of which other loans with property mortgages</i>	139,030	5,631	1,310	-44	-40	-93	145,794
<i>of which other loans to private individuals</i>	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
<i>of which mortgage loans</i>	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	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 and insurance Comp., funds etc.	23,154	878	12	-6	-5	-3	24,030
Government and municipalities	12,278	64		0	0		12,342
<i>of which Swedish national debt office</i>	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

Specification of Loans to the public – Property management

30 June 2024	Gross			Provisions			Net
SEK m	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Loans in Sweden							
State-owned property companies	11,207			0			11,207
Municipal-owned property companies	8,327	164		0	0		8,491
Residential property companies	138,124	21,458	388	-7	-89	-14	159,860
<i>of which mortgage loans</i>	130,438	20,597	282	-5	-85	-12	151,215
Other property management	142,050	11,615	173	-9	-15	-35	153,779
<i>of which mortgage loans</i>	78,770	7,039	68	-3	-12	-11	85,851
Total loans in Sweden	299,708	33,237	561	-16	-104	-49	333,337
Loans outside Sweden							
UK	136,696	12,097	1,626	-78	-98	-1	150,242
Norway	127,967	6,613	69	-25	-15	-26	134,583
Finland	41,726	5,365	271	-1	-11	-20	47,330
The Netherlands	65,472	2,727		-1	-1		68,197
Other countries	1,052		11	0		-5	1,058
Total loans outside Sweden	372,913	26,802	1,977	-105	-125	-52	401,410
Total loans - Property management	672,621	60,039	2,538	-121	-229	-101	734,747

31 December 2023	Gross			Provisions			Net
SEK m	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Loans in Sweden							
State-owned property companies	11,306			0			11,306
Municipal-owned property companies	7,311	515		0	0		7,826
Residential property companies	129,563	30,200	64	-7	-68	-13	159,739
<i>of which mortgage loans</i>	121,606	28,574	56	-6	-64	-7	150,159
Other property management	131,093	20,222	164	-11	-30	-52	151,386
<i>of which mortgage loans</i>	72,794	10,836	63	-3	-17	-21	83,652
Total loans in Sweden	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 loans outside Sweden	369,415	30,897	1,756	-112	-151	-94	401,711
Total loans - Property management	648,688	81,834	1,984	-130	-249	-159	731,968

Specification of Loans to the public – Property management: Type of collateral & country

30 June 2024						
SEK m, gross	Sweden	UK	Norway	Finland	The Netherlands	Total
Government guarantees	2,580	5	1,338	19,939		23,862
Residential	194,208	81,678	20,816	17,648	35,747	350,097
Office, retail, hotel	99,060	50,096	82,154	5,766	12,666	249,742
Other real estate	5,229	399	11,677	1,061	18,882	37,248
Industry, logistics	18,235	16,257	9,594	2,071	669	46,826
Agriculture, forestry	3,860	957	149	4	15	4,985
Other collateral	2,298	162	130	483	127	3,200
Unsecured	8,036	865	6,882	86	61	15,930
Undeveloped			1,909	304	32	2,245
Total	333,506	150,419	134,649	47,362	68,199	734,135

31 December 2023						
SEK m, gross	Sweden	UK	Norway	Finland	The Netherlands	Total
Government guarantees	3,336	5	1,290	19,494		24,125
Residential	192,222	80,478	21,139	18,414	37,184	349,437
Office, retail, hotel	101,189	46,526	86,230	7,062	10,619	251,626
Other real estate	4,024	314	11,863	1,111	17,676	34,988
Industry, logistics	17,239	15,022	8,873	2,851	596	44,581
Agriculture, forestry	4,093	1,139	113	4	15	5,364
Other collateral	1,763	209	192	509	281	2,954
Unsecured	6,572	987	8,282	446	41	16,328
Undeveloped			1,783	269	52	2,104
Total	330,438	144,680	139,765	50,160	66,464	731,507

Loans to the public – Property management: Commercial properties LTV per country

30 June 2024						
LTV, %	Sweden	UK	Norway	Finland	The Netherlands	Total
0-40	83,4	90,8	77,1	73,4	87,8	82,8
41-60	15,7	9,0	20,2	16,9	11,8	15,5
61-75	0,8	0,2	2,3	7,9	0,3	1,4
>75	0,1	0,1	0,4	1,8	0,1	0,3
Average LTV	45,3	40,5	51,7	46,5	45,0	44,7

31 December 2023						
LTV, %	Sweden	UK	Norway	Finland	The Netherlands	Total
0-40	83,7	90,1	78,9	75,1	88,4	83,2
41-60	15,5	9,5	18,9	15,7	11,3	15,3
61-75	0,6	0,2	1,9	6,9	0,2	1,3
>75	0,1	0,1	0,3	2,3	0,1	0,3
Average LTV	46,0	41,0	51,0	47,0	45,0	45,0

Loan to value (LTV) shows lending in relation to the market value of the collateral. Average LTV refers to a weighted average maximum LTV per property. The division into ranges follows an allocation method that can be described using the following feasible example: a credit with a loan-to-value ratio of 60% is divided up in such a way that two-thirds of the volume is reported under the line item LTV 0-40%, while the remaining third is reported under the line item LTV 41-60%.

Loans to the public – Property management: Residential properties LTV per country

30 June 2024						The Nether-	
LTV, %	Sweden	UK	Norway	Finland	lands	Total	
0-40	79,2	86,9	75,6	55,3	81,2	79,3	
41-60	18,4	12,9	20,7	19,0	16,1	17,0	
61-75	2,3	0,2	2,8	9,9	2,6	2,4	
>75	0,2	0,0	0,8	15,8	0,2	1,2	
Average LTV	49,1	44,5	52,8	56,0	51,2	48,8	

31 December 2023						The Nether-	
LTV, %	Sweden	UK	Norway	Finland	lands	Total	
0-40	79,2	86,6	76,5	55,7	81,0	79,3	
41-60	18,1	13,2	20,5	20,2	16,4	17,1	
61-75	2,4	0,2	2,6	10,5	2,4	2,5	
>75	0,3	0,0	0,5	13,6	0,2	1,2	
Average LTV	49,0	45,0	54,0	57,0	51,0	49,0	

Loan to value (LTV) shows lending in relation to the market value of the collateral. Average LTV refers to a weighted average maximum LTV per property. The division into ranges follows an allocation method that can be described using the following feasible example: a credit with a loan-to-value ratio of 60% is divided up in such a way that two-thirds of the volume is reported under the line item LTV 0-40%, while the remaining third is reported under the line item LTV 41-60%.

Note 9 Credit risk exposure

SEK m	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023
Cash and balances with central banks	581,560	561,874	476,181	482,313	503,684
Other loans to central banks	23,773	42,751	32,145	33,470	38,776
Interest-bearing securities eligible as collateral with central banks	206,318	230,519	199,128	231,839	265,238
Loans to other credit institutions	26,356	27,344	19,297	28,803	38,259
<i>of which reverse repos</i>	18,676	16,463	9,623	19,011	22,325
Loans to the public	2,433,554	2,440,007	2,434,217	2,483,022	2,492,465
<i>of which reverse repos</i>	18,522	19,088	17,404	18,555	14,233
Bonds and other interest-bearing securities	57,560	54,358	50,087	61,484	57,611
Derivative instruments*	30,992	39,451	30,110	45,612	56,729
Contingent liabilities	58,625	60,724	58,120	60,241	63,568
Commitments	432,143	433,675	427,865	450,456	459,305
Total	3,850,880	3,890,703	3,727,150	3,877,239	3,975,634

* Refers to the sum total of positive market values.

The balance sheet items in the tables above include the disposal groups in Finland, which have been reclassified to Assets held for sale and Liabilities held for sale in the balance sheet, respectively (see Note 10).

Note 10 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, and are attributable to two different disposal groups. An agreement was signed in the second quarter of 2023 to sell those parts of the Finnish operations relating to private customers, including asset management and investment services, SMEs and the life insurance business. The deal is expected to be concluded during the second half of 2024. The units listed below are included in the disposal groups and in the discontinued operations in Finland: Handelsbanken AB (publ) Finland branch, Handelsbanken Asuntoluottopankki (Stadshypotek AB (publ) Finland branch), Handelsbanken Liv Försäkrings AB i Finland, Handelsbanken Liv Försäkrings AB Finland branch.

The valuation of each disposal group at the lower of fair value after deductions for selling costs, and the carrying amount, has not led to any impairment loss.

Assets and liabilities held for sale

30 June 2024		Finland
SEK m		
Assets		
Cash and balances with central banks		9
Other loans to central banks		20,253
Interest-bearing securities eligible as collateral with central banks		
Loans to other credit institutions		5
Loans to the public		131,593
<i>Of which households</i>		36,986
<i>Of which corporates</i>		94,608
Bonds and other interest-bearing securities		0
Shares		4
Assets where the customer bears the value change risk		9,918
Intangible assets		126
Property and equipment		422
Other assets		218
Total assets		162,549
Liabilities		
Due to credit institutions		920
Deposits and borrowing from the public		39,901
<i>Of which households</i>		15,818
<i>Of which corporates</i>		24,083
Liabilities where the customer bears the value change risk		9,918
Provisions		279
Other liabilities		890
Total liabilities		51,908

The translation reserve includes an accumulated amount of SEK 1,181m (1,022) attributable to the translation of assets and liabilities held for sale, see the Statement of changes in equity – Group.

31 December 2023		Finland
SEK m		
Assets		
Cash and balances with central banks		10
Other loans to central banks		25,863
Interest-bearing securities eligible as collateral with central banks		0
Loans to other credit institutions		3
Loans to the public		142,409
<i>Of which households</i>		39,561
<i>Of which corporates</i>		102,847
Bonds and other interest-bearing securities		0
Shares		2
Assets where the customer bears the value change risk		9,586
Intangible assets		123
Property and equipment		467
Other assets		128
Total assets		178,590
Liabilities		
Due to credit institutions		980
Deposits and borrowing from the public		51,556
<i>Of which households</i>		17,434
<i>Of which corporates</i>		34,122
Liabilities where the customer bears the value change risk		9,586
Provisions		195
Other liabilities		1,404
Total liabilities		63,721

Income, expenses and profits, discontinued operations in Finland

SEK m	Q2 2024	Q1 2024	Change	Q2 2023	Change	Jan-Jun 2024	Jan-Jun 2023	Change	Full year 2023
Net interest income	548	563	-3%	588	-7%	1,111	1,118	-1%	2,368
Net fee and commission income	87	90	-3%	106	-18%	177	206	-14%	406
Net gains/losses on financial transactions	5	5	0%	7	-29%	10	13	-23%	29
Net insurance result	4	4	0%	4	0%	8	9	-11%	17
Other income	0	0	0%	0	0%	0	0	0%	9
Total income	643	662	-3%	707	-9%	1,305	1,348	-3%	2,829
Staff costs	-185	-215	-14%	-175	6%	-400	-388	3%	-841
Other expenses	-160	-142	13%	-108	48%	-302	-229	32%	-464
Depreciation, amortisation and impairments of property, equipment and intangible assets									
Total expenses	-345	-357	-3%	-283	22%	-702	-617	14%	-1,306
Net credit losses	-9	-3	200%	-1		-12	15		41
Gains/losses on disposal of property, equipment and intangible assets	0	0	0%	-1		0	-1		-1
Risk tax and resolution fee	-32	-34	-6%	-18	78%	-66	-48	38%	-97
Profit for the period attributable to Denmark and Finland before tax	258	269	-4%	404	-36%	527	696	-24%	1,467
Tax	-51	-54	-6%	-58	-12%	-105	-93	13%	-200
Profit for the period attributable to Denmark and Finland after tax	206	215	-4%	348	-41%	421	604	-30%	1,267
Other expenses pertaining to discontinued operations*	-3	-5	-40%	-22	-86%	-8	-53	-85%	-73
Taxes	1	1	0%	5	-80%	2	11	-82%	15
Profit for the period incl. Other expenses pertaining to discontinued operations, after tax	204	211	-3%	329	-38%	415	561	-26%	1,209
Material internal transactions with continuing operations, which are eliminated in the income statement above**:									
Total income	14	18		25		32	48		100
Total expenses	-32	-30		-26		-62	-48		-101

* Additional expenses arise in Sweden relating to the divestment of the discontinued operations, which are attributed to discontinued operations. These include, for example, consultancy fees and legal costs.

** Only external income and expenses are included in profits from both continuing and discontinued operations. The discontinued operations have material internal transactions with the continuing operations, which are thus eliminated in the accounting. The elimination of internal transactions relating to net interest income between the discontinued operations in Finland and Group Treasury is adjusted and thus internal interest income and internal interest expenses are presented in continuing and discontinued operations, respectively.

Fee and commission income, discontinued operations in Finland

SEK m	Q2			Q1			Q2			Full year
	2024	2024	Change	2023	Change	2024	2023	Change	2023	
Brokerage and other securities commissions	2	2	0%	2	0%	4	4	0%	9	
Mutual funds	2	1	100%	2	0%	3	4	-25%	7	
Custody and other asset management fees	8	11	-27%	11	-27%	19	21	-10%	41	
Advisory services										
Insurance	20	20	0%	19	5%	40	38	5%	77	
Payments	47	50	-6%	54	-13%	97	108	-10%	213	
Loans and deposits	12	15	-20%	22	-45%	27	44	-39%	85	
Guarantees	4	4	0%	5	-20%	8	10	-20%	19	
Other	2	2	0%	3	-33%	4	6	-33%	11	
Total fee and commission income	97	105	-8%	118	-18%	202	234	-14%	463	

Cash flows, discontinued operations

SEK m	Jan-Jun	Jan-Jun	Full year
	2024	2023	
Cash flow from operating activities	7,990	1,466	4,611
Cash flow from investing activities		-5	-8
Cash flow from financing activities			
Cash flow for the period from discontinued operations	7,990	1,461	4,604

Note 11 Derivatives

mk	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun
	2024	2024	2023	2023	2023
Positive market values					
Trading	40,349	47,888	45,668	75,868	83,902
Fair value hedges	14,766	15,133	17,253	15,889	16,973
Cash flow hedges	22,741	27,402	19,410	31,308	36,933
Amounts offset	-46,864	-50,972	-52,221	-77,453	-81,079
Total	30,992	39,451	30,110	45,612	56,729
Negative market values					
Trading	38,291	42,606	54,579	65,677	69,463
Fair value hedges	17,035	18,285	16,007	28,198	28,853
Cash flow hedges	4,014	4,149	8,877	5,461	6,321
Amounts offset	-43,280	-46,687	-45,225	-78,803	-82,330
Total	16,060	18,353	34,238	20,533	22,307
Nominal value					
Trading	3,287,286	3,068,052	2,789,188	3,188,776	3,586,661
Fair value hedges	689,200	728,324	696,655	715,864	695,882
Cash flow hedges	407,111	422,602	468,797	497,359	526,301
Amounts offset	-2,380,511	-2,360,869	-2,310,691	-2,830,826	-2,897,069
Total	2,003,086	1,858,109	1,643,949	1,571,173	1,911,775

In this note, derivative contracts are presented on a gross basis. Amounts offset on the balance sheet consist of the offset market value of contracts for which there is a 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.

Note 12 Offsetting of financial instruments

30 June 2024 SEK m	Derivatives	Repurchase agreements, securities borrowing and similar agreements	Total
Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements			
Gross amount	77,856	41,995	119,851
Amounts offset	-46,864	-3,268	-50,132
Carrying amount on the balance sheet	30,992	38,727	69,719
Related amounts not offset on the balance sheet			
Financial instruments, netting arrangements	-6,343		-6,343
Financial assets received as collateral	-20,727	-38,727	-59,454
Total amounts not offset on the balance sheet	-27,070	-38,727	-65,797
Net amount	3,922		3,922
Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements			
Gross amount	59,340	3,549	62,889
Amounts offset	-43,280	-3,268	-46,548
Carrying amount on the balance sheet	16,060	281	16,341
Related amounts not offset on the balance sheet			
Financial instruments, netting arrangements	-6,343		-6,343
Financial assets pledged as collateral	-1,742	-281	-2,023
Total amounts not offset on the balance sheet	-8,085	-281	-8,366
Net amount	7,975		7,975
31 December 2023			
SEK m	Derivatives	Repurchase agreements, securities borrowing and similar agreements	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 doing so reflects the Bank's expected cash flows upon the settlement of two or more derivatives. Repurchase agreements and reverse repurchase agreements with central counterparty clearing houses are offset on the balance sheet when doing so reflects the Bank's expected cash flows upon the settlement of two or more agreements. 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 in the event of cancelled payment, i.e. the netting of positive and negative values in all derivative transactions with one and the same counterparty in the case of bankruptcy. The Bank's policy is to sign netting agreements with all bank counterparties. These netting agreements are supplemented with agreements on the pledging of collateral for the net exposure. Cash is primarily pledged as collateral, although government instruments are also used in some cases. Collateral for repurchase agreements and for the depositing and lending of securities is, as a rule, in the form of cash or other securities.

The amount offset for derivative assets includes offset cash collateral of SEK 9,678m (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 6,094m (4,272), derived from the balance sheet item Loans to the public.

Note 13 Goodwill and other intangible assets

SEK m	Goodwill			Other intangible assets			Total		
	Jan-Jun 2024	Jan-Jun 2023	Full year 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Opening residual value	4,356	4,397	4,397	4,211	4,005	4,005	8,567	8,402	8,402
Additional during the period				392	485	961	392	485	961
Reclassified as assets held for sale									
The period's amortisation				-412	-376	-751	-412	-376	-751
The period's impairments				-3		-1	-3		-1
Foreign exchange effect	15	-8	-41	30	50	-3	45	42	-44
Closing residual value	4,371	4,389	4,356	4,218	4,164	4,211	8,589	8,553	8,567

Note 14 Due to credit institutions, deposits and borrowing from the public

SEK m	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023
Due to credit institutions	107,793	98,824	90,143	135,502	143,863
<i>of which repos</i>	199	0	0	419	619
Deposits and borrowing from the public	1,416,323	1,422,065	1,298,480	1,369,077	1,433,843
<i>of which repos</i>	83	1	2	199	2,255

Note 15 Issued securities

SEK m	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Issued securities at beginning of year	1,523,481	1,474,801	1,474,801
Issued	572,485	663,736	1,251,086
Repurchased	-30,389	-30,261	-72,561
Matured	-517,299	-589,074	-1,124,075
Foreign exchange effect etc.	32,293	44,673	-5,771
Issued securities at end of period	1,580,571	1,563,875	1,523,481

Note 16 Pledged assets and contingent liabilities

SEK m	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023
Assets pledged for own debt	1,086,266	1,062,964	1,062,518	1,024,027	1,004,096
Other pledged assets	104,793	76,699	69,399	78,416	75,418
Contingent liabilities	58,625	60,724	58,120	60,241	63,568
Commitments	432,143	433,675	427,865	450,456	459,305

Note 17 Classification of financial assets and liabilities

30 June 2024	Fair value through profit or loss			Fair value through other comprehensive income	Amortised cost	Total carrying amount	Fair value
	Mandatory	Fair value option	Derivatives identified as hedge instruments				
SEK m							
Assets							
Cash and balances with central banks					581,560	581,560	581,560
Other loans to central banks					23,773	23,773	23,773
Interest-bearing securities eligible as collateral with central banks	6,887	199,431				206,318	206,318
Loans to other credit institutions					26,355	26,355	26,332
Loans to the public					2,433,554	2,433,554	2,409,706
Value change of interest-hedged item in portfolio hedge					-9,007	-9,007	
Bonds and other interest-bearing securities	21,172	23,162		13,226		57,560	57,560
Shares	31,455			634		32,089	32,089
Assets where the customer bears the value change risk	289,284					289,284	289,284
Derivative instruments	11,026		19,966			30,992	30,992
Other assets	7				21,476	21,483	21,483
Total	359,832	222,592	19,966	13,860	3,077,712	3,693,962	3,679,097
Investments in associates						754	
Non-financial assets						32,842	
Total assets						3,727,558	
Liabilities							
Due to credit institutions					108,713	108,713	108,855
Deposits and borrowing from the public					1,456,224	1,456,224	1,455,842
Liabilities where the customer bears the value change risk		289,524				289,524	289,524
Issued securities	500				1,580,071	1,580,571	1,565,859
Derivative instruments	13,832		2,228			16,060	16,060
Short positions	15,456					15,456	15,456
Other liabilities	8				18,101	18,109	18,109
Subordinated liabilities					30,010	30,010	30,677
Total	29,796	289,524	2,228		3,193,119	3,514,667	3,500,382
Non-financial liabilities						17,855	
Total liabilities						3,532,522	

31 December 2023		Fair value through profit or loss			Fair value through other comprehensive income	Amortised cost	Total carrying amount	Fair value
SEK m	Mandatory	Fair value option	Derivatives identified as hedge instruments	Fair value through other comprehensive income				
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							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 tables above include the disposal groups in Finland, which have been reclassified to Assets held for sale and Liabilities held for sale in the balance sheet, respectively (see Note 10).

Note 18 Fair value measurement of financial instruments

30 June 2024				
SEK m	Level 1	Level 2	Level 3	Total
Assets				
Interest-bearing securities eligible as collateral with central banks	204,209	2,109		206,318
Bonds and other interest-bearing securities	50,896	6,664		57,560
Shares	31,202	710	177	32,089
Assets where the customer bears the value change risk	286,238	2,972	74	289,284
Derivative instruments	55	30,931	7	30,992
Total	572,600	43,386	258	616,243
Liabilities				
Liabilities where the customer bears the value change risk	286,478	2,972	74	289,524
Issued securities		500		500
Derivative instruments	77	15,979	4	16,060
Short positions	15,429	27		15,456
Total	301,984	19,478	78	321,540
31 December 2023				
SEK m	Level 1	Level 2	Level 3	Total
Assets				
Interest-bearing securities eligible as collateral with central banks	199,092	36		199,128
Bonds and other interest-bearing securities	48,231	1,856		50,087
Shares	11,406	638	174	12,218
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

Assets and liabilities in the tables above include the disposal groups in Finland, which have been reclassified to Assets held for sale and Liabilities held for sale in the balance sheet, respectively (see Note 10).

Valuation process

The risk control function checks that the Group's financial instruments are correctly valued. As far as is possible, the valuations are based on external data.

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 received 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.

For financial instruments where there is no reliable information about market prices, fair value is established using valuation models. These models can, for example, be based on price comparisons, present value calculations or option valuation theory depending on the nature of the instrument.

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 instruments 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 currency-related derivatives. Financial instruments whose valuation 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 moves between the levels during the period. Changes in level 3 holdings during the period 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 in 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.

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.

Differences between the transaction price and the value measured by a valuation model

The models use input data in the form of market prices and other variables that are deemed to affect pricing. The models and input data which form the basis of the valuations are regularly validated to ensure

that they are consistent with market practice and established financial theory. In cases where there are positive differences between the value calculated with the help of a valuation model at initial recognition and the transaction price (day 1 gains/losses), the difference is accrued over the life of the financial instrument. Such differences occur when the applied valuation model does not fully capture all the components which affect the value of the instrument. Day 1 gains/losses are comprised of the Bank's profit margin and remuneration for, for example, capital costs and administrative costs. During the period, an accrual effect of SEK 82m (56) was recognised under Net gains/losses on financial transactions. At the end of the period, non-recognised day 1 gains/losses totalled SEK 456m; at year-end 2023, the corresponding figure was SEK 472m.

Change in level 3 holdings

30 June 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					
Repurchases/sales	-2				
Matured during the period					
The period's value change realised in the income statement					
Unrealised value change in income statement	5	-2	2	-3	3
Unrealised value change in other comprehensive income					
Changes in the methodology					
Transfer from level 1 or 2		7	-4		
Transfer to level 1 or 2					
Carrying amount at end of period	177	7	-4	74	-74

31 December 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 during the period					
The period's value change realised in the income statement					
Unrealised value change in income statement	2			-448	448
Unrealised value change in other comprehensive income					
Changes in the methodology					
Transfer from level 1 or 2					
Transfer to level 1 or 2		-37	37		
Carrying amount at end of period	174	2	-2	77	-77

A change in non-observable input data is not judged to give rise to significantly higher or lower values for holdings in level 3, for which reason no sensitivity analysis is presented.

Note 19 Assets and liabilities by currency

30 June 2024								Other	
SEK m	SEK	EUR	NOK	DKK	GBP	USD	currencies	Total	
Assets									
Cash and balances with central banks	39,379	154,755	3,890	0	117,916	265,535	84	581,560	
Other loans to central banks		23,773					0	23,773	
Loans to other credit institutions	212	2,655	17,614	3	1,132	4,510	231	26,356	
Loans to the public	1,571,126	275,585	330,074	1,568	244,075	9,656	1,470	2,433,554	
<i>of which corporates</i>	600,171	175,768	197,517	1,546	175,575	9,496	494	1,160,568	
<i>of which households</i>	970,283	99,817	132,556	22	68,500	159	976	1,272,313	
Interest-bearing securities eligible as collateral with central banks	185,195	8,673	1,533	1		10,917		206,318	
Bonds and other interest-bearing securities	41,521	652	15,387			0		57,560	
Other items not broken down by currency	398,437							398,437	
Total assets	2,235,870	466,094	368,498	1,572	363,123	290,618	1,784	3,727,558	
Liabilities									
Due to credit institutions	17,626	38,069	37,867	61	38	15,015	37	108,713	
Deposits and borrowing from the public	830,902	126,363	112,273	1,118	272,001	111,402	2,165	1,456,224	
<i>of which corporates</i>	337,872	95,966	69,558	1,012	202,594	107,948	1,516	816,467	
<i>of which households</i>	493,030	30,397	42,715	105	69,406	3,454	649	639,757	
Issued securities	573,796	442,661	22,112		38,860	480,518	22,624	1,580,571	
Subordinated liabilities	0	14,460			6,467	9,083		30,010	
Other items not broken down by currency, incl. equity	552,040							552,040	
Total liabilities and equity	1,974,364	621,553	172,252	1,178	317,366	616,018	24,826	3,727,558	
Other assets and liabilities broken down by currency (net)		155,445	-196,220	-483	-45,731	325,461	23,062		
Net foreign currency position		-15	26	-90	26	61	20	28	
31 December 2023									
SEK m	SEK	EUR	NOK	DKK	GBP	USD	Other currencies	Total	
Assets									
Cash and balances with central banks	67,895	128,820	4,776	0	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	1	873	2,299	422	19,297	
Loans to the public	1,579,316	287,783	319,815	1,464	234,892	9,330	1,617	2,434,217	
<i>of which corporates</i>	598,485	185,869	201,140	1,443	167,456	9,171	573	1,164,137	
<i>of which households</i>	974,083	101,914	118,675	21	67,436	159	1,044	1,263,332	
Interest-bearing securities eligible as collateral with central banks	181,752	7,561	36	1		9,778		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	1,465	350,541	182,852	2,148	3,537,792	
Liabilities									
Due to credit institutions	15,666	50,097	18,093	64	346	6,835	22	91,124	
Deposits and borrowing from the public	814,008	140,586	110,296	1,171	257,177	24,238	2,561	1,350,037	
<i>of which corporates</i>	335,161	110,747	75,871	1,034	190,553	20,797	1,767	735,931	
<i>of which households</i>	478,848	29,839	34,424	138	66,624	3,441	793	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	1,236	301,711	504,774	24,794	3,537,792	
Other assets and liabilities broken down by currency (net)		160,527	-192,764	-223	-48,850	321,918	22,716		
Net foreign currency position		-294	41	7	-20	-4	70	-200	

Assets and liabilities in the tables above include the disposal groups in Finland, which have been reclassified to Assets held for sale and Liabilities held for sale in the balance sheet, respectively (see Note 10).

Note 20 Own funds and capital requirements in the consolidated situation

The requirements for the calculation of own funds and capital requirements are regulated in Regulation (EU) No 575/2013 (CRR) and Directive 2013/36/EU, which comprise the EU's implementation of the international Basel III regulations. All references to CRR in this report refer to these regulations in their entirety, regardless of legislative form (regulation, directive, executive decree or national implementation). Figures reported in this section refer to the minimum capital requirements under Pillar 1 and meet the requirements for publication of information relating to capital adequacy in CRR Part Eight, as well as in the Swedish Financial Supervisory Authority's regulation FFFS 2014:12. Information regarding the total capital requirement and common equity tier 1 capital requirements in Pillar 2 is provided in the Group performance section. They fulfil the requirements set out in the regulations and general guidelines issued by the Swedish Financial Supervisory Authority, FFFS 2008:25 Annual reports in credit institutions and securities companies. Information in this section relates to Handelsbanken's material risks and capital requirement as of the publication date of this report. A full description of the Bank's risks and capital management can be found in Handelsbanken's Annual Report and in Handelsbanken's Risk and Capital – Information according to Pillar 3.

Key metrics

SEK m	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023
Available own funds					
Common equity tier 1 (CET1) capital	160,292	162,648	157,576	168,147	166,003
Tier 1 capital	170,860	173,274	172,603	184,438	182,123
Total capital	190,568	193,227	200,081	212,975	202,556
Risk-weighted exposure amounts					
Total risk-weighted exposure amount	848,556	863,310	836,790	868,888	837,505
Capital ratios (as a percentage of risk-weighted exposure amount)					
Common equity tier 1 ratio (%)	18.9%	18.8%	18.8%	19.4%	19.8%
Tier 1 ratio (%)	20.1%	20.1%	20.6%	21.2%	21.7%
Total capital ratio (%)	22.5%	22.4%	23.9%	24.5%	24.2%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.0%	2.0%	2.0%	2.0%	2.1%
of which: to be made up of CET1 capital (percentage points)	1.3%	1.3%	1.3%	1.3%	1.3%
of which: to be made up of Tier 1 capital (percentage points)	1.5%	1.5%	1.5%	1.5%	1.6%
Total SREP own funds requirements (%)	10.0%	10.0%	10.0%	10.0%	10.1%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
Capital conservation buffer (%)	2.5%	2.5%	2.5%	2.5%	2.5%
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)					
Institution specific countercyclical capital buffer (%)	2.0%	1.9%	1.9%	1.9%	1.7%
Systemic risk buffer (%)	3.2%	3.2%	3.2%	3.2%	3.2%
Global Systemically Important Institution buffer (%)					
Other Systemically Important Institution buffer	1.0%	1.0%	1.0%	1.0%	1.0%
Combined buffer requirement (%)	8.6%	8.6%	8.6%	8.6%	8.4%
Overall capital requirements (%)	18.6%	18.6%	18.6%	18.5%	18.4%
CET1 available after meeting the total SREP own funds requirements (%)	13.1%	13.1%	13.1%	13.6%	14.0%
Leverage ratio					
Leverage ratio total exposure measure	3,578,473	3,593,854	3,390,498	3,543,920	3,602,883
Leverage ratio	4.8%	4.8%	5.1%	5.2%	5.1%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
Additional own funds requirements to address the risk of excessive leverage (%)					
of which: to be made up of CET1 capital (percentage points)					
Total SREP leverage ratio requirements (%)	3.0%	3.0%	3.0%	3.0%	3.0%
Leverage buffer and combined leverage buffer requirement (as a percentage of the total exposure measure)					
Leverage ratio requirement (percentage points)					
Combined leverage ratio requirement (percentage points)	3.0%	3.0%	3.0%	3.0%	3.0%
Liquidity coverage ratio (LCR)*					
Total high-quality liquid assets (HQLA) (Weighted value-average)	934,576	924,173	895,982	883,232	889,405
Cash outflows - Total weighted value	600,865	605,867	617,192	633,045	652,947
Cash inflows - Total weighted value	83,527	86,896	88,942	92,214	91,583
Total net cash outflows (adjusted value)	517,339	518,972	528,250	540,831	561,364
Liquidity coverage ratio	182%	179%	172%	164%	159%
Net stable funding ratio (NSFR)					
Total available stable funding	2,176,604	2,218,720	2,101,502	2,140,123	2,165,162
Total required stable funding	1,800,549	1,804,849	1,758,065	1,826,421	1,827,179
NSFR ratio	121%	123%	120%	117%	118%

* High quality liquid assets and cashflows refer to the average of the values at each month-end during the last 12 months. The ratio is calculated based on these averages.

Overview of risk exposure amounts

	RWEA		Own funds requirements	
	30 Jun 2024	31 Mar 2024	30 Jun 2024	31 Mar 2024
Credit risk (excluding CCR)	726,600	734,404	58,128	58,752
Of which standardised approach	191,694	194,219	15,336	15,538
Of which foundation IRB (FIRB) approach	53,686	57,709	4,295	4,617
Of which slotting approach				
Of which equities under simple risk-weighted approach	2,336	2,389	187	191
Of which advanced IRB (AIRB) approach	271,442	273,911	21,715	21,913
Of which risk weight floors	207,442	206,176	16,595	16,494
Counterparty credit risk - CCR	12,716	12,853	1,017	1,028
Of which standardised approach	9,100	9,166	728	733
Of which internal model method (IMM)				
Of which exposures to a CCP	268	246	21	20
Of which credit valuation adjustment - CVA	2,640	2,769	211	222
Of which other CCR	708	672	57	54
Settlement risk				
Securitisation exposures in the non-trading book (after the cap)				
Of which SEC-IRBA approach				
Of which SEC-ERBA (including IAA)				
Of which SEC-SA approach				
Of which 1,250%/ deduction				
Position, foreign exchange and commodities risks (market risk)	23,723	30,536	1,898	2,443
Of which standardised approach	23,723	30,536	1,898	2,443
Of which IMA				
Large exposures				
Operational risk	85,517	85,517	6,841	6,841
Of which basic indicator approach				
Of which standardised approach	85,517	85,517	6,841	6,841
Of which advanced measurement approach				
Amounts below the thresholds for deduction (subject to 250% risk weight)				
Total	848,556	863,310	67,885	69,065

Capital requirement credit risk

The capital requirement for credit risk is calculated according to the standardised approach and the IRB approach in accordance with CRR. There are two different IRB approaches: the IRB approach without own estimates of LGD and CCF, and the IRB approach with own estimates of LGD and CCF.

In the IRB approach without own estimates of LGD and CCF, the Bank uses its own method to determine the probability of the customer defaulting within one year (PD), while the other parameters are set out in CRR rules.

In the IRB approach with own estimates of LGD and CCF, the Bank uses its own methods to calculate the loss given default (LGD) and the exposure amount.

Handelsbanken uses the IRB approach without own estimates of LGD and CCF for exposures to sovereigns and institutions, for certain product and collateral types for corporate exposures in the parent company, and in the subsidiaries Stadshypotek AB and Handelsbanken Finans AB. Exposures in Handelsbanken plc and Ecster AB are reported according to the standardised approach.

The IRB approach with own estimates of LGD and CCF is applied to the majority of exposures to large corporates, medium-sized companies, property companies and housing co-operative associations in the parent company (excluding the Netherlands), as well as in the subsidiaries Stadshypotek AB and Handelsbanken Finans AB. The IRB approach with own estimates of LGD and CCF is also applied to retail exposures in the parent company in Sweden, Norway and Finland, and in the subsidiary Stadshypotek AB. Risk weight floors are applied in Sweden and Norway for mortgage loans and corporate exposures secured by real estate.

At the end of the quarter, the IRB approach was applied to 74% of the total risk-weighted exposure amount for credit risk, including the effect of the risk weight floor.

Of Handelsbanken's corporate exposures, 96% were to customers with a repayment capacity assessed as normal or better than normal, i.e. with a rating grade between 1 and 5 on the Bank's nine-point risk rating scale. The IRB approach is based on historical losses from both the financial crisis of recent years and the Swedish banking crisis in the early 1990s. The risk weights, excluding regulatory risk weight floors, applied when calculating risk-weighted exposure amounts reflect Handelsbanken's credit loss history. The risk assessment includes margins of conservatism to ensure that the risk is not underestimated.

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

Capital requirement market risk

The capital requirement for market risks 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 risks, the standardised approach is applied.

Capital requirement 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 years of operation. Different factors are applied in different business segments.

Note 21 Risk and liquidity

Figures reported in this section meet the requirements for publication of information relating to risk and capital management in CRR Part Eight.

Risk and uncertainty factors

Handelsbanken provides credit through its branch operations, exercising a low risk tolerance. The credit process is based on the conviction that a decentralised organisation with local presence ensures high quality in credit decisions. Essentially, market risks in the Bank's business operations are only taken as part of meeting customers' investment and risk management needs. Handelsbanken's exposure to market risks is low. The Bank's low tolerance of risk means that it is also well-equipped to operate under difficult market conditions. Russia's invasion of Ukraine has given rise to a heightened level of uncertainty in the European and global economies. Handelsbanken has

no direct exposures to Russia, Ukraine or Belarus. Nonetheless, geopolitical developments may entail indirect risks for the Bank. The rise in geopolitical instability has heightened the risk of different types of attacks on critical infrastructure in society. The Bank is monitoring developments and assesses the risk of various scenarios on an ongoing basis.

The changes in the interest rate environment seen over the past few years have affected cash flows for the Bank's customers to varying degrees. The Bank continuously monitors the development of customers' financial conditions in its ordinary risk assessment.

Liquidity and funding

Handelsbanken has a low tolerance of liquidity risks and works actively to minimise them, at aggregate level and also in each individual currency. The aim is to have good access to liquidity and a considerable capacity to meet customers' funding requirements, 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 thereby manages the economic risks in funding and can thereby maintain stable and long-term funding for the business-operating units.

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 in the event of disruption in the financial markets.

To ensure sufficient liquidity to support its core operations in stressed financial conditions, the Bank holds large liquidity reserves in all currencies of importance to the Bank. 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. These can also provide the Bank with immediate liquidity. These parts of the liquidity reserve are illustrated in the table below and amounted to SEK 880bn at 30 June 2024. The remainder of the liquidity reserve comprises an unutilised issue amount for covered bonds and other liquidity-creating measures.

Balances with central banks and banks, and securities holdings in the liquidity reserve

Market value, SEK m	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023
Level 1 assets	876,125	896,425	762,149	821,079	876,924
Cash and balances with central banks	602,833	601,880	504,940	512,134	539,119
Securities issued or guaranteed by sovereigns, central banks, MDBs and international organisations	197,492	222,176	192,929	225,592	263,340
Securities issued by municipalities and PSEs	564	1,371	209	1,997	421
Extremely high quality covered bonds	75,234	70,997	64,071	81,357	74,044
Level 2 assets	3,526	3,693	1,110	3,445	3,004
Level 2A assets	3,247	3,477	1,050	3,223	2,843
<i>Securities issued or guaranteed by sovereigns, central banks, municipalities and PSEs</i>	2,834	2,939	36	1,946	1,126
<i>High quality covered bonds</i>	413	538	1,014	1,277	1,718
<i>Corporate debt securities (lowest rating AA-)</i>					
Level 2B assets	279	216	60	222	161
<i>Asset-backed securities</i>					
<i>High quality covered bonds</i>					
<i>Corporate debt securities (rated A+ to BBB-)</i>	279	216	60	222	161
<i>Shares (major stock index)</i>					
Total liquid assets	879,651	900,118	763,260	824,525	879,928
<i>of which in SEK</i>	259,662	293,929	282,920	286,055	330,392
<i>of which in EUR</i>	183,219	178,948	162,765	176,389	192,609
<i>of which in USD</i>	271,549	247,041	166,329	202,638	200,591
<i>of which in other currencies</i>	165,221	180,200	151,246	159,442	156,336

30 June 2024					
Market value, SEK m	SEK	EUR	USD	Other	Total
Level 1 assets	259,290	182,952	271,549	162,335	876,125
Cash and balances with central banks	38,236	178,230	265,348	121,019	602,833
Securities issued or guaranteed by sovereigns, central banks, MDBs and international organisations	184,114	4,493	6,200	2,685	197,492
Securities issued by municipalities and PSEs	564				564
Extremely high quality covered bonds	36,374	229		38,631	75,234
Level 2 assets	373	267		2,886	3,526
Level 2A assets	361			2,886	3,247
<i>Securities issued or guaranteed by sovereigns, central banks, municipalities and PSEs</i>				2,834	2,834
<i>High quality covered bonds</i>	361			52	413
<i>Corporate debt securities (lowest rating AA-)</i>					
Level 2B assets	12	267			279
<i>Asset-backed securities</i>					
<i>High quality covered bonds</i>					
<i>Corporate debt securities (rated A+ to BBB-)</i>	12	267			279
<i>Shares (major stock index)</i>					
Total liquid assets	259,662	183,219	271,549	165,221	879,651

Maturities for financial assets and liabilities

30 June 2024 SEK m	Up to 30 days	31 days - 6 mths	6 - 12 mths	1 - 2 yrs	2 - 5 yrs	5 yrs -	Unspec. maturity	Total
Assets								
Cash and balances with central banks	581,560							581,560
Interest-bearing securities eligible as collateral with central banks *	206,318							206,318
Bonds and other interest-bearing securities *	57,560							57,560
Loans to credit institutions	48,100	181	121	174	860	693		50,129
<i>of which reverse repos</i>	18,676	394						19,070
Loans to the public	67,111	319,117	224,144	220,568	411,648	1,190,965		2,433,554
<i>of which reverse repos</i>	18,128							18,128
Other **	48,632						349,805	398,437
<i>of which shares and participating interests</i>	32,089							32,089
<i>of which claims on investment banking settlements</i>	16,543							16,543
Total	1,009,282	319,298	224,265	220,742	412,508	1,191,658	349,805	3,727,558
Liabilities								
Due to credit institutions ***	48,253	47,154	2,952	42	527	237	9,549	108,715
<i>of which repos</i>	198							198
<i>of which deposits from central banks</i>	6,461	28,451					1	34,913
Deposits and borrowing from the public ***	181,751	199,880	15,035	3,109	1,236	159	1,055,053	1,456,223
<i>of which repos</i>	81							81
Issued securities	88,399	428,819	231,593	245,405	522,220	64,135		1,580,571
<i>of which covered bonds</i>		62,978	5,961	203,385	391,608	33,182		697,114
<i>of which bank certificates (CDs) with original maturity of less than one year</i>	36,543	131,701	92,854					261,098
<i>of which corporate certificates (CPs) with original maturity of less than one year</i>	46,295	230,689	99,210					376,194
<i>of which bank certificates (CDs) and corporate certificates (CPs) with original maturity above one year</i>	4,710	1,510	2,617					8,837
<i>of which Senior Non-Preferred Bonds</i>				10,468	35,664	21,277		67,409
<i>of which senior bonds and other securities with original maturity of more than one year</i>	409	512	29,861	32,630	96,776	9,731		169,919
Subordinated liabilities					16,793	13,218		30,011
Other **	23,166						528,874	552,040
<i>of which short positions</i>	15,456							15,456
<i>of which investment banking settlement debts</i>	7,710							7,710
Total	341,569	675,853	249,580	248,556	540,776	77,749	1,593,476	3,727,558

* 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. This means that the table does not reflect the actual maturities for the securities included. In "Other", assets and liabilities are reported as maturing in the time intervals that correspond to the contractual maturity dates, taking into account contractual amortisation plans.

** "Other" includes market values in derivative transactions.

*** Sight deposits are reported under "Unspecified maturity".

Liquidity coverage ratio (LCR)

Liquidity coverage ratio (LCR) - sub components	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun
SEK m	2024	2024	2023	2023	2023
High quality liquidity assets	873,757	894,518	758,587	818,235	874,237
Cash outflows					
Retail deposits and deposits from small business customers	57,940	55,608	55,996	56,125	57,445
Unsecured wholesale funding	363,131	377,412	255,923	357,613	351,101
Secured wholesale funding	3,642	3,722	4,266	3,169	8,476
Other cash outflows	96,469	104,019	108,646	115,567	112,288
Total cash outflows	521,182	540,761	424,831	532,474	529,310
Cash inflows					
Inflows from fully performing exposures	33,370	41,692	40,108	37,989	26,458
Other cash inflows	23,398	24,744	23,341	41,511	37,658
Total cash inflows	56,769	66,436	63,449	79,500	64,116
Liquidity coverage ratio (LCR)	188%	189%	210%	181%	188%

Net stable funding ratio (NSFR)

Net stable funding ratio (NSFR) - sub components	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun
SEK m	2024	2024	2023	2023	2023
Available stable funding (ASF)					
Capital items and instruments	213,794	216,900	208,436	223,511	212,166
Retail deposits	725,963	712,489	709,447	720,534	735,085
Wholesale funding	1,232,855	1,285,183	1,179,688	1,189,378	1,211,435
Other liabilities	3,992	4,148	3,931	6,700	6,478
Total Available stable funding (ASF)	2,176,604	2,218,720	2,101,502	2,140,123	2,165,162
Required stable funding (RSF)					
Total high-quality liquid assets (HQLA)	13,942	14,198	6,063	11,597	9,932
Assets encumbered for more than 12 months in cover pool	545,431	529,243	487,444	530,545	493,384
Performing loans and securities	1,142,078	1,157,185	1,178,603	1,193,259	1,237,569
Other assets	76,541	82,053	63,915	67,793	62,996
Off-balance sheet items	22,557	22,171	22,040	23,228	23,296
Total Required stable funding (RSF)	1,800,549	1,804,849	1,758,065	1,826,421	1,827,179
Net stable funding ratio (NSFR)	121%	123%	120%	117%	118%

The liquidity coverage ratio (LCR) has been a binding requirement for banks in the EU since the European Commission introduced its Delegated Regulation. The figure 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 minimum requirement for the structural liquidity measure, the NSFR (Net Stable Funding Ratio) – 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 to LCR at aggregate level, and the ratio must be at least 100%.

At the end of the quarter, the Group's aggregated LCR was 188%, which shows that the Bank has substantial resistance to short-term disruptions in the funding markets. At the same date, the Group's NSFR amounted to 121%.

Stress test with liquidity-creating measures

The governance of the Bank's liquidity situation is 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 are designed to ensure that the Bank has sufficient liquidity in various stressed scenarios and with the implementation of different measures, which are also included in the Bank's recovery plan. The stress tests are carried out with both general and idiosyncratic stress on a regular basis, as well as on an ad hoc basis. These are also supplemented with scenario analyses which take substantial falls in housing prices into account.

Resistance to more long-term disruptions in the market is measured on a daily basis through stress testing of cash flows based on certain assumptions. For example, it is assumed that the Bank cannot obtain funding in the financial markets, at the same time as 5-20% of non-fixed-term deposits from households and companies disappears gradually in the first month. It is further assumed that the Bank will continue to conduct its core activities, i.e. that fixed-term deposits from and loans to households and companies will be renewed at maturity and that issued commitments and credit facilities will be

partly utilised by customers. Simultaneously, consideration is given to the fact that cash, balances and other lending to central banks are components which can provide the Bank with immediate liquidity. Consideration is also given to liquid securities, such as government bonds, covered bonds and other securities of very high credit quality which can provide the Bank with immediate liquidity. In addition, the Bank can create liquidity through utilising the unutilised issue amount for covered bonds and by implementing other liquidity-creating measures to gradually provide the Bank with liquidity. With these conditions, the Bank will be liquid for more than three years.

Non-encumbered assets, NEA

30 June 2024		Accumulated coverage ratio in % of unsecured funding*
SEK bn	NEA	
Holdings with central banks and securities in the liquidity portfolio	880	89%
Mortgage loans	793	169%
Other household lending	144	183%
Property company lending lowest risk class (1-3)	251	209%
Other corporate lending lowest risk class (1-3)	102	219%
Loans to credit institutions lowest risk class (1-3)	3	219%
Other corporate lending	356	255%
Other assets	8	256%
Total non-encumbered assets (NEA)	2,537	256%
Encumbered assets without underlying liabilities**	71	
Encumbered assets with underlying liabilities	1,120	
Total assets, Group	3,728	

31 December 2023		Accumulated coverage ratio in % of unsecured funding*
SEK bn	NEA	
Holdings with central banks and securities in the liquidity portfolio	763	83%
Mortgage loans	780	167%
Other household lending	141	182%
Property company lending lowest risk class (1-3)	250	210%
Other corporate lending lowest risk class (1-3)	100	220%
Loans to credit institutions lowest risk class (1-3)	3	221%
Other corporate lending	364	260%
Other assets	6	261%
Total non-encumbered assets (NEA)	2,407	261%
Encumbered assets without underlying liabilities**	70	
Encumbered assets with underlying liabilities	1,062	
Total assets, Group	3,538	

* Issued short and long non-secured funding and liabilities to credit institutions.

** Over-collateralisation in cover pool (OC) and assets to cover Operational Continuity in Resolution requirement in the UK (as of 2021).

Information in this section relates to Handelsbanken's material risks and risk management at the time that this interim report is published. A full description of the Bank's risks and capital management can be found in Handelsbanken's Annual Report and in Handelsbanken's Risk and Capital – Information according to Pillar 3.

Note 22 Related-party transactions

There have been no transactions of material importance with related parties during the period.

Note 23 Segment reporting

Information about the Bank's segment reporting is provided on pages 9-18. Adjusted historical comparative figures in the segment reporting, arising due to the new organisation, were communicated via press release on 5 July.

Note 24 Events after the balance sheet date

No significant events have occurred after the balance sheet date.

Condensed set of financial statements – Parent company

INCOME STATEMENT – PARENT COMPANY

SEK m	Q2			Q1			Q2			Jan-Jun			Full year 2023
	2024	2024	Change	2023	Change	2024	2023	Change	2024	2023	Change		
Net interest income	6,465	6,314	2%	6,256	3%	12,779	12,208	5%	25,946				
Dividends received	270	8,758	-97%	321	-16%	9,028	3,971	127%	15,957				
Net fee and commission income	1,174	1,093	7%	1,109	6%	2,267	2,258	0%	4,573				
Net gains/losses on financial transactions	755	661	14%	412	83%	1,416	467	203%	1,745				
Other income	990	988	0%	1,089	-9%	1,978	1,990	-1%	4,230				
Total income	9,655	17,814	-46%	9,187	5%	27,469	20,894	31%	52,452				
Staff costs	-3,415	-3,463	-1%	-2,853	20%	-6,878	-5,990	15%	-11,456				
Other administrative expenses	-1,939	-2,036	-5%	-1,806	7%	-3,975	-3,642	9%	-7,453				
Depreciation, amortisation and impairment of property, equipment and intangible assets	-534	-610	-12%	-603	-11%	-1,144	-1,209	-5%	-2,334				
Total expenses before credit losses	-5,888	-6,109	-4%	-5,263	12%	-11,997	-10,842	11%	-21,243				
Profit before credit losses, risk tax and resolution fee	3,767	11,705	-68%	3,924	-4%	15,472	10,052	54%	31,208				
Net credit losses	78	41	90%	-93		119	-82		58				
Impairment of financial assets				-98	-100%		-98	-100%	-1,524				
Risk tax and resolution fee	-355	-472	-25%	-342	4%	-827	-811	2%	-1,633				
Operating profit	3,489	11,274	-69%	3,389	3%	14,763	9,060	63%	28,110				
Appropriations													
Profit before tax	3,489	11,274	-69%	3,389	3%	14,763	9,060	63%	28,110				
Taxes	-784	-699	12%	-807	-3%	-1,483	-1,312	13%	-5,747				
Profit for the period	2,705	10,575	-74%	2,584	5%	13,280	7,749	71%	22,363				

STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

SEK m	Q2			Q1			Q2			Jan-Jun			Full year 2023
	2024	2024	Change	2023	Change	2024	2023	Change	2024	2023	Change		
Profit for the period	2,705	10,575	-74%	2,584	5%	13,280	7,749	71%	22,363				
Other comprehensive income													
Items that will not be reclassified to the income statement													
Instruments measured at fair value through other comprehensive income - equity instruments	-13	44		35		31	66	-53%	63				
Tax on items that will not be reclassified to income statement	5	-9		-6		-4	-10	60%	-11				
<i>of which equity instruments measured at fair value through other comprehensive income</i>	5	-9		-6		-4	-10	60%	-11				
Total items that will not be reclassified to the income statement	-8	35		29		27	56	-52%	52				
Items that may subsequently be reclassified to the income statement													
Cash flow hedges	-337	137		486		-200	328		-1,571				
Instruments measured at fair value through other comprehensive income - debt instruments	12	12	0%			24	-2		25				
Translation differences for the period	-61	548		927		487	167	192%	-1,289				
<i>of which hedging net investment in foreign operations</i>							5	-100%	5				
Tax on items that may subsequently be reclassified to the income statement	84	-145		-276		-61	-94	35%	522				
<i>of which cash flow hedges</i>	69	-28		-101		41	-68		324				
<i>of which debt instruments measured at fair value through other comprehensive income</i>	-2	-3	33%			-5			-5				
<i>of which hedging net investment in foreign operations</i>							-1	-100%	-1				
<i>of which tax on translation difference</i>	17	-114		-172		-97	-22	-3	204				
Total items that may subsequently be reclassified to the income statement	-302	552		1,140		250	403	-0	-2,313				
Total other comprehensive income for the period	-309	586		1,169		277	458	-0	-2,262				
Total comprehensive income for the period	2,397	11,161	-79%	3,753	-36%	13,558	8,207	65%	20,100				

Comment on results – Parent company January – June 2024 compared with January – June 2023

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 departments and staff functions. 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 further information on the divestment of the operations in Finland, refer to the introduction to Note 10.

The parent company's operating profit increased by 63% to SEK 14,763m (9,060) compared with the previous year, mainly due to higher dividends received. The SEK 5,057m increase in dividends received to SEK 9,028m (3,971) is primarily attributable to the parent company receiving dividends of approximately SEK 8,200m from its subsidiary, Handelsbanken plc. In addition, there was a significant rise in net gains/losses on financial transactions. The main explanation behind the SEK 949m increase in net gains/losses on financial transactions to SEK 1,416m (467) is the positive effects of decreased spreads in the market on the Bank's holdings of subordinated loans issued by the subsidiary Stadshypotek, which are valued at fair value on the balance sheet and income statement. Net interest income increased by 5% to SEK 12,779m (12,208). Net fee and commission income increased by SEK 9m to SEK 2,267m (2,258). Profit for the period increased by 71% to SEK 13,280m (7,749). Since year-end 2023, the parent company's equity has decreased to SEK 146,248m (158,431).

BALANCE SHEET – PARENT COMPANY

SEK m	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023
Assets					
Cash and balances with central banks	463,644	443,543	362,536	373,681	398,811
Interest-bearing securities eligible as collateral with central banks	206,318	230,519	199,128	231,839	265,238
Loans to credit institutions	1,011,203	1,058,155	1,007,992	1,057,541	1,098,040
Loans to the public	586,196	592,997	600,997	630,946	633,301
Value change of interest hedged item in portfolio hedge	-9,007	-9,690	-9,657	-14,836	-16,042
Bonds and other interest-bearing securities	60,191	55,379	50,791	63,846	59,185
Shares	26,003	27,095	6,170	18,955	16,206
Shares in subsidiaries and investments in associates	69,359	69,398	68,986	70,591	70,855
Assets where the customer bears the value change risk	2,011	1,994	1,948	2,475	2,475
Derivative instruments	39,712	49,357	39,019	62,065	73,212
Intangible assets	3,151	3,191	3,211	3,180	3,196
Property, equipment and leasing assets	6,005	6,417	6,673	6,532	6,480
Current tax assets	2,106	842		1,140	1,055
Deferred tax assets	385	381	374	662	648
Other assets	13,360	27,080	20,789	22,546	8,025
Prepaid expenses and accrued income	2,011	2,272	1,386	1,503	1,702
Total assets	2,482,648	2,558,930	2,360,344	2,532,668	2,622,388
Liabilities and equity					
Due to credit institutions	186,255	188,315	176,143	232,856	245,534
Deposits and borrowing from the public	1,202,459	1,224,533	1,109,471	1,176,047	1,236,513
Liabilities where the customer bears the value change risk	2,011	1,994	1,948	2,475	2,475
Issued securities	855,122	904,585	806,167	868,137	892,268
Derivative instruments	27,927	31,523	46,269	29,794	34,406
Short positions	15,456	15,013	2,364	12,558	13,459
Current tax liabilities			831		
Deferred tax liabilities	298	355	336	1,175	1,324
Provisions	620	633	624	606	623
Other liabilities	12,508	14,052	11,374	12,995	11,817
Accrued expenses and deferred income	2,867	3,062	2,399	2,728	1,764
Subordinated liabilities	30,010	30,146	43,117	43,598	35,085
Total liabilities	2,335,533	2,414,212	2,201,046	2,382,968	2,475,267
Untaxed reserves	867	867	867	867	867
Share capital	3,069	3,069	3,069	3,069	3,069
Share premium	8,758	8,758	8,758	8,758	8,758
Other funds	9,310	9,646	9,063	10,791	11,740
Retained earnings	111,830	111,803	115,178	115,251	114,938
Profit for the period	13,280	10,575	22,363	10,964	7,749
Total equity	146,248	143,851	158,431	148,832	146,253
Total liabilities and equity	2,482,648	2,558,930	2,360,344	2,532,668	2,622,388

STATEMENT OF CHANGES IN EQUITY – PARENT COMPANY

January - June 2024 SEK m	Restricted equity			Unrestricted equity				Retained earnings incl. profit for the year	Total
	Share capital	Statutory reserve	Fund for internally developed software	Share premium	Hedge reserve *	Fair value reserve *	Translation reserve *		
Opening equity 2024	3,069	2,682	3,140	8,758	2,284	197	761	137,541	158,431
Profit for the period								13,280	13,280
Other comprehensive income					-159	46	390		277
Total comprehensive income for the period					-159	46	390	13,280	13,558
Dividend								-25,740	-25,740
Fund for internally developed software			-30					30	
Closing equity	3,069	2,682	3,109	8,758	2,125	243	1,151	125,111	146,248

January – December 2023 SEK m	Restricted equity			Unrestricted equity				Retained earnings incl. profit for the year	Total
	Share capital	Statutory reserve	Fund for internally developed software	Share premium	Hedge reserve *	Fair value reserve *	Translation reserve *		
Opening equity 2023	3,069	2,682	3,010	8,758	3,531	126	1,847	130,864	153,887
Profit for the period								22,363	22,363
Other comprehensive income					-1,247	71	-1,086		-2,262
<i>of which reclassified within equity</i>							-284		-284
Total comprehensive income for the period					-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	3,069	2,682	3,140	8,758	2,284	197	761	137,541	158,431

January - June 2023 SEK m	Restricted equity			Unrestricted equity				Retained earnings incl. profit for the year	Total
	Share capital	Statutory reserve	Fund for internally developed software	Share premium	Hedge reserve *	Fair value reserve *	Translation reserve *		
Opening equity 2023	3,069	2,682	3,010	8,758	3,531	126	1,847	130,864	153,887
Profit for the period								7,749	7,749
Other comprehensive income					260	54	144		458
Total comprehensive income for the period					260	54	144	7,749	8,207
Dividend								-15,840	-15,840
Fund for internally developed software			85					-85	
Closing equity	3,069	2,682	3,095	8,758	3,792	181	1,991	122,687	146,253

* Included in fair value fund.

CONDENSED STATEMENT OF CASH FLOWS – PARENT COMPANY

SEK m	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Operating profit	14,763	9,060	28,110
Adjustment from Operating profit to investment activities			-335
Adjustment for non-cash items in profit/loss	545	2,336	-8,076
Paid income tax	-4,427	-2,318	-5,188
Changes in the assets and liabilities of operating activities	106,086	9,281	-19,128
Cash flow from operating activities	116,968	18,358	-4,615
Liquidation of subsidiaries			336
Change in shares	-19	-53	-53
Change in property and equipment	-161	-910	-1,956
Change in intangible assets	-240	-369	-682
Cash flow from investing activities	-421	-1,332	-2,355
Repayment of subordinated loans	-13,371	-8,351	-8,351
Issued subordinated loans			8,635
Dividend paid	-25,740	-15,840	-15,840
Received Group contributions	11,338	16,249	16,249
Cash flow from financing activities	-27,773	-7,943	692
Cash and cash equivalents at beginning of the period*	362,536	376,010	376,010
Cash flow for the period	88,775	9,083	-6,278
Exchange rate difference on cash and cash equivalents	12,332	13,718	-7,196
Cash and cash equivalents at end of the period*	463,644	398,811	362,536

* Cash and cash equivalents are defined as Cash and balances with central banks.

OWN FUNDS AND CAPITAL REQUIREMENTS – PARENT COMPANY

Key metrics

SEK m	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023
Available own funds					
Common equity tier 1 (CET1) capital	128,954	134,088	125,618	135,100	133,640
Tier 1 capital	139,523	144,715	140,644	151,391	149,759
Total capital	159,230	164,667	168,123	179,928	170,192
Risk-weighted exposure amounts					
Total risk-weighted exposure amount	421,933	431,592	421,681	463,350	447,494
Capital ratios (as a percentage of risk-weighted exposure amount)					
Common equity tier 1 ratio (%)	30.6%	31.1%	29.8%	29.2%	29.9%
Tier 1 ratio (%)	33.1%	33.5%	33.4%	32.7%	33.5%
Total capital ratio (%)	37.7%	38.2%	39.9%	38.8%	38.0%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.2%	1.2%	1.2%	1.2%	1.7%
of which: to be made up of CET1 capital (percentage points)	0.7%	0.7%	0.7%	0.7%	1.0%
of which: to be made up of Tier 1 capital (percentage points)	0.9%	0.9%	0.9%	0.9%	1.3%
Total SREP own funds requirements (%)	9.2%	9.2%	9.2%	9.2%	9.7%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
Capital conservation buffer (%)	2.5%	2.5%	2.5%	2.5%	2.5%
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)					
Institution specific countercyclical capital buffer (%)	2.0%	1.9%	1.9%	1.8%	1.7%
Systemic risk buffer (%)					
Global Systemically Important Institution buffer (%)					
Other Systemically Important Institution buffer					
Combined buffer requirement (%)	4.5%	4.4%	4.4%	4.3%	4.2%
Overall capital requirements (%)	13.7%	13.6%	13.6%	13.6%	13.9%
CET1 available after meeting the total SREP own funds requirements (%)	25.3%	25.8%	24.6%	23.9%	24.3%
Leverage ratio					
Leverage ratio total exposure measure	1,765,198	1,818,244	1,609,855	1,760,618	1,812,374
Leverage ratio	7.9%	8.0%	8.7%	8.6%	8.3%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
Additional own funds requirements to address the risk of excessive leverage (%)					
of which: to be made up of CET1 capital (percentage points)					
Total SREP leverage ratio requirements (%)	3.0%	3.0%	3.0%	3.0%	3.0%
Bruttosoliditetsbuffert och samlat bruttosoliditetskrav (som en procentandel av det totala exponeringsmåtten)					
Krav på bruttosoliditetsbuffert (i %)					
Samlat bruttosoliditetskrav (i %)	3.0%	3.0%	3.0%	3.0%	3.0%
Liquidity coverage ratio (LCR)*					
Total high-quality liquid assets (HQLA) (Weighted value-average)	821,351	815,105	790,916	781,574	787,647
Cash outflows - Total weighted value	581,818	583,264	595,524	607,454	622,915
Cash inflows - Total weighted value	168,509	169,789	174,788	178,459	170,646
Total net cash outflows (adjusted value)	413,309	413,475	420,736	428,995	452,269
Liquidity coverage ratio	202%	200%	192%	184%	176%
Net stable funding ratio (NSFR)					
Total available stable funding	1,353,824	1,396,356	1,320,193	1,349,621	1,372,825
Total required stable funding	1,194,445	1,244,630	1,211,510	1,192,901	1,204,214
NSFR ratio	113%	112%	109%	113%	114%

* High quality liquid assets and cashflows refer to the average of the values at each month-end during the last 12 months. The ratio is calculated based on these averages.

Overview of risk exposure amounts

	RWEA		Own funds requirements	
	30 Jun 2024	31 Mar 2024	30 Jun 2024	31 Mar 2024
Credit risk (excluding CCR)	350,147	359,950	28,013	28,796
Of which standardised approach	146,364	151,735	11,709	12,139
Of which foundation IRB (FIRB) approach	47,839	50,256	3,828	4,020
Of which slotting approach				
Of which equities under simple risk-weighted approach	2,281	2,339	182	187
Of which advanced IRB (AIRB) approach	129,125	133,763	10,330	10,701
Of which risk weight floors	24,538	21,857	1,964	1,749
Counterparty credit risk - CCR	12,716	12,838	1,018	1,027
Of which standardised approach	9,100	9,150	728	732
Of which internal model method (IMM)				
Of which exposures to a CCP	268	246	21	20
Of which credit valuation adjustment - CVA	2,640	2,769	211	222
Of which other CCR	708	673	58	54
Settlement risk		0		0
Securitisation exposures in the non-trading book (after the cap)				
Of which SEC-IRBA approach				
Of which SEC-ERBA (including IAA)				
Of which SEC-SA approach				
Of which 1,250%/ deduction				
Position, foreign exchange and commodities risks (market risk)	12,492	12,227	999	978
Of which standardised approach	12,492	12,227	999	978
Of which IMA				
Large exposures				
Operational risk	46,577	46,577	3,726	3,726
Of which basic indicator approach	46,577	46,577	3,726	3,726
Of which standardised approach				
Of which advanced measurement approach				
Amounts below the thresholds for deduction (subject to 250% risk weight)				
Total	421,933	431,592	33,755	34,527

THE BOARD OF DIRECTORS' AND THE CHIEF EXECUTIVE OFFICER'S SUBMISSION OF THE REPORT

We hereby declare that this half-yearly report provides a true and fair view of the Bank's and the Group's operations, financial position and performance, and describes material risks and uncertainty factors faced by the Bank and the companies that are part of the Group.

Stockholm, 17 July 2024

Pär Boman
Chairman of the Board

Fredrik Lundberg
Deputy Chairman of the Board

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
President and Chief Executive Officer

Information regarding the press conference and telephone conference

A press conference will be held on 17 July 2024 at 09:00 a.m.

Press releases, presentations, a fact book and a recording of the press conference will be available at handelsbanken.com/ir.

The interim report for January – September 2024 will be published on 23 October 2024.

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Auditors' review report

Svenska Handelsbanken AB (publ), corporate identity number 502007-7862

INTRODUCTION

We have reviewed the condensed interim financial information (interim report) for Svenska Handelsbanken AB (publ) as at 30 June 2024 and for the six-month period ending as at this date. The Board of Directors and the Chief Executive are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

FOCUS AND SCOPE OF THE REVIEW

We have conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review differs from and is substantially less in scope than an audit conducted in accordance with

International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim report is not, in all material respects, in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies for the Group and in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies for the parent company.

Stockholm, 17 July 2024

PricewaterhouseCoopers AB

Magnus Svensson Henryson
Authorised Public Accountant

Deloitte AB

Malin Lüning
Authorised Public Accountant

Share price performance and other information

The Swedish stock market (OMX Stockholm 30 index) went up by 7% during the first half of the year. The Stockholm stock exchange's bank index increased by 5%. Handelsbanken's class A shares closed at SEK 100.95 at the end of the period, a decline of 8% compared to the closing price of SEK 109.45 at year-end. Including the distributed dividend of SEK 13.00 per share, the total return was 4%.

Over the last five years, the Swedish stock market (OMX Stockholm 30) has gone up by 58%, and the bank index (OMX Stockholm Banks PI) has gone up by 58%. During the same period, the price of Handelsbanken's class A share has risen by 10%.

SHARE PRICE PERFORMANCE PREVIOUS 5 YEARS

Index 100 = June 28, 2019



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