

Highlights of Annual Report

January-December

2024

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January - December 2024

Q4 2024 (Q3 2024)

- Operating profit increased to SEK 9,177m (9,061).
- Return on equity was 14.2% (15.6).
- Earnings per share amounted to SEK 3.46 (3.64).
- The C/I ratio was 39.7% (38.3).
- The credit loss ratio was -0.03% (-0.02).
- The common equity tier 1 ratio was 18.8% (18.8).

JANUARY – DECEMBER 2024 (JANUARY – DECEMBER 2023)

- Operating profit was SEK 35,016m (36,322).
- Return on equity was 14.6% (15.9).
- Earnings per share amounted to SEK 13.86 (14.70).
- The C/I ratio was 40.4% (37.2).
- The credit loss ratio was -0.02% (0.01).
- The common equity tier 1 ratio was 18.8% (18.8).
- The Board of Directors proposes an ordinary dividend of SEK 7.50 (6.50) per share and a special dividend of SEK 7.50 (6.50) per share.

Stable profitability based on robust income and improved cost effectiveness

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

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

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

Increased dividend and strong financial position

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

SEK m	Q4 2024	Q3 2024	Change	Full year 2024	Full year 2023	Change
Total income	16,025	15,545	3%	62,345	62,249	0%
Total expenses	-6,363	-5,956	7%	-25,209	-23,182	9%
Net credit losses	232	141	65%	601	-141	
Regulatory fees	-719	-671	7%	-2,733	-2,624	4%
Operating profit	9,177	9,061	1%	35,016	36,322	-4%
Non-recurring items and special items in operating profit*	-169	-52		-632	-127	
Operating profit adjusted for items affecting comparability	9,346	9,113	3%	35,648	36,449	-2%

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

Group - Overview

SEK m	Q4 2024	Q3 2024	Change	Q4 2023	Change	Full year 2024	Full year 2023	Change
Summary income statement								
Net interest income	11,745	11,763	0%	12,222	-4%	46,841	47,578	-2%
Net fee and commission income	3,067	2,966	3%	2,800	10%	11,726	11,139	5%
Net gains/losses on financial transactions	1,147	626	83%	579	98%	3,103	2,661	17%
Net insurance result	30	129	-77%	207	-86%	422	493	-14%
Other dividend income	13	1		1		16	3	433%
Share of profit of associates and joint ventures	-50	3		-17	194%	27	51	-47%
Other income	73	55	33%	64	14%	209	325	-36%
Total income	16,025	15,545	3%	15,854	1%	62,345	62,249	0%
Staff costs	-3,981	-3,825	4%	-3,531	13%	-15,731	-13,642	15%
Other expenses	-1,860	-1,632	14%	-2,152	-14%	-7,474	-7,796	-4%
Depreciation, amortisation and impairment of property, equipment and intangible assets	-523	-498	5%	-402	30%	-2,004	-1,743	15%
Total expenses	-6,363	-5,956	7%	-6,086	5%	-25,209	-23,182	9%
Profit before credit losses and regulatory fees	9,662	9,589	1%	9,768	-1%	37,136	39,067	-5%
Net credit losses	232	141	65%	-52		601	-141	
Gains/losses on disposal of property, equipment and intangible assets	3	2	50%	6	-50%	13	20	-35%
Regulatory fees	-719	-671	7%	-664	8%	-2,733	-2,624	4%
Operating profit	9,177	9,061	1%	9,057	1%	35,016	36,322	-4%
Taxes	-1,976	-2,024	-2%	-2,093	-6%	-7,795	-8,417	-7%
Profit for the period from continuing operations	7,201	7,037	2%	6,965	3%	27,221	27,905	-2%
Profit for the period from discontinued operations after tax	-354	173		280		234	1,209	-81%
Profit for the period	6,848	7,210	-5%	7,244	-5%	27,456	29,114	-6%
Summary balance sheet*, end of period								
Loans to the public	2,297,878	2,293,211	0%	2,291,808	0%	2,297,878	2,291,808	0%
<i>of which households</i>	1,241,127	1,232,781	1%	1,223,770	1%	1,241,127	1,223,770	1%
<i>of which corporates</i>	1,055,204	1,060,268	0%	1,061,289	-1%	1,055,204	1,061,289	-1%
Deposits and borrowing from the public	1,310,739	1,384,921	-5%	1,298,480	1%	1,310,739	1,298,480	1%
<i>of which households</i>	618,901	616,797	0%	596,671	4%	618,901	596,671	4%
<i>of which corporates</i>	691,838	768,124	-10%	701,809	-1%	691,838	701,809	-1%
Total equity	210,027	201,070	4%	205,085	2%	210,027	205,085	2%
Total assets	3,539,173	3,756,046	-6%	3,537,792	0%	3,539,173	3,537,792	0%
Summary of key figures								
Return on equity, total operations	14.2%	15.6%		15.2%		14.6%	15.9%	
C/I ratio, Continuing operations	39.7%	38.3%		38.4%		40.4%	37.2%	
Earnings per share (before and after dilution), SEK	3.46	3.64		3.66		13.86	14.70	
Common equity tier 1 ratio, CRR	18.8%	18.8%		18.8%		18.8%	18.8%	
Total capital ratio, CRR	23.4%	22.3%		23.9%		23.4%	23.9%	

* A specification of assets and liabilities held for sale in the disposal groups in Finland is set out in Note 11.

Q4 2024 COMPARED WITH Q3 2024

Operating profit improved by 1% to SEK 9,177m (9,061). Adjusted for items affecting comparability, the increase was 3%.

Income grew by 3% to SEK 16,025m (15,545).

Expenses rose by 7% to SEK -6,363m (-5,956).

A provision for the Oktogonen profit-sharing scheme totalling SEK -68m (-28) was recognised during the quarter, alongside a restructuring charge of SEK -146m (-24). Adjusted for these items affecting comparability, expenses increased by 4%.

The C/I ratio was 39.7% (38.3).

Credit losses consisted of net reversals and the credit loss ratio improved to -0.03% (-0.02).

Profit for the period amounted to SEK 6,848m (7,210).

Earnings per share amounted to SEK 3.46 (3.64).

Return on equity was 14.2% (15.6).

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

Income

SEK m	Q4 2024	Q3 2024	Change
Net interest income	11,745	11,763	0%
Net fee and commission income	3,067	2,966	3%
Net gains/losses on financial trans.	1,147	626	83%
Other	66	190	-65%
Total income	16,025	15,545	3%

Net interest income decreased by SEK 18m to SEK 11,745m (11,763). Adjusted for foreign exchange effects of SEK 70m, net interest income went down by 1%, or SEK 88m. The net amount of margins and funding costs had an impact of SEK -218m. Higher business volumes contributed SEK 105m. The fee for the deposit guarantee scheme decreased by SEK 8m to SEK -53m (-61). Other effects had a SEK 17m impact on net interest income.

Net fee and commission income climbed by 3% to SEK 3,067m (2,966). Fund management, custody and other asset management fees increased by 2% to SEK 1,868m (1,823), which included a 1% increase in mutual fund commissions to SEK 1,542m (1,533). Net payment commissions went up by 3% to SEK 475m (459), of which net card commissions increased by 3% to SEK 260m (253) as an effect of seasonally higher customer activity. Brokerage income increased by 18% to SEK 123m (104). Income from advisory services grew by 60% to SEK 72m (45). Lending and deposit commissions were largely unchanged at SEK 249m (250). Insurance commissions increased by 3% to SEK 208m (201). Other items in net fee and commission income amounted to SEK 73m (84).

Net gains/losses on financial transactions increased by 83% to SEK 1,147m (626). The customer-driven business in Handelsbanken Markets improved by SEK 48m to SEK 327m (279). The Bank's liquidity portfolio contributed SEK 54m (43). The realisation of the translation reserve in the Finnish subsidiary Rahoitus, which is in liquidation, contributed SEK 178m. Other net gains/losses on financial transactions, primarily related to ineffectiveness in the Bank's hedging relationships, as well as changes in the market values of derivatives used to manage interest rate and foreign exchange risk in the Bank's funding, increased to SEK 588m (304).

Net insurance result decreased by SEK 99m to SEK 30m (129). Insurance result was SEK 37m (21). Return on assets held on behalf of policyholders went down to SEK -6m (108), as a result of negative market changes.

Remaining income items decreased to SEK 36m (59), due to shares of the profit of associates and joint ventures amounting to SEK -50m (3).

Expenses

Expenses rose by 7% to SEK -6,363m (-5,956). Adjusted for items affecting comparability, expenses increased by 4%.

Staff costs rose by 4% to SEK -3,981m (-3,825).

A provision for the Oktogonen profit-sharing scheme was made during the quarter, amounting to SEK -68m (-28). Restructuring charges relating to employment termination agreements amounted to SEK -146m (-24). Foreign exchange effects increased the staff costs and amounted to SEK -24m. Adjusted for these items affecting comparability, staff costs decreased by 1%. The average number of employees decreased by 2% to 12,065 (12,339). At the end of the quarter, the number of employees totalled 11,976 (12,163), while the total staffing (i.e. including external resources) decreased by 337 people, or 3%, to 12,571 (12,908).

Other expenses rose by 14% to SEK -1,860m (-1,632). The increase can be explained by normal seasonal variations, with a lower level of activity during the summer months in the previous quarter. Compared with the fourth quarter of the previous year, other expenses fell by 14%.

Depreciation, amortisation and impairment increased by 5% to SEK -523m (-498).

Credit losses

SEK m	Q4 2024	Q3 2024	Change
Net credit losses	232	141	91
Credit loss ratio as % of loans to the public	-0.03	-0.02	

Credit losses consisted of net reversals of SEK 232m (141), with SEK 229m (76) referring to a reversal of an expert-based provision, which amounted to SEK 149m (378) at the end of the quarter. The credit loss ratio for the quarter was -0.03% (-0.02).

Regulatory fees

Regulatory fees totalled SEK -719m (-671). The risk tax totalled SEK -413m (-414) and the resolution fee totalled SEK -258m (-258). The Bank of England Levy, which is a new regulatory fee introduced in the UK during the year, was SEK -47m. The reported amount refers to the cost for the 10 months that have passed since the fee was introduced.

Taxes

The effective tax rate in continuing operations was 21.5% (22.3). 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 21.7% (22.3).

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, amounted to SEK -354m (173).

The operations relating to private customers and the life insurance business in Finland were divested during the quarter. The operations in Finland relating to SMEs were divested during the previous quarter. Capital gains/losses from

the divestment during the quarter, excluding selling costs, amounted to SEK -131m (137).

The depreciation of property and equipment in the disposal group amounted to SEK -331m (-115).

Income decreased by 21% compared to the previous quarter, to SEK 433m (546), with net interest income decreasing by 34% to SEK 313m (471).

Expenses were essentially unchanged at SEK -333m (-334).

Credit losses consisted of net reversals amounting to SEK 17m (48).

Non-recurring items and special items in operating profit

	Q4	Q3
SEK m	2024	2024
Special items		
Oktogonen: provision current year (staff costs)	-68	-28
Non-recurring items		
Restructuring charge (staff costs)	-146	-24
Total	-214	-52

Foreign exchange effects

	Q4
Foreign exchange effects vs. previous quarter, SEKm	2024
Net interest income	70
Net fee and commission income	6
Net gains/losses on financial transactions	2
Other income	0
Total income	78
Staff costs	-24
Other expenses	-9
Depreciation and amortisation	-2
Total expenses	-35
Net loan losses	1
Gains/losses on disposal of property, equipment and intangible assets	0
Operating profit	45

JANUARY – DECEMBER 2024 COMPARED WITH JANUARY – DECEMBER 2023

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

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

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

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

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

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

Earnings per share amounted to SEK 13.86 (14.70).

Return on equity was 14.6% (15.9).

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

Income

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

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

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

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

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

Remaining income items totalled SEK 252m (379).

Expenses

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

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

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

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

Credit losses

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

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

Regulatory fees

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

Taxes

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

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

Discontinued operations

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

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

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

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

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

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

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

Non-recurring items and special items in operating profit

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

Foreign exchange effects

Foreign exchange effects vs. previous year, SEKm	Full year 2024
Net interest income	163
Net fee and commission income	7
Net gains/losses on financial transactions	0
Other income	0
Total income	171
Staff costs	-50
Other expenses	-25
Depreciation and amortisation	-3
Total expenses	-78
Net loan losses	-2
Gains/losses on disposal of property, equipment and intangible assets	0
Regulatory fees	5
Operating profit	95

BUSINESS DEVELOPMENT

Q4 2024 compared with Q3 2024

The average volume of *loans to the public* in the home markets increased by SEK 16bn, or 1%, to SEK 2,265bn (2,249).

The average volume of *deposits and borrowing from the public* in the home markets grew by 2% and totalled SEK 1,279bn (1,252).

Total assets under management in the Group increased by 1% and amounted to SEK 1,192bn (1,183) at the end of the quarter, of which SEK 1,107bn (1,081) was invested in the Bank's mutual funds. The net flow in the Bank's mutual funds was SEK 23.3bn (9.6), of which SEK 23.8bn (8.2) was in the Swedish market.

January – December 2024 compared with January – December 2023

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

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

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

RATING

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

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

FUNDING AND LIQUIDITY

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

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

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

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

Bond issues during the year amounted to a total of SEK 161bn (239), of which SEK 121bn (163) was in covered bonds and SEK 34bn (67) was in senior bonds, of which SEK 17bn (11) constituted eligible liabilities. A non-perpetual subordinated loan of SEK 6bn (9) was issued during the year. Of the total volume of long-term bonds issued during the year,

SEK 29bn (22) was issued under the Bank's Green Bond Framework – in the majority of debt classes.

CAPITAL

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

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

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

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

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

Capital for consolidated situation 31 December 2024 compared with 30 September 2024

SEK m	31 Dec 2024	30 Sep 2024	Change
Common equity tier 1 ratio (%)	18.8%	18.8%	0.0
Total capital ratio (%)	23.4%	22.3%	1.1
Total risk-weighted exposure amount	825,457	842,280	-2%
Common equity tier 1 (CET1) capital	155,345	158,433	-2%
Total capital	193,191	188,223	3%
Total equity	210,027	201,070	4%

Total own funds amounted to SEK 193bn (188) and the total capital ratio was 23.4% (22.3). The common equity tier 1 capital was SEK 155bn (158), while the common equity tier 1 ratio was 18.8% (18.8).

Profit for the period increased the common equity tier 1 ratio by 0.8 percentage points. The proposed dividends had an impact of -1.4 percentage points. Volume changes had a neutral effect. Positive effects of credit risk migrations,

amounting to 0.2 percentage points, and the net effect of differing credit qualities for inflows and outflows of 0.1 percentage points, were offset by the effect of risk weight floors, totalling -0.3 percentage points. The sale of the operations in Finland had an effect of 0.2 percentage points. Capital requirements for structural foreign exchange risk had an impact of 0.1 percentage points. Deductions for IRB models had a 0.1 percentage points impact. Foreign exchange effects had an impact of -0.1 percentage points. Other effects had a 0.1 percentage points impact. The rounding-off effect from all of the factors noted above was 0.2 percentage points.

Capital for consolidated situation 31 December 2024 compared with 31 December 2023

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

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

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

Economic capital and available financial resources

The Bank's internal assessment of its need for capital is based on the Bank's capital requirement, stress tests, and the Bank's model for economic capital (EC). This is measured in relation to the Bank's available financial resources (AFR). The Board stipulates that the AFR/EC ratio for the Group must exceed 120%. At the end of the year, Group EC totalled SEK 58.9bn (65.1), while AFR was SEK 225.7bn (241.4). Thus, the ratio between AFR and EC was 383% (371). For the consolidated situation, EC totalled SEK 32.7bn (37.3), and AFR was SEK 215.8bn (232.1).

SUSTAINABILITY

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

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

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

The EU's Sustainable Finance Disclosures Regulation (SFDR) means that asset managers must be transparent in

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

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

HANDELSBANKEN'S ANNUAL GENERAL MEETING 2025

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

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

Handelsbanken Group - Business segments in continuing operations

January - December 2024	Home markets						Adj. & elim.	Total Full year 2024
	Sweden	UK	Norway	The Netherlands	Markets	Other		
SEK m								
Net interest income	29,003	10,729	5,162	1,967	-17	-3		46,841
Net fee and commission income	9,066	869	695	188	621	288		11,726
Net gains/losses on financial transactions	959	225	80	18	1,220	602		3,103
Net insurance result	423		-1					422
Share of profit of associates and joint ventures						27		27
Other income	84	15	21	3	3	99		225
Total income	39,535	11,837	5,957	2,176	1,826	1,015		62,345
Staff costs	-5,073	-3,579	-1,307	-611	-985	-4,428	252	-15,731
Other expenses	-1,173	-841	-517	-145	-509	-4,290		-7,474
Internal purchased and sold services	-4,899	-1,445	-809	-322	72	7,404		
Depreciation, amortisation and impairments of property, equipment and intangible assets	-773	-378	-106	-58	-145	-520	-24	-2,004
Total expenses	-11,918	-6,242	-2,739	-1,136	-1,567	-1,834	228	-25,209
Profit before credit losses and regulatory fees	27,617	5,595	3,217	1,040	259	-819	228	37,136
Net credit losses	377	139	72	2	0	12		601
Gains/losses on disposal of property, equipment and intangible assets	8	0	5		0	0		13
Regulatory fees	-2,033	-47	-411	-132	-25	-86		-2,733
Operating profit	25,969	5,686	2,883	910	234	-893	228	35,016
Profit allocation	371	49	61	0	-423	-58		
Operating profit after profit allocation	26,339	5,736	2,943	910	-189	-951	228	35,016
Internal income	5,009	4,045	-10,458	-152	-156	1,712		

January - December 2023	Home markets						Adj. & elim.	Total Full year 2023
	Sweden	UK	Norway	The Netherlands	Markets	Other		
SEK m								
Net interest income	30,222	11,010	4,624	1,941	-50	-170		47,578
Net fee and commission income	8,460	845	659	198	592	385		11,139
Net gains/losses on financial transactions	1,185	253	79	17	1,091	37		2,661
Net insurance result	494		0					493
Share of profit of associates and joint ventures						51		51
Other income	214	13	5	1	1	94		328
Total income	40,575	12,121	5,366	2,157	1,634	397		62,249
Staff costs	-4,783	-3,149	-1,103	-537	-954	-3,519	403	-13,642
Other expenses	-1,353	-907	-493	-136	-461	-4,446		-7,796
Internal purchased and sold services	-4,738	-1,414	-708	-277	17	7,120		
Depreciation, amortisation and impairments of property, equipment and intangible assets	-665	-310	-97	-59	-131	-457	-24	-1,743
Total expenses	-11,538	-5,780	-2,401	-1,009	-1,530	-1,303	379	-23,182
Profit before credit losses and regulatory fees	29,037	6,340	2,965	1,148	104	-906	379	39,067
Net credit losses	-142	-51	37	13		3		-141
Gains/losses on disposal of property, equipment and intangible assets	14	-1	6					20
Regulatory fees	-1,919		-393	-113	-20	-179		-2,624
Operating profit	26,990	6,289	2,615	1,048	83	-1,082	379	36,322
Profit allocation	406	52	47	0	-421	-83		
Operating profit after profit allocation	27,395	6,340	2,662	1,048	-338	-1,165	379	36,322
Internal income	5,767	2,999	-8,567	-98	667	-768		

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 expense 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. The comparative figures in the segment reporting have been recalculated to represent this reorganisation.

Handelsbanken Sweden

Income statement

SEK m	Q4 2024	Q3 2024	Change	Q4 2023	Change	Full year 2024	Full year 2023	Change
Net interest income	7,056	7,292	-3%	7,914	-11%	29,003	30,222	-4%
Net fee and commission income	2,358	2,294	3%	2,151	10%	9,066	8,460	7%
Net gains/losses on financial transactions	209	171	22%	284	-26%	959	1,185	-19%
Net insurance result	30	129	-77%	209	-86%	423	494	-14%
Other income	32	13	146%	31	3%	84	214	-61%
Total income	9,685	9,900	-2%	10,589	-9%	39,535	40,575	-3%
Staff costs	-1,292	-1,259	3%	-1,212	7%	-5,073	-4,783	6%
Other expenses	-314	-235	34%	-341	-8%	-1,173	-1,353	-13%
Internal purchased and sold services	-1,152	-1,125	2%	-1,307	-12%	-4,899	-4,738	3%
Depreciation, amortisation and impairments of property, equipment and intangible assets	-228	-182	25%	-174	31%	-773	-665	16%
Total expenses	-2,985	-2,801	7%	-3,034	-2%	-11,918	-11,538	3%
Profit before credit losses and regulatory fees	6,699	7,099	-6%	7,556	-11%	27,617	29,037	-5%
Net credit losses	183	99	85%	-57		377	-142	
Gains/losses on disposal of property, equipment and intangible assets	2	2	0%	4	-50%	8	14	-43%
Regulatory fees	-509	-508	0%	-482	6%	-2,033	-1,919	6%
Operating profit	6,375	6,692	-5%	7,022	-9%	25,969	26,990	-4%
Profit allocation	94	103	-9%	77	22%	371	406	-9%
Operating profit after profit allocation	6,468	6,796	-5%	7,098	-9%	26,339	27,395	-4%
Internal income	900	1,289	-30%	1,939	-54%	5,009	5,767	-13%
Cost/income ratio, %	30.5	28.0		28.4		29.9	28.2	
Credit loss ratio, %	-0.03	-0.02		0.00		-0.02	0.01	
Allocated capital	123,381	118,793	4%	123,899	0%	123,381	123,899	0%
Return on allocated capital, %	16.7	18.2		18.2		17.3	18.2	
Average number of employees	4,655	4,852	-4%	4,702	-1%	4,764	4,695	1%

Business volumes

Average volumes, SEK bn	Q4 2024	Q3 2024	Change	Q4 2023	Change	Full year 2024	Full year 2023	Change
Loans to the public*								
Household	967	965	0%	976	-1%	967	981	-1%
of which mortgage loans	941	939	0%	946	-1%	940	948	-1%
Corporates	625	626	0%	639	-2%	626	644	-3%
of which mortgage loans	458	455	1%	444	3%	452	439	3%
Total	1,592	1,591	0%	1,615	-1%	1,593	1,625	-2%
Deposits and borrowing from the public								
Household	482	483	0%	482	0%	480	483	-1%
Corporates	358	349	3%	357	0%	356	365	-2%
Total	840	832	1%	838	0%	836	848	-1%

* Excluding loans to the National Debt Office.

Q4 2024 COMPARED WITH Q3 2024

Operating profit decreased by 5% to SEK 6,375m (6,692). Return on allocated capital was 16.7% (18.2). The C/I ratio was 30.5% (28.0).

Income decreased by 2% to SEK 9,685m (9,900).

Expenses rose by 7% to SEK -2,985m (-2,801).

Net interest income went down by SEK 236m, or 3%, to SEK 7,056m (7,292). Changed business volumes made a contribution of SEK 38m. The net amount of changed margins and funding costs had an impact of SEK -262m. Lower fees for the deposit guarantee scheme contributed SEK 8m. Other effects had a SEK -20m impact.

Net fee and commission income increased by 3% to SEK 2,358m (2,294). The increase was primarily due to positive developments in brokerage and other securities commissions, custody and other asset management fees, as well as increased commission income from payments.

Net gains/losses on financial transactions improved to SEK 209m (171).

Net insurance result was SEK 30m (129).

Other income amounted to SEK 32m (13).

Staff costs rose by 3% to SEK -1,292m (-1,259). The average number of employees went down by 4% to 4,655 (4,852), with part of the reason for the increase being the hiring of temporary staff during the summer months. The number of employees at the end of the quarter was 4,654 (4,674).

Other expense items rose by 10% to SEK -1,694m (-1,542). The increase was due to normal seasonal variation.

Credit losses consisted of net reversals of SEK 183m (99). The credit loss ratio was -0.03% (-0.02).

Regulatory fees amounted to SEK -509m (-508), of which the *risk tax* amounted to SEK -305m (-305) and the *resolution fee* to SEK -203m (-203).

JANUARY – DECEMBER 2024 COMPARED WITH JANUARY – DECEMBER 2023

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

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

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

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

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

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

Net insurance result was SEK 423m (494).

Other income amounted to SEK 84m (214).

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

arising due to additional employees in the branch operations hired to address increased customer activity.

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

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

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

BUSINESS DEVELOPMENT

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

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

Q4 2024 compared with Q3 2024

The total *average volume of lending* was unchanged at SEK 1,592bn (1,591). Both household and corporate lending were unchanged at SEK 967bn (965) and SEK 625bn (626), respectively.

The total *average volume of deposits* increased by 1% to SEK 840bn (832). Household deposits were unchanged at SEK 482bn (483), while corporate deposits increased by 3% to SEK 358bn (349).

Total assets under management in Sweden increased to SEK 1,040bn (1,035) at the end of the quarter, of which the managed fund volume increased to SEK 974bn (956). *The net flow to the Bank's mutual funds in Sweden* amounted to SEK 23.8bn (8.2).

January – December 2024 compared with January – December 2023

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

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

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

Handelsbanken UK

Income statement

SEK m	Q4			Q4		Full year		Full year	
	2024	Q3 2024	Change	2023	Change	2024	2023	Change	
Net interest income	2,736	2,680	2%	2,802	-2%	10,729	11,010	-3%	
Net fee and commission income	216	229	-6%	210	3%	869	845	3%	
Net gains/losses on financial transactions	63	52	21%	66	-5%	225	253	-11%	
Other income	15	0		11	36%	15	13	15%	
Total income	3,029	2,960	2%	3,089	-2%	11,837	12,121	-2%	
Staff costs	-915	-913	0%	-825	11%	-3,579	-3,149	14%	
Other expenses	-174	-221	-21%	-248	-30%	-841	-907	-7%	
Internal purchased and sold services	-355	-349	2%	-370	-4%	-1,445	-1,414	2%	
Depreciation, amortisation and impairments of property, equipment and intangible assets	-96	-94	2%	-75	28%	-378	-310	22%	
Total expenses	-1,540	-1,576	-2%	-1,518	1%	-6,242	-5,780	8%	
Profit before credit losses and regulatory fees	1,489	1,384	8%	1,570	-5%	5,595	6,340	-12%	
Net credit losses	-18	41		21		139	-51		
Gains/losses on disposal of property, equipment and intangible assets	0	0	0%	-1		0	-1		
Regulatory fees	-47					-47			
Operating profit	1,423	1,425	0%	1,590	-11%	5,686	6,289	-10%	
Profit allocation	12	15	-20%	11	9%	49	52	-6%	
Operating profit after profit allocation	1,436	1,440	0%	1,600	-10%	5,736	6,340	-10%	
Internal income	1,094	1,052	4%	985	11%	4,045	2,999	35%	
Cost/income ratio, %	50.6	53.0		49.0		52.5	47.5		
Credit loss ratio, %	0.02	-0.07		-0.02		-0.06	0.03		
Allocated capital	27,866	26,456	5%	25,856	8%	27,866	25,856	8%	
Return on allocated capital, %	16.4	17.3		19.7		17.1	21.2		
Average number of employees	2,829	2,866	-1%	2,816	0%	2,842	2,707	5%	

Income statement in local currency

GBP m	Q4			Q4		Full year		Full year	
	2024	Q3 2024	Change	2023	Change	2024	2023	Change	
Net interest income	198.2	197.5	0%	211.6	-6%	794.3	834.0	-5%	
Net fee and commission income	15.6	16.9	-8%	15.8	-1%	64.3	64.0	0%	
Net gains/losses on financial transactions	4.5	3.8	18%	5.0	-10%	16.6	19.2	-14%	
Other income	1.1	0.0		0.8	38%	1.1	1.0	10%	
Total income	219.5	218.2	1%	233.3	-6%	876.4	918.2	-5%	
Staff costs	-66.2	-67.3	-2%	-62.3	6%	-264.9	-238.6	11%	
Other expenses	-12.4	-16.3	-24%	-18.7	-34%	-62.2	-68.7	-9%	
Internal purchased and sold services	-25.7	-25.7	0%	-28.0	-8%	-107.0	-107.1	0%	
Depreciation, amortisation and impairments of property, equipment and intangible assets	-7.0	-6.9	1%	-5.7	23%	-28.0	-23.5	19%	
Total expenses	-111.5	-116.2	-4%	-114.7	-3%	-462.2	-437.9	6%	
Profit before credit losses and regulatory fees	108.0	102.0	6%	118.6	-9%	414.2	480.3	-14%	
Net credit losses	-1.4	3.0		1.7		10.3	-3.8		
Gains/losses on disposal of property, equipment and intangible assets	0.0	0.0	0%	-0.1		0.0	-0.1		
Regulatory fees	-3.5					-3.5			
Operating profit	103.0	105.1	-2%	120.1	-14%	421.0	476.4	-12%	
Profit allocation	0.8	1.1	-27%	0.8	0%	3.6	3.9	-8%	
Operating profit after profit allocation	103.9	106.1	-2%	120.9	-14%	424.6	480.3	-12%	

Business volumes

Average volumes, GBP m	Q4			Q4		Full year		Full year	
	2024	Q3 2024	Change	2023	Change	2024	2023	Change	
Loans to the public									
Household	5,044	5,075	-1%	5,319	-5%	5,120	5,520	-7%	
Corporates	12,906	12,658	2%	12,944	0%	12,745	13,101	-3%	
Total	17,949	17,733	1%	18,262	-2%	17,865	18,621	-4%	
Deposits and borrowing from the public									
Household	5,585	5,272	6%	5,295	5%	5,300	5,441	-3%	
Corporates	15,707	15,355	2%	15,263	3%	15,292	14,924	2%	
Total	21,292	20,627	3%	20,558	4%	20,592	20,365	1%	

Q4 2024 COMPARED WITH Q3 2024

Operating profit was virtually unchanged at SEK 1,423m (1,425). In local currency terms, profit decreased by 2%. Return on allocated capital was 16.4% (17.3), and the C/I ratio improved to 50.6% (53.0).

Income grew by 2% to SEK 3,029m (2,960). Expressed in local currency, income growth was 1%.

Expenses decreased by 2% to SEK -1,540m (-1,576). In local currency terms, expenses decreased by 4%.

Net interest income increased by 2% to SEK 2,736m (2,680). Foreign exchange effects amounted to SEK 47m, and in local currency terms, net interest income was essentially unchanged. Changed business volumes made a contribution of SEK 58m. The net effect of changes to margins and funding costs had an impact of SEK -53m. Other effects made a contribution of SEK 4m.

Net fee and commission income fell by 6% to SEK 216m (229), which was mainly attributable to lower net fee and commission income from payments and from lending and deposits.

Staff costs were largely unchanged at SEK -915m (-913). Expressed in local currency, staff costs decreased by 2%. The average number of employees fell by 1% to 2,829 (2,866).

Other expense items went down by 6% to SEK -625m (-664). Expressed in local currency, other expense items decreased by 8%. The decrease was due to the regulatory fees relating to the Bank of England Levy (SEK -33m during the previous quarter) being moved to the income statement item *Regulatory fees*.

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

Credit losses totalled SEK -18m (41). The credit loss ratio was 0.02% (-0.07).

JANUARY – DECEMBER 2024 COMPARED WITH JANUARY – DECEMBER 2023

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

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

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

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

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

increased by 3% to SEK 444m (433). Net fee and commission income from payments increased by 4% to SEK 293m (281).

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

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

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

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

BUSINESS DEVELOPMENT

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

Q4 2024 compared with Q3 2024

The total *average volume of lending* increased by 1% to GBP 17.9bn (17.7). Household lending decreased by 1% to GBP 5.0bn (5.1), and corporate lending increased by 2% to GBP 12.9bn (12.7).

The total *average volume of deposits* increased by 3% to GBP 21.3bn (20.6). Household deposits increased by 6% to GBP 5.6bn (5.3), and corporate deposits increased by 2% to GBP 15.7bn (15.4).

The volume of assets under management in Handelsbanken Wealth & Asset Management increased to GBP 4.5bn (4.4) at the end of the quarter. *New savings* in Handelsbanken Wealth & Asset Management totalled net GBP 9m (7).

January – December 2024 compared with January – December 2023

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

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

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

Handelsbanken Norway

Income statement

SEK m	Q4			Q4		Full year		Full year	
	2024	Q3 2024	Change	2023	Change	2024	2023	Change	
Net interest income	1,365	1,324	3%	1,217	12%	5,162	4,624	12%	
Net fee and commission income	189	175	8%	156	21%	695	659	5%	
Net gains/losses on financial transactions	20	18	11%	18	11%	80	79	1%	
Net insurance result				-2		-1	0		
Other income	13	4	225%	1		21	5	320%	
Total income	1,586	1,523	4%	1,390	14%	5,957	5,366	11%	
Staff costs	-331	-340	-3%	-291	14%	-1,307	-1,103	18%	
Other expenses	-106	-99	7%	-126	-16%	-517	-493	5%	
Internal purchased and sold services	-198	-204	-3%	-183	8%	-809	-708	14%	
Depreciation, amortisation and impairments of property, equipment and intangible assets	-26	-26	0%	-26	0%	-106	-97	9%	
Total expenses	-662	-669	-1%	-625	6%	-2,739	-2,401	14%	
Profit before credit losses and regulatory fees	923	854	8%	764	21%	3,217	2,965	8%	
Net credit losses	62	-6		-33		72	37	95%	
Gains/losses on disposal of property, equipment and intangible assets	2	0		2	0%	5	6	-17%	
Regulatory fees	-104	-102	2%	-104	0%	-411	-393	5%	
Operating profit	883	746	18%	629	40%	2,883	2,615	10%	
Profit allocation	19	15	27%	10	90%	61	47	30%	
Operating profit after profit allocation	901	761	18%	639	41%	2,943	2,662	11%	
Internal income	-2,542	-2,556	-1%	-2,537	0%	-10,458	-8,567	22%	
Cost/income ratio, %	41.2	43.5		44.6		45.5	44.4		
Credit loss ratio, %	-0.07	0.01		0.03		-0.02	-0.01		
Allocated capital	22,684	22,303	2%	23,339	-3%	22,684	23,339	-3%	
Return on allocated capital, %	12.6	10.8		8.7		10.4	9.4		
Average number of employees	1,006	1,021	-1%	886	14%	993	828	20%	

Income statement in local currency

NOK m	Q4			Q4		Full year		Full year	
	2024	Q3 2024	Change	2023	Change	2024	2023	Change	
Net interest income	1,395	1,360	3%	1,234	13%	5,250	4,599	14%	
Net fee and commission income	193	180	7%	159	21%	707	656	8%	
Net gains/losses on financial transactions	20	19	5%	19	5%	81	79	3%	
Net insurance result				-2		-1	0		
Other income	13	4	225%	1		21	5	320%	
Total income	1,621	1,563	4%	1,410	15%	6,058	5,338	13%	
Staff costs	-338	-349	-3%	-294	15%	-1,329	-1,097	21%	
Other expenses	-109	-103	6%	-129	-16%	-526	-491	7%	
Internal purchased and sold services	-203	-210	-3%	-185	10%	-823	-704	17%	
Depreciation, amortisation and impairments of property, equipment and intangible assets	-27	-27	0%	-26	4%	-108	-96	13%	
Total expenses	-678	-688	-1%	-634	7%	-2,786	-2,388	17%	
Profit before credit losses and regulatory fees	944	875	8%	776	22%	3,272	2,950	11%	
Net credit losses	63	-6		-33		73	36	103%	
Gains/losses on disposal of property, equipment and intangible assets	1	1	0%	2	-50%	5	6	-17%	
Regulatory fees	-106	-105	1%	-105	1%	-418	-391	7%	
Operating profit	902	765	18%	639	41%	2,932	2,601	13%	
Profit allocation	20	15	33%	10	100%	62	47	32%	
Operating profit after profit allocation	920	780	18%	650	42%	2,993	2,648	13%	

Business volumes

Average volumes, NOK bn	Q4			Q4		Full year		Full year	
	2024	Q3 2024	Change	2023	Change	2024	2023	Change	
Loans to the public									
Household	142.6	135.4	5%	118.1	21%	133.6	114.3	17%	
Corporates	186.8	190.1	-2%	193.4	-3%	190.2	192.0	-1%	
Total	329.4	325.5	1%	311.5	6%	323.8	306.3	6%	
Deposits and borrowing from the public									
Household	45.3	42.8	6%	33.4	36%	41.5	32.4	28%	
Corporates	55.2	58.4	-5%	59.2	-7%	55.7	64.6	-14%	
Total	100.6	101.2	-1%	92.6	9%	97.1	97.0	0%	

Q4 2024 COMPARED WITH Q3 2024

Operating profit went up by 18% to SEK 883m (746), chiefly due to higher income, lower expenses and net recoveries. The effect of foreign exchange movements on operating profit was marginal. *Return on allocated capital* increased to 12.6% (10.8), and the *C/I ratio* improved to 41.2% (43.5).

Income grew by 4% to SEK 1,586m (1,523).

Expenses decreased by 1% to SEK -662m (-669).

Net interest income grew by 3% to SEK 1,365m (1,324).

Foreign exchange effects contributed SEK 5m. Changed business volumes had an impact of SEK -6m. The net effect of changes to margins and funding costs had an impact of SEK 27m. Other effects made a contribution of SEK 15m.

Net fee and commission income increased by 8% to SEK 189m (175). Expressed in local currency, net fee and commission income increased by 7%. Commission income from fund management, custody and other asset management fees, insurance and net fee and commission income from payments was offset by lower commission income from brokerage and other securities commissions.

Net gains/losses on financial transactions totalled SEK 20m (18).

Other income increased to SEK 13m (4).

Staff costs fell by 3% to SEK -331m (-340). Expressed in local currency, staff costs decreased by 3%. The average number of employees decreased by 1% to 1,006 (1,121). The number of employees at the end of the quarter was 999 (1,022).

Others expense items were virtually unchanged at SEK -330m (-329). Other expense items were also unchanged when expressed in local currency.

Credit losses consisted of net reversals of SEK 62m (-6), and the credit loss ratio was -0.07% (0.01).

Regulatory fees amounted to SEK -104m (-102), of which the *risk tax* amounted to SEK -58m (-59) and the *resolution fee* to SEK -45m (-44).

JANUARY – DECEMBER 2024 COMPARED WITH JANUARY – DECEMBER 2023

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

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

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

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

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

increased by 10% to SEK 390m (356). Net payment commissions decreased by 5% to SEK 178m (187).

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

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

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

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

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

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

BUSINESS DEVELOPMENT

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

Q4 2024 compared with Q3 2024

The total *average volume of lending* increased by 1% to NOK 329.4bn (325.5). Household lending increased by 5% to NOK 142.6bn (135.4), and corporate lending decreased by 2% to NOK 186.8bn (190.1).

The total *average volume of deposits* decreased by 1% to NOK 100.6bn (101.2). Household deposits increased by 6% to NOK 45.3bn (42.8), and corporate deposits decreased by 5% to NOK 55.2bn (58.4).

Total assets under management increased to SEK 53bn (49) at the end of the quarter, of which the managed fund volume increased to SEK 51bn (47). *The net flow to the Bank's mutual funds in Norway* amounted to SEK 2.7bn (1.9).

January –December 2024 compared with January – December 2023

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

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

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

Handelsbanken the Netherlands

Income Statement

SEK m	Q4 2024	Q3 2024	Change	Q4 2023	Change	Full year 2024	Full year 2023	Change
Net interest income	493	496	-1%	500	-1%	1,967	1,941	1%
Net fee and commission income	60	43	40%	75	-20%	188	198	-5%
Net gains/losses on financial transactions	5	4	25%	5	0%	18	17	6%
Other income	1	1	0%	1	0%	3	1	199%
Total income	558	545	2%	580	-4%	2,176	2,157	1%
Staff costs	-153	-152	1%	-136	13%	-611	-537	14%
Other expenses	-30	-31	-3%	-34	-12%	-145	-136	7%
Internal purchased and sold services	-85	-79	8%	-85	0%	-322	-277	16%
Depreciation, amortisation and impairments of property, equipment and intangible assets	-15	-14	7%	-14	7%	-58	-59	-2%
Total expenses	-283	-276	3%	-270	5%	-1,136	-1,009	13%
Profit before credit losses and regulatory fees	276	267	3%	310	-11%	1,040	1,148	-9%
Net credit losses	0	1	-100%	10	-100%	2	13	-85%
Gains/losses on disposal of property, equipment and intangible assets								
Regulatory fees	-33	-33	0%	-31	6%	-132	-113	17%
Operating profit	243	235	3%	289	-16%	910	1,048	-13%
Profit allocation	0	0	0%	0	0%	0	0	0%
Operating profit after profit allocation	243	235	3%	289	-16%	910	1,048	-13%
Internal income	-50	-43	16%	-7		-152	-98	55%
Cost/income ratio, %	50.7	50.6		46.6		52.2	46.8	
Credit loss ratio, %	0.00	0.00		-0.04		0.00	-0.01	
Allocated capital	5,690	5,517	3%	5,177	10%	5,690	5,177	10%
Return on allocated capital, %	13.6	13.5		17.7		13.0	16.9	
Average number of employees	431	430	0%	400	8%	425	388	10%

Income Statement in local currency

EUR m	Q4 2024	Q3 2024	Change	Q4 2023	Change	Full year 2024	Full year 2023	Change
Net interest income	42.8	43.4	-1%	43.6	-2%	172.0	169.1	2%
Net fee and commission income	5.3	3.7	43%	6.5	-18%	16.5	17.2	-4%
Net gains/losses on financial transactions	0.4	0.3	33%	0.5	-20%	1.5	1.5	0%
Other income	0.0	0.1	-100%	0.1	-100%	0.2	0.1	100%
Total income	48.6	47.5	2%	50.5	-4%	190.3	187.9	1%
Staff costs	-13.3	-13.4	-1%	-11.9	12%	-53.5	-46.8	14%
Other expenses	-2.6	-2.7	-4%	-3.0	-13%	-12.7	-11.9	7%
Internal purchased and sold services	-7.3	-6.9	6%	-7.4	-1%	-28.1	-24.1	17%
Depreciation, amortisation and impairments of property, equipment and intangible assets	-1.2	-1.3	-8%	-1.2	0%	-5.0	-5.1	-2%
Total expenses	-24.6	-24.2	2%	-23.5	5%	-99.4	-87.9	13%
Profit before credit losses and regulatory fees	23.9	23.4	2%	27.0	-11%	90.9	100.0	-9%
Net credit losses	0.0	0.0	0%	0.8	-100%	0.1	1.1	-91%
Gains/losses on disposal of property, equipment and intangible assets								
Regulatory fees	-2.8	-2.9	-3%	-2.6	8%	-11.5	-9.8	17%
Operating profit	21.2	20.5	3%	25.2	-16%	79.6	91.3	-13%
Profit allocation	0.0	0.0	0%	0.0	0%	0.0	0.0	100%
Operating profit after profit allocation	21.2	20.5	3%	25.2	-16%	79.6	91.3	-13%

BUSINESS VOLUMES

Average volumes, EUR m	Q4 2024	Q3 2024	Change	Q4 2023	Change	Full year 2024	Full year 2023	Change
Loans to the public								
Household	4,951	4,900	1%	4,878	1%	4,900	4,891	0%
Corporates	4,033	3,958	2%	3,802	6%	3,947	3,773	5%
Total	8,984	8,858	1%	8,680	4%	8,848	8,664	2%
Deposits and borrowing from the public								
Household	810	839	-3%	724	12%	828	679	22%
Corporates	3,157	2,847	11%	2,775	14%	2,876	2,858	1%
Total	3,967	3,686	8%	3,498	13%	3,704	3,537	5%

Q4 2024 COMPARED WITH Q3 2024

Operating profit increased by 3% to SEK 243m (235). Foreign exchange effects on operating profit were marginal, and also in local currency terms, operating profit increased by 3%. *Return on allocated capital* increased to 13.6% (13.5), and the *C/I ratio* was 50.7% (50.6).

Income grew by 2% to SEK 558m (545).

Expenses rose by 3% to SEK -283m (-276). Foreign exchange effects were marginal.

Net interest income went down by 1% to SEK 493m (496). Foreign exchange effects amounted to SEK 2m, and in local currency terms, net interest income fell by 1%. Changed business volumes made a contribution of SEK 15m. The net amount of changed margins and funding costs had an impact of SEK -21m.

Net fee and commission income increased by 40% to SEK 60m (43), which includes performance fees of SEK 14m (0) in Optimix.

Staff costs rose by 1% to SEK -153m (-152). The average number of employees was essentially unchanged at 431 (430).

Other expense items increased by 5% to SEK -130m (-124). Expressed in local currency, other expense items went up by 2%.

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

Regulatory fees amounted to SEK -33m (-33), of which the *risk tax* amounted to SEK -18m (-18) and the *resolution fee* to SEK -14m (-15).

JANUARY – DECEMBER 2024 COMPARED WITH JANUARY – DECEMBER 2023

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

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

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

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

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

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

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

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

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

BUSINESS DEVELOPMENT

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

Q4 2024 compared with Q3 2024

The total *average volume of lending* increased by 1% to EUR 9.0bn (8.9). Household lending increased by 1% to EUR 5.0bn (4.9), and corporate lending increased by 2% to EUR 4.0bn (3.9).

The total *average volume of deposits* increased by 8% to EUR 4.0bn (3.7). Household deposits decreased by 3% to EUR 0.8bn (0.8), and corporate deposits increased by 11% to EUR 3.2bn (2.8).

Assets under management at Optimix totalled EUR 2.2bn (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 16m (-11).

January – December 2024 compared with January – December 2023

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

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

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

Handelsbanken Markets

Income Statement

SEK m	Q4			Q4		Full year		Full year	
	2024	Q3 2024	Change	2023	Change	2024	2023	Change	
Net interest income	8	-9		-20		-17	-50	-66%	
Net fee and commission income	195	159	23%	113	73%	621	592	5%	
Net gains/losses on financial transactions	327	279	17%	245	33%	1,220	1,091	12%	
Other income	1	1	0%			3	1	200%	
Total income	530	430	23%	338	57%	1,826	1,634	12%	
Staff costs	-252	-240	5%	-248	2%	-985	-954	3%	
Other expenses	-124	-123	1%	-129	-4%	-509	-461	10%	
Internal purchased and sold services	1	20	-95%	9	-89%	72	17	324%	
Depreciation, amortisation and impairments of property, equipment and intangible assets	-36	-38	-5%	-33	9%	-145	-131	11%	
Total expenses	-411	-380	8%	-403	2%	-1,567	-1,530	2%	
Profit before credit losses and regulatory fees	119	49	143%	-65		259	104	149%	
Net credit losses	0	0	0%			0			
Gains/losses on disposal of property, equipment and intangible assets		0				0			
Regulatory fees	-6	-6	0%	-5	20%	-25	-20	25%	
Operating profit	113	43	163%	-70		234	83	182%	
Profit allocation	-118	-112	5%	-77	53%	-423	-421	0%	
Operating profit after profit allocation	-5	-69	-93%	-147	-97%	-189	-338	-44%	
Internal income	-206	-55	275%	314		-156	667		
Cost/income ratio, %	99.8	119.5		154.4		111.7	126.1		
Credit loss ratio, %	0.00	0.00				0.00			
Allocated capital	1,831	1,575	16%	1,686	9%	1,831	1,686	9%	
Return on allocated capital, %	-0.9	-13.9		-27.7		-9.1	-17.6		
Average number of employees	448	464	-3%	479	-6%	470	479	-2%	

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.

Q4 2024 COMPARED WITH Q3 2024

Operating profit increased to SEK 113m (43). *Income* increased by 23% and *expenses* increased by 8%.

Net interest income increased to SEK 8m (-9).

Net fee and commission income increased by 23% to SEK 195m (159), chiefly due to higher brokerage and advisory commissions within Corporate Finance and Global Equities.

Net gains/losses on financial transactions increased by 17% to SEK 327m (279).

Staff costs rose by 5% to SEK -252m (-240). The average number of employees fell by 3% to 448 (464). The number of employees at the end of the quarter was 433 (458).

Other expense items amounted to SEK -159m (-141).

Regulatory fees totalled SEK -6m (-6).

JANUARY – DECEMBER 2024 COMPARED WITH JANUARY – DECEMBER 2023

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

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

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

Net gains/losses on financial transactions increased by 12% to SEK 1,220m (1,091).

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

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

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

Other units not reported in the business segments

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

Income Statement

SEK m	Q4			Q3			Q4			Full year		
	2024	2024	Change	2023	2023	Change	2024	2023	Change	2024	2023	Change
Net interest income	88	-21		-192			-3	-170	-98%			
Net fee and commission income	50	66	-24%	95	-47%		288	385	-25%			
Net gains/losses on financial transactions	524	102	414%	-39			602	37				
Share of profit of associates and joint ventures	-50	3		-17	194%		27	51	-47%			
Other income	22	39	-44%	21	5%		99	94	5%			
Total income	636	190	235%	-131			1,015	397	156%			
Staff costs	-1,101	-975	13%	-925	19%		-4,428	-3,519	26%			
Other expenses	-1,113	-923	21%	-1,274	-13%		-4,290	-4,446	-4%			
Internal purchased and sold services	1,792	1,734	3%	1,937	-7%		7,404	7,120	4%			
Depreciation, amortisation and impairments of property, equipment and intangible assets	-115	-138	-17%	-73	58%		-520	-457	14%			
Total expenses	-537	-302	78%	-337	59%		-1,834	-1,303	41%			
Profit before credit losses and regulatory fees	99	-112		-468			-819	-906	-10%			
Net credit losses	6	6	0%	8	-25%		12	3	300%			
Gains/losses on disposal of property, equipment and intangible assets	0	0	0%				0					
Regulatory fees	-21	-22	-5%	-43	-51%		-86	-179	-52%			
Operating profit	84	-129		-504			-893	-1,082	-17%			
Profit allocation	-7	-22	-68%	-19	-63%		-58	-83	-30%			
Operating profit after profit allocation	76	-149		-523			-951	-1,165	-18%			
Internal income	804	313	157%	-694			1,712	-768				
Average number of employees	2,696	2,706	0%	2,691	0%		2,729	2,587	5%			
Allocated capital Finland	5,915	6,168	-4%	6,904	-14%		5,915	6,904	-14%			

Q4 2024 COMPARED WITH Q3 2024

Operating profit was SEK 84m (-129).

Income increased to SEK 636m (190). The increase was mainly due to improved net gains/losses on financial transactions, which was, in turn, due to a positive effect of SEK 178m in the Finnish operations.

Expenses rose to SEK -537m (-302).

Staff costs rose by 13% to SEK -1101m (-975).

Restructuring charges totalled SEK -146m (-24). A provision for Oktogonen was made during the period, amounting to SEK -68m (-28). Adjusted for restructuring charges and Oktogonen, staff costs went down by 4%. The average number of employees fell to 2,696 (2,706). The number of employees at the end of the quarter was 2,635 (2,728).

Other expenses increased by 21% to SEK 1,113m (923), mainly because of normal seasonal variation with lower activity, primarily in IT development, during the summer months of the comparison quarter.

JANUARY – DECEMBER 2024 COMPARED WITH JANUARY – DECEMBER 2023

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

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

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

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

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

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

Key metrics – Group

	Q4 2024	Q3 2024	Q4 2023	Full year 2024	Full year 2023
Return on equity, total operations	14.2%	15.6%	15.2%	14.6%	15.9%
C/I ratio, Continuing operations	39.7%	38.3%	38.4%	40.4%	37.2%
Earnings per share, SEK	3.46	3.64	3.66	13.86	14.70
<i>of which continuing operations</i>	3.64	3.55	3.51	13.75	14.09
<i>of which discontinued operations</i>	-0.18	0.09	0.14	0.12	0.61
Ordinary dividend per share, SEK				7.50	6.50
Total dividend per share, SEK				15.00	13.00
Adjusted equity per share, SEK	105.91	101.42	103.48	105.91	103.48
Common equity tier 1 ratio, CRR	18.8%	18.8%	18.8%	18.8%	18.8%
Total capital ratio, CRR	23.4%	22.3%	23.9%	23.4%	23.9%
Average number of employees	12,065	12,339	11,974	12,224	11,683

The Handelsbanken share

	Q4 2024	Q3 2024	Q4 2023	Full year 2024	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
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
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
- after dilution	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	114.20	104.25	109.45	114.20	109.45
Share price SHB class B, end of period, SEK	148.70	133.40	130.20	148.70	130.20
Market capitalisation, end of period, SEK bn	227	207	217	227	217

Condensed set of financial statements – Group

INCOME STATEMENT - GROUP

SEK m	Q4			Q3		Q4		Full year	
	2024	2024	Change	2023	Change	2024	2023	Change	
Interest income	40,206	42,746	-6%	45,665	-12%	171,125	159,805	7%	
<i>of which interest income according to the effective interest method and interest on derivatives in hedge accounting</i>	35,594	38,016	-6%	37,818	-6%	150,587	133,602	13%	
Interest expenses	-28,461	-30,983	-8%	-33,443	-15%	-124,284	-112,227	11%	
Net interest income	Note 2	11,745	11,763	0%	12,222	-4%	46,841	47,578	-2%
Fee and commission income		3,475	3,352	4%	3,145	10%	13,252	12,559	6%
Fee and commission expenses		-409	-384	7%	-346	18%	-1,526	-1,421	7%
Net fee and commission income	Note 3	3,067	2,966	3%	2,800	10%	11,726	11,139	5%
Net gains/losses on financial transactions	Note 4	1,147	626	83%	579	98%	3,103	2,661	17%
Insurance result		37	21	76%	24	54%	126	157	-20%
Return on assets held on behalf of policyholders		-6	108		183		297	336	-12%
Net insurance result	Note 5	30	129	-77%	207	-86%	422	493	-14%
Other dividend income		13	1		1		16	3	433%
Share of profit of associates and joint ventures		-50	3		-17	194%	27	51	-47%
Other income		73	55	33%	64	14%	209	325	-36%
Total income		16,025	15,545	3%	15,854	1%	62,345	62,249	0%
Staff costs		-3,981	-3,825	4%	-3,531	13%	-15,731	-13,642	15%
Other expenses	Note 6	-1,860	-1,632	14%	-2,152	-14%	-7,474	-7,796	-4%
Depreciation, amortisation and impairment of property, equipment and intangible assets		-523	-498	5%	-402	30%	-2,004	-1,743	15%
Total expenses		-6,363	-5,956	7%	-6,086	5%	-25,209	-23,182	9%
Profit before credit losses and regulatory fees		9,662	9,589	1%	9,768	-1%	37,136	39,067	-5%
Net credit losses	Note 7	232	141	65%	-52		601	-141	
Gains/losses on disposal of property, equipment and intangible assets		3	2	50%	6	-50%	13	20	-35%
Regulatory fees		-719	-671	7%	-664	8%	-2,733	-2,624	4%
Operating profit		9,177	9,061	1%	9,057	1%	35,016	36,322	-4%
Taxes		-1,976	-2,024	-2%	-2,093	-6%	-7,795	-8,417	-7%
Profit for the period from continuing operations		7,201	7,037	2%	6,965	3%	27,221	27,905	-2%
Profit for the period from discontinued operations after tax	Note 11	-354	173		280		234	1,209	-81%
Profit for the period from discontinued operations after tax		6,848	7,210	-5%	7,244	-5%	27,456	29,114	-6%
Attributable to									
Shareholders in Svenska Handelsbanken AB		6,845	7,210	-5%	7,240	-5%	27,451	29,107	-6%
Non-controlling interest		3	0		6	-50%	5	8	-37%

EARNINGS PER SHARE – GROUP

	Q4 2024	Q3 2024	Change	Q4 2023	Change	Full year 2024	Full year 2023	Change
Profit for the year, attributable to shareholders in Svenska Handelsbanken AB	6,845	7,210	-5%	7,240	-5%	27,451	29,107	-6%
Average number of outstanding shares, millions	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	
Earnings per share, SEK	3.46	3.64	-5%	3.66	-5%	13.86	14.70	-6%
Earnings per share, continuing operations, SEK	3.64	3.55	3%	3.51	4%	13.75	14.09	-2%
Earnings per share, discontinued operations, SEK	-0.18	0.09		0.14		0.12	0.61	-80%

STATEMENT OF COMPREHENSIVE INCOME – GROUP

SEK m	Q4 2024	Q3 2024	Change	Q4 2023	Change	Full year 2024	Full year 2023	Change
Profit for the period	6,848	7,210	-5%	7,244	-5%	27,456	29,114	-6%
Items that will not be reclassified to the income statement								
Defined benefit pension plans	1,078	-973		-4,087		344	-2,226	
Instruments measured at fair value through other comprehensive income - equity instruments	103	66	56%	6		207	63	229%
Tax on items that will not be reclassified to income statement	-247	191		832		-77	439	
<i>of which defined benefit pension plans</i>	-225	204		834		-36	450	
<i>of which equity instruments measured at fair value through other comprehensive income</i>	-22	-13	69%	-2		-41	-11	273%
Total items that will not be reclassified to the income statement	936	-717		-3,250		475	-1,724	
Items that may subsequently be reclassified to the income statement								
Cash flow hedges	74	233	-68%	557	-87%	160	614	-74%
Instruments measured at fair value through other comprehensive income - debt instruments	-18			9		6	25	-76%
Insurance contracts	171	-171		-500		66	-396	
Translation differences for the period	551	-660		-2,801		1,758	-1,078	
<i>of which hedging net investment in foreign operations</i>	161	-56		182	-12%	-230	31	
Tax on items that may subsequently be reclassified to the income statement	-177	139		107		-52	113	
<i>of which cash flow hedges</i>	-15	-48	-69%	-115	-87%	-33	-127	-74%
<i>of which debt instruments measured at fair value through other comprehensive income</i>	3	1	200%	-2		-1	-5	-80%
<i>of which hedging net investment in foreign operations</i>	-34	12		-37	-8%	47	-6	
<i>of which translation difference</i>	-131	174		261		-65	251	
Total items that may subsequently be reclassified to the income statement	601	-460		-2,628		1,937	-722	
Total other comprehensive income for the period	1,536	-1,176		-5,880		2,412	-2,447	
Total comprehensive income for the period	8,384	6,034	39%	1,365		29,868	26,667	12%
Attributable to								
Shareholders in Svenska Handelsbanken AB	8,381	6,033	39%	1,359		29,870	26,662	12%
Non-controlling interest	3	1	200%	6	-50%	-2	5	

For the period January – December 2024, other comprehensive income totalled SEK 2,412m (-2,447) after tax. Defined benefit pension plans had a positive impact during the period in the amount of SEK 308m (-1,776) after tax. Pension obligations have increased, in spite of the fact that the discount rate for the Swedish pension obligations was 3.6%, compared with 3.5% at the previous year-end. The higher figure was due to changed assumptions, which increased the obligations. The value change of plan assets was positive, however, meaning that the net amount for the year was positive.

The translation of the foreign operations had a positive effect of SEK 1,740m after tax (-833), 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	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Net interest income	11,745	11,763	11,746	11,587	12,222
Net fee and commission income	3,067	2,966	2,939	2,754	2,800
Net gains/losses on financial transactions	1,147	626	580	750	579
Net insurance result	30	129	138	125	207
Other dividend income	13	1	0	2	1
Share of profit of associates and joint ventures	-50	3	6	68	-17
Other income	73	55	49	32	64
Total income	16,025	15,545	15,457	15,318	15,854
Staff costs	-3,981	-3,825	-3,990	-3,935	-3,531
Other expenses	-1,860	-1,632	-1,926	-2,056	-2,152
Depreciation, amortisation and impairment of property, equipment and intangible assets	-523	-498	-504	-479	-402
Total expenses	-6,363	-5,956	-6,420	-6,470	-6,086
Profit before credit losses and regulatory fees	9,662	9,589	9,037	8,848	9,768
Net credit losses	232	141	133	95	-52
Gains/losses on disposal of property, equipment and intangible assets	3	2	4	4	6
Regulatory fees	-719	-671	-663	-680	-664
Operating profit	9,177	9,061	8,511	8,267	9,057
Taxes	-1,976	-2,024	-1,921	-1,874	-2,093
Profit for the period from continuing operations	7,201	7,037	6,590	6,393	6,965
Profit for the period from discontinued operations after tax	-354	173	204	211	280
Profit for the period	6,848	7,210	6,794	6,604	7,244
Earnings per share, SEK	3.46	3.64	3.43	3.33	3.66

BALANCE SHEET – GROUP

SEK m		31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023
Assets						
Cash and balances with central banks		529,995	600,840	581,551	561,864	476,171
Other loans to central banks	Note 9	12,547	6,598	3,519	22,212	6,282
Interest-bearing securities eligible as collateral with central banks		172,606	235,053	206,318	230,519	199,128
Loans to other credit institutions	Note 9	18,922	32,240	26,351	27,342	19,294
Loans to the public	Note 9	2,297,878	2,293,211	2,301,960	2,297,097	2,291,808
Value change of interest-hedged item in portfolio hedge		-6,399	-6,573	-9,007	-9,690	-9,657
Bonds and other interest-bearing securities		47,508	57,691	57,560	54,358	50,087
Shares		14,746	31,518	32,084	33,223	12,216
Investments in associates and joint ventures		860	847	754	725	657
Assets where the customer bears the value change risk		287,984	287,359	279,367	269,726	244,893
Derivative instruments	Note 12,13	47,069	32,123	30,992	39,451	30,110
Intangible assets	Note 14	8,426	8,476	8,589	8,603	8,567
Property and equipment		4,803	4,791	4,908	4,971	4,777
Current tax assets		100	2,456	2,127	1,014	203
Deferred tax assets		157	368	399	325	358
Net pension assets		13,102	12,343	12,830	13,906	11,699
Assets held for sale	Note 11	74,506	142,178	162,549	174,370	178,590
Other assets		11,896	11,633	21,408	22,571	10,276
Prepaid expenses and accrued income		2,468	2,893	3,300	3,699	2,331
Total assets	Note 18	3,539,173	3,756,046	3,727,558	3,756,288	3,537,792
Liabilities and equity						
Due to credit institutions	Note 15	84,280	136,554	107,793	98,824	90,143
Deposits and borrowing from the public	Note 15	1,310,739	1,384,921	1,416,323	1,422,065	1,298,480
Liabilities where the customer bears the value change risk		288,263	287,576	279,606	269,929	245,100
Issued securities	Note 16	1,550,027	1,601,892	1,580,571	1,611,848	1,523,481
Derivative instruments	Note 12,13	15,956	22,975	16,060	18,353	34,238
Short positions		1,007	15,692	15,456	15,013	2,364
Insurance liabilities		7,808	8,116	8,056	8,055	8,407
Current tax liabilities		957	1,734	1,207	1,025	1,211
Deferred tax liabilities		3,744	3,917	4,028	4,186	3,969
Provisions		378	439	487	543	601
Liabilities held for sale	Note 11	10,623	38,834	51,908	62,571	63,721
Other liabilities		15,376	18,870	17,456	20,198	14,882
Accrued expenses and deferred income		2,935	3,305	3,561	3,962	2,990
Subordinated liabilities		37,054	30,150	30,010	30,146	43,117
Total liabilities	Note 18	3,329,146	3,554,976	3,532,522	3,566,717	3,332,706
Non-controlling interest		6	3	2	9	8
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		18,659	17,122	18,299	19,862	16,239
Retained earnings		152,085	151,512	151,512	151,270	147,905
Profit for the period, attributable to shareholders in Svenska Handelsbanken AB		27,451	20,606	13,396	6,603	29,107
Total equity		210,027	201,070	195,035	189,571	205,085
Total liabilities and equity		3,539,173	3,756,046	3,727,558	3,756,288	3,537,792

STATEMENT OF CHANGES IN EQUITY – GROUP

January - December 2024 SEK m	Share capital	Share premium	Defined benefit plans	Cash flow hedges	Other reserves			Translation of foreign operations	Retained earnings incl profit for the year	Non-controlling interest	Total
					Fair value through other comprehensive income	Insurance contracts					
Opening equity 2024	3,069	8,758	11,963	181	197	396	3,502	177,011	8	205,085	
Profit for the period								27,451	5	27,456	
Other comprehensive income			308	127	171	66	1,747		-7	2,413	
<i>of which reclassified within equity</i>					-3		-811			-814	
Total comprehensive income for the period			308	127	171	66	1,747	27,451	-2	29,868	
Reclassified to retained earnings								814		814	
Dividend								-25,740		-25,740	
Share-based payments to employees of Handelsbanken Plc*								54		54	
Hedge of share-based payments to employees*								-54		-54	
Closing equity	3,069	8,758	12,271	308	369	462	5,249	179,535	6	210,027	

January – December 2023 SEK m	Share capital	Share premium	Defined benefit plans	Cash flow hedges	Other reserves			Translation of foreign operations	Retained earnings incl profit for the year	Non-controlling interest	Total
					Fair value through other comprehensive income	Insurance contracts					
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	
Hedge of share-based payments to employees*								-79		-79	
Closing equity	3,069	8,758	11,963	181	197	396	3,502	177,011	8	205,085	

*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	Full year 2024	Full year 2023
Operating profit	35,016	36,322
Profit from discontinued operations, before tax	307	1,394
Adjustment from operating activities to investment activities	1,767	
Adjustment for non-cash items in profit/loss and result from discontinued operations	1,770	907
Paid income tax	-8,519	-7,681
Changes in the assets and liabilities of operating activities	14,188	-7,816
Cash flow from operating activities	44,529	23,125
Disposal of operations and subsidiaries	17,147	
Change in shares	-169	-53
Change in property and equipment	-551	-506
Change in intangible assets	-678	-957
Cash flow from investing activities	15,748	-1,517
Repayment of subordinated loans	-13,371	-8,351
Issued subordinated loans	5,704	8,635
Dividend paid	-25,740	-15,840
Cash flow from financing activities	-33,407	-15,556
Cash and cash equivalents at beginning of the period*	476,181	475,882
Cash flow for the period	26,870	6,052
Exchange rate difference on cash and cash equivalents	26,957	-5,753
Cash and cash equivalents at end of the period*	530,009	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 11).

Notes

Note 1 Accounting Policies

This year-end report has been prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated accounts have been prepared in accordance with IFRS® accounting standards 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 Corporate Reporting Board, are also applied in the consolidated accounts.

The year-end 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 Corporate 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 year-end 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

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

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

Amendments to the classification and measurement of financial instruments (IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosure)

In May 2024, the IASB published amendments relating to the classification and measurement of financial instruments in IFRS 9 and IFRS 7. Provided that the EU endorses the amendments, and the effective date proposed by the IASB is not changed, the amendments to the standard will be applied from the 2026 financial year.

The amendments to IFRS 9 mainly clarify assessing whether contractual cash flows in financial assets, which include terms that are dependent on future events, meet the criteria for solely payments of principal and interest (SPPI criteria). The amendments mainly provide guidance for assessing whether the SPPI criteria are met for loans with ESG-linked features.

The amendments to IFRS 9 also clarify the timing of the initial recognition of financial assets and liabilities and the timing of the derecognition of financial assets and liabilities from the statement of financial position. The amendments include an optional exemption entailing that financial liabilities settled through electronic transfer can be derecognised from the statement of financial position before the settlement date.

The amendments to IFRS 7 entail, among other effects, disclosure requirements regarding contractual terms that could change the amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in basic lending risks and costs.

The Bank has started work on analysing the effects of the amendments to IFRS 9 and IFRS 7. At present, the assessment is that the amendments will not have a material impact on Handelsbanken's financial reports, capital adequacy, large exposures or other circumstances according to the applicable regulatory requirements.

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	Q4 2024	Q3 2024	Change	Q4 2023	Change	Full year 2024	Full year 2023	Change
Interest income								
Loans to credit institutions and central banks	8,187	8,847	-7%	8,391	-2%	34,514	29,262	18%
Loans to the public	25,109	26,301	-5%	25,782	-3%	104,409	91,518	14%
Interest-bearing securities eligible as collateral with central banks	1,751	2,095	-16%	2,319	-24%	8,491	8,110	5%
Bonds and other interest-bearing securities	553	599	-8%	621	-11%	2,362	2,076	14%
Derivative instruments	4,985	5,330	-6%	9,593	-48%	23,545	32,227	-27%
Other interest income	92	84	10%	207	-56%	354	853	-58%
Total	40,676	43,256	-6%	46,914	-13%	173,675	164,046	6%
Deduction of interest income reported in Net gains/losses on financial transactions	-470	-510	-8%	-1,249	-62%	-2,550	-4,242	-40%
Total interest income	40,206	42,746	-6%	45,665	-12%	171,125	159,805	7%
<i>of which interest income according to the effective interest method and interest on derivatives in hedge accounting</i>	35,594	38,016	-6%	37,818	-6%	150,587	133,602	13%
Interest expense								
Due to credit institutions and central banks	-1,115	-874	28%	-871	28%	-3,362	-3,768	-11%
Deposits and borrowing from the public	-9,490	-10,750	-12%	-10,417	-9%	-42,684	-35,195	21%
Issued securities	-13,083	-13,477	-3%	-12,551	4%	-53,716	-45,983	17%
Derivative instruments	-4,845	-6,175	-22%	-10,200	-53%	-25,760	-28,562	-10%
Subordinated liabilities	-432	-353	22%	-409	6%	-1,611	-1,615	0%
Deposit guarantee fee	-53	-61	-13%	11		-236	-246	-4%
Other interest expenses	-86	-148	-42%	-144	-40%	-505	-513	-2%
Total	-29,103	-31,839	-9%	-34,580	-16%	-127,874	-115,881	10%
Deduction of interest expense reported in Net gains/losses on financial transactions	643	855	-25%	1,137	-43%	3,591	3,654	-2%
Total interest expense	-28,461	-30,983	-8%	-33,443	-15%	-124,284	-112,227	11%
<i>of which interest expense according to the effective interest method and interest on derivatives in hedge accounting</i>	-26,778	-29,041	-8%	-28,811	-7%	-115,886	-100,238	16%
Net interest income	11,745	11,763	0%	12,222	-4%	46,841	47,578	-2%

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	Q4			Q3			Q4			Full year	
	2024	2024	Change	2023	2023	Change	2024	2023	Change	2024	2023
Brokerage and other securities commissions	123	104	18%	102	21%		449	420	7%		
Mutual funds	1,542	1,533	1%	1,393	11%		5,980	5,534	8%		
Custody and other asset management fees	326	290	12%	257	27%		1,171	997	17%		
Advisory services	72	45	60%	36	100%		208	236	-12%		
Insurance	208	201	3%	169	23%		776	673	15%		
Payments	747	736	1%	715	4%		2,879	2,811	2%		
Loans and deposits	249	250	0%	281	-11%		1,017	1,156	-12%		
Guarantees	51	48	6%	52	-2%		191	196	-3%		
Other commission income	159	143	11%	141	13%		582	536	9%		
Total fee and commission income	3,475	3,352	4%	3,145	10%		13,252	12,559	6%		
Securities	-94	-77	22%	-66	42%		-318	-243	31%		
Payments	-272	-277	-2%	-248	10%		-1,077	-1,053	2%		
Other commission expenses	-43	-30	43%	-31	39%		-131	-124	6%		
Total fee and commission expenses	-409	-384	7%	-346	18%		-1,526	-1,421	7%		
Net fee and commission income	3,067	2,966	3%	2,800	10%		11,726	11,139	5%		

Net fee and commission income per business segment

January - December 2024									
SEK m	Home markets							Other Adj. & elim.	Total Full year 2024
	Sweden	UK	Norway	The Netherlands	Markets				
Brokerage and other securities commissions	164	9	13	15	254	11	-17	449	
Mutual funds	5,211	345	226	74		181	-57	5,980	
Custody and other asset management fees	870	40	131	103	1	26		1,171	
Advisory services		50	1		179	8	-30	208	
Insurance	756	1	19			1	-1	776	
Payments	2,262	332	283	1	0	1		2,879	
Loans and deposits	636	151	120	10	3	100	-3	1,017	
Guarantees	98	14	36	1		43	-1	191	
Other commission income	559	4	4	1	314	2	-302	582	
Total fee and commission income	10,557	945	832	207	752	373	-413	13,252	
Total fee and commission expenses	-1,492	-76	-137	-18	-131	-85	413	-1,526	
Net fee and commission income	9,066	869	695	188	621	288	0	11,726	
<i>of which Net card commissions</i>	<i>871</i>	<i>65</i>	<i>73</i>		<i>0</i>	<i>-14</i>		<i>995</i>	

January - December 2023									
SEK m	Home markets							Other Adj. & elim.	Total Full year 2023
	Sweden	UK	Norway	The Netherlands	Markets				
Brokerage and other securities commissions	154	5	11	11	244	15	-20	420	
Mutual funds	4,747	336	231	92		193	-65	5,534	
Custody and other asset management fees	725	42	110	95		26	-1	997	
Advisory services	0	50	1		184	2	-1	236	
Insurance	670	0	3			1	-1	673	
Payments	2,209	326	270	1		5		2,811	
Loans and deposits	726	143	114	9	2	165	-2	1,156	
Guarantees	100	13	40	1		41	1	196	
Other commission income	521	4	4	1	292	1	-287	536	
Total fee and commission income	9,853	919	784	209	721	450	-376	12,559	
Total fee and commission expenses	-1,393	-74	-125	-12	-129	-64	376	-1,421	
Net fee and commission income	8,460	845	659	198	592	385	0	11,139	
<i>of which Net card commissions</i>	<i>916</i>	<i>62</i>	<i>88</i>	<i>0</i>	<i>0</i>	<i>-13</i>		<i>1,053</i>	

The comparative figures have been recalculated due to the reorganisation, see page 10.

Note 4 Net gains/losses on financial transactions

SEK m	Q4			Q3			Q4			Full year		Full year	
	2024	2024	Change	2023	2023	Change	2024	2023	Change	2024	2023	Change	
Amortised cost	108	127	-15%	214	-50%		605	668	-9%				
of which loans	66	50	32%	63	5%		169	95	78%				
of which interest-bearing securities											0		
of which issued securities	41	78	-47%	151	-73%		435	573	-24%				
Fair value through other comprehensive income	0	0	0%	0			0	-1					
of which interest-bearing securities - expected credit losses	0	0	0%	0			0	0	208%				
of which interest-bearing securities - reclassification from other comprehensive income				0	-100%		0	-1					
Fair value through profit or loss, fair value option	-534	773		1,255			-112	670					
of which interest-bearing securities	-534	773		1,255			-112	670					
Fair value through profit or loss, mandatory including FX effects	1,516	-146		-713			2,949	1,494	97%				
of which assets held on behalf of policyholders	-6	108		183			297	336	-12%				
Hedge accounting	50	-20		6			-43	166					
of which net gains/losses on fair value hedges	43	-29		-13			-59	82					
of which cash flow hedge ineffectiveness	7	9	-22%	18	-61%		16	83	-81%				
Total	1,140	734	55%	761	50%		3,399	2,997	13%				
Deduction of return on assets held on behalf of policyholders	6	-108		-183			-297	-336	12%				
Net gains/losses on financial transactions	1,147	626	83%	579	98%		3,103	2,661	17%				

Note 5 Net insurance result

SEK m	Q4			Q3			Q4			Full year		Full year	
	2024	2024	Change	2023	2023	Change	2024	2023	Change	2024	2023	Change	
Insurance revenue	289	285	1%	286	1%		1,186	1,169	1%				
Insurance service expenses	-235	-244	-4%	-230	2%		-992	-958	4%				
Insurance service result	54	41	32%	56	-4%		194	211	-8%				
Result from reinsurance contracts held	-1			-10	-90%		-1	-10	-90%				
Financial income and expenses from insurance contracts	-15	-22	-32%	-22	-32%		-67	-44	52%				
Insurance result	37	21	76%	24	54%		126	157	-20%				
Return on assets held on behalf of policyholders	-6	108		183			297	336	-12%				
Net insurance result	30	129	-77%	207	-86%		422	493	-14%				

Note 6 Other expenses

mkr	Q4			Q3			Q4			Full year		Full year	
	2024	2024	Change	2023	2023	Change	2024	2023	Change	2024	2023	Change	
Property and premises	-183	-161	14%	-182	1%		-708	-686	3%				
IT related expenses	-831	-727	14%	-972	-15%		-3,374	-3,379	0%				
Communication	-67	-64	5%	-69	-3%		-263	-284	-7%				
Travel and marketing	-91	-51	78%	-92	-1%		-282	-299	-6%				
Purchased services	-469	-451	4%	-600	-22%		-2,052	-2,355	-13%				
Supplies	-33	-32	3%	-46	-28%		-146	-188	-22%				
Other expenses	-184	-147	25%	-191	-4%		-648	-605	7%				
Other expenses	-1,860	-1,632	14%	-2,152	-14%		-7,474	-7,796	-4%				

Note 7 Credit losses

SEK m	Q4 2024	Q3 2024	Change	Q4 2023	Change	Full year 2024	Full year 2023	Change
Expected credit losses on balance sheet items								
The period's provision Stage 3	-111	-76	46%	-89	25%	-377	-328	15%
Reversal of Stage 3 provisions previous years	3	29	-90%	18	-83%	111	209	-47%
Total expected credit losses Stage 3	-108	-47	130%	-71	52%	-266	-119	124%
The period's net provision Stage 2	201	104	93%	42	379%	485	-112	
The period's net provision Stage 1	57	51	12%	17	235%	218	39	459%
Total expected credit losses in Stage 1 and Stage 2	258	156	65%	60	330%	703	-72	
Total expected credit losses on balance sheet items	151	108	40%	-12		438	-192	
Expected credit losses on off-balance sheet items								
The period's net provision Stage 3	1	2	-50%	-2		1	8	-88%
The period's net provision Stage 2	52	29	79%	-25		111	-39	
The period's net provision Stage 1	18	1		-13		54	8	
Total expected credit losses on off-balance sheet items	72	31	132%	-39		166	-23	
Write-offs								
Actual credit losses for the period	-107	-46	133%	-67	60%	-290	-260	12%
Utilised share of previous provision Stage 3	86	28	207%	43	100%	213	185	15%
Total write-offs	-20	-19	5%	-24	-17%	-77	-75	3%
Recoveries	29	21	38%	23	26%	74	149	-50%
Net credit losses	232	141	65%	-52		601	-141	
<i>of which loans to the public</i>	<i>162</i>	<i>108</i>	<i>50%</i>	<i>-15</i>		<i>435</i>	<i>-120</i>	

SEK m	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
1) Expected credit losses Stage 3 on and off balance sheet	-107	-45	-30	-82	-73
Change in model-based provision Stage 1 and Stage 2:					
Update of macroeconomic scenarios and risk factors	23	61	59	65	37
Transfer of exposures in exposed sectors from Stage 1 to Stage 2*	10	1	0	-3	5
Change in probability of default in portfolio at beginning of quarter (net rating changes)	8	-26	-88	-49	-137
Effects of changes in exposures (existing, new and terminated exposures)	25	33	39	24	44
Other in Stage 1 and Stage 2	35	29	72	85	84
<i>Deducted, discontinued operations</i>	<i>-2</i>	<i>12</i>	<i>2</i>	<i>-3</i>	<i>-11</i>
Model-based credit losses in Stage 1 and Stage 2	99	110	84	119	22
Expert based provision					
Expert based provision	-149	-386	-463	-540	-617
<i>Deducted, discontinued operations</i>	<i>0</i>	<i>8</i>	<i>9</i>	<i>11</i>	<i>13</i>
Expert based provision in continuing operations	-149	-378	-454	-529	-604
Quarterly change of provisions which affect credit losses in Stage 1 and Stage 2	229	76	75	75	0
2) Expected credit losses in Stage 1 and Stage 2 on and off balance sheet	328	186	159	195	22
3) Write-offs	-20	-19	-27	-11	-24
4) Recoveries	29	21	31	-7	23
Net credit losses (1+2+3+4)	232	141	133	95	-52

* Expert-based assessment of significant increase in credit risk

The total provision requirement in Stage 1 and Stage 2 has decreased during the fourth 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 previous quarter. Updated assumptions for macroeconomic risk factors have led to an overall SEK 23m decrease in the provision requirement during the quarter. Changes in the size of the exposures decreased the provision requirement by SEK 25m. The item Other in Stage 1 and Stage 2 has also reduced the provision requirement. This reduction is related to factors such as maturities and changes in the distribution between Stages 1, 2 and 3.

During Q4, 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 analysed the necessity of an expert-based stress in sectors at risk of extra sensitivity and decided on an additional provision requirement of SEK 149m (378) in continuing operations and SEK 149m (386) 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

%	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023
Credit loss ratio, continuing operations YTD	-0.02	-0.02	-0.01	-0.01	0.01
Total credit loss reserve ratio	0.07	0.08	0.09	0.09	0.10
Credit loss reserve ratio Stage 1	0.01	0.01	0.01	0.02	0.02
Credit loss reserve ratio Stage 2	0.43	0.55	0.56	0.58	0.60
Credit loss reserve ratio Stage 3	12.56	12.49	13.36	14.96	16.28
Proportion of loans Stage 3	0.31	0.31	0.30	0.28	0.24

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 11).

Sensitivity analysis and macroeconomic forecast in ECL calculations

The table below shows the percentage increase/decrease in the provision for expected credit losses in Stage 1 and Stage 2, as at 31 December 2024, which arises when a probability of 100% is assigned to the downturn and upturn scenarios, respectively. The effect of assigning a probability of 100% to the severe downturn scenario for the UK is not included in the total.

%	31 December 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	32.98	-14.39	27.45	-15.70
Great Britain	32.43	-30.87	21.13	-29.56
Great Britain, severe downturn scenario	37.19		29.99	
Norway	37.79	-14.98	33.68	-18.20
Finland	15.66	-6.40	8.52	-5.06
The Netherlands	47.07	-18.81	36.85	-22.53
United States	77.81	-28.43	57.50	-36.86
Other countries	25.02	-10.66	23.51	-12.04
Total	31.81	-19.08	23.58	-18.51

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 31 December 2024.

Macroeconomic risk factor		Downturn scenario			Base case scenario			Upturn scenario			
		2025	2026	2027	2025	2026	2027	2025	2026	2027	
GDP growth, %	Sweden	-2.75	0.80	2.81	2.11	2.71	2.16	3.85	3.60	1.96	
	Great Britain	-3.58	-0.47	2.35	1.42	1.53	1.70	3.02	2.33	1.50	
	Great Britain, severe downturn scenario	-6.08	-2.47	2.70							
	Norway	-3.45	-0.34	2.25	1.55	1.66	1.60	3.15	2.46	1.40	
	Finland	-3.50	-0.40	2.05	1.50	1.60	1.40	3.10	2.40	1.20	
	Euro area	-3.89	-0.58	2.15	1.11	1.42	1.50	2.71	2.22	1.30	
	United States	-2.83	0.01	2.45	2.17	2.01	1.80	3.77	2.81	1.60	
	Unemployment rate, %	Sweden	10.02	10.32	10.54	8.32	7.92	7.54	7.62	6.92	6.84
Great Britain		6.45	7.03	7.50	4.75	4.63	4.50	4.05	3.63	3.80	
Great Britain, severe downturn scenario		6.75	8.63	8.50							
Norway		3.90	4.60	5.30	2.20	2.20	2.30	1.50	1.20	1.60	
Finland		9.70	9.90	10.00	8.00	7.50	7.00	7.30	6.50	6.30	
Euro area		8.38	8.93	9.50	6.68	6.53	6.50	5.98	5.53	5.80	
United States		6.08	6.90	7.30	4.38	4.50	4.30	3.68	3.50	3.60	
Policy interest rate, %		Sweden	4.50	4.50	3.75	2.25	2.25	2.25	1.50	1.25	1.25
	Great Britain	6.00	6.00	4.75	3.75	3.75	3.25	3.00	2.75	2.25	
	Great Britain, severe downturn scenario	0.50	0.50	0.50							
	Norway	5.75	5.25	4.00	3.50	3.00	2.50	2.75	2.00	1.50	
	Finland	4.25	4.25	3.50	2.00	2.00	2.00	1.25	1.00	1.00	
	Euro area	4.25	4.25	3.50	2.00	2.00	2.00	1.25	1.00	1.00	
	United States	5.88	5.38	4.25	3.63	3.13	2.75	2.88	2.13	1.75	
	Residential real estate, value change %	Sweden	-4.51	-4.44	4.14	3.24	3.25	3.53	7.06	7.40	4.99
Great Britain		-4.90	-4.59	-1.41	0.30	1.02	1.61	4.48	5.29	5.28	
Great Britain, severe downturn scenario		-8.07	-8.41	-1.77							
Norway		-0.59	0.55	5.58	9.59	8.14	4.90	11.57	9.50	3.93	
Finland		-4.08	-1.48	1.99	1.47	2.07	2.77	5.18	3.54	3.20	
Euro area		0.70	3.92	5.05	3.20	3.42	3.40	3.91	3.52	2.60	
Commercial real estate, value change %		Sweden	-10.15	-3.37	4.19	1.45	3.88	4.51	8.42	10.22	6.28
		Great Britain	-11.89	-8.46	0.74	-1.02	-1.44	0.76	10.80	7.96	1.82
	Great Britain, severe downturn scenario	-15.91	-8.15	6.05							
	Norway	-15.53	-8.28	1.08	-1.93	-1.03	0.65	3.73	4.09	2.00	
	Finland	-10.56	-5.14	2.13	-1.24	0.62	2.29	3.96	5.60	3.68	
	Euro area	-13.40	-6.38	2.60	-0.68	0.67	2.54	4.62	5.85	4.15	

Note 8 Regulatory fees

SEK m	Q4	Q3	Change	Q4	Change	Full year	Full year	Change
	2024	2024		2023		2024	2023	
Risk tax	-413	-414	0%	-411	0%	-1,655	-1,644	1%
Resolution Fee	-258	-258	0%	-253	2%	-1,031	-980	5%
Bank of England Levy	-47					-47		
Regulatory fees	-719	-671	7%	-664	8%	-2,733	-2,624	4%

Note 9 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 11).

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

SEK m	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023
Cash and balances with central banks	530,003	600,831	581,540	561,855	476,162
Other loans to central banks	12,547	25,995	23,773	42,751	32,145
Interest-bearing securities eligible as collateral with central banks					
Loans to other credit institutions	18,923	32,244	26,356	27,344	19,297
<i>of which reverse repos</i>	11,274	23,285	18,676	16,463	9,623
Loans to the public	2,372,086	2,404,717	2,433,554	2,440,007	2,434,217
<i>of which reverse repos</i>	17,977	18,770	18,522	19,088	17,404
Bonds and interest-bearing securities	13,259	13,721	13,226	13,396	12,709
Total	2,946,818	3,077,508	3,078,449	3,085,353	2,974,529

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

SEK m	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023
Volume, gross	2,948,430	3,079,393	3,080,551	3,087,673	2,976,927
<i>of which Stage 1</i>	2,863,270	2,972,690	2,957,338	2,951,914	2,833,004
<i>of which Stage 2</i>	76,635	98,129	114,771	127,760	136,859
<i>of which Stage 3</i>	8,525	8,574	8,442	7,999	7,064
Provisions	-1,614	-1,887	-2,104	-2,322	-2,400
<i>of which Stage 1</i>	-213	-271	-324	-386	-430
<i>of which Stage 2</i>	-331	-545	-652	-740	-820
<i>of which Stage 3</i>	-1,071	-1,071	-1,128	-1,197	-1,150

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

SEK m	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023
Volume, gross	2,373,695	2,406,595	2,435,643	2,442,324	2,436,611
<i>of which Stage 1</i>	2,288,590	2,299,967	2,312,534	2,306,576	2,292,700
<i>of which Stage 2</i>	76,580	98,053	114,667	127,749	136,848
<i>of which Stage 3</i>	8,525	8,574	8,442	7,999	7,064
Provisions	-1,608	-1,877	-2,090	-2,317	-2,395
<i>of which Stage 1</i>	-210	-268	-321	-382	-426
<i>of which Stage 2</i>	-328	-539	-640	-738	-819
<i>of which Stage 3</i>	-1,071	-1,071	-1,128	-1,197	-1,150

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

31 December 2024				
SEK m	Stage 1	Stage 2	Stage 3	Total
Provision at beginning of year	-430	-820	-1,150	-2,400
Derecognised assets	63	114	125	303
Write-offs	0	1	263	264
Remeasurements due to changes in credit risk	-38	297	-68	191
Changes due to update in the methodology for estimation				
Foreign exchange effect, etc	-7	-15	-9	-32
Purchased or originated assets	-17	-8	-7	-33
Transfer to Stage 1	-27	63	1	37
Transfer to Stage 2	49	-150	4	-96
Transfer to Stage 3	192	188	-229	151
Provision at end of period	-213	-331	-1,071	-1,614

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

31 December 2024				
SEK m	Stage 1	Stage 2	Stage 3	Total
Provision at beginning of year	-426	-819	-1,150	-2,395
Derecognised assets	63	114	125	302
Write-offs	0	1	263	264
Remeasurements due to changes in credit risk	-37	294	-68	189
Changes due to update in the methodology for estimation				
Foreign exchange effect, etc	-7	-15	-9	-32
Purchased or originated assets	-17	-8	-7	-32
Transfer to Stage 1	-27	63	1	37
Transfer to Stage 2	49	-145	4	-93
Transfer to Stage 3	192	188	-229	151
Provision at end of period	-210	-328	-1,071	-1,608

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

31 December 2024 SEK m	Gross			Provisions			Net
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Private individuals	1,144,251	23,713	5,017	-52	-67	-588	1,172,274
<i>of which mortgage loans</i>	992,020	18,724	2,406	-15	-23	-58	1,013,054
<i>of which other loans with property mortgages</i>	129,982	3,957	1,437	-5	-5	-93	135,273
<i>of which other loans to private individuals</i>	22,249	1,032	1,174	-32	-39	-437	23,947
Housing co-operative associations	275,905	7,019	123	-1	-9	-8	283,029
<i>of which mortgage loans</i>	263,786	4,545	46	-1	-4	-7	268,365
Property management	690,119	37,156	2,565	-99	-113	-108	729,520
Manufacturing	29,983	1,634	45	-5	-6	-26	31,625
Retail	24,545	493	107	-8	-7	-69	25,061
Hotel and restaurant	6,873	819	144	-4	-7	-23	7,802
Passenger and goods transport by sea	243	2		0	0		245
Other transport and communication	5,602	164	18	-2	-2	-15	5,765
Construction	12,471	3,083	260	-16	-83	-143	15,572
Electricity, gas and water	9,903	5	11	-1	0	-3	9,915
Agriculture, hunting and forestry	20,888	883	93	-4	-6	-11	21,843
Other services	13,943	892	44	-7	-7	-17	14,848
Holding, investment and insurance Comp., funds etc.	27,465	386	6	-5	-2	-4	27,846
Government and municipalities	1,483	94		0	-1		1,576
<i>of which Swedish national debt office</i>	1,547						1,547
Other corporate lending	24,916	237	92	-6	-18	-56	25,165
Total	2,288,590	76,580	8,525	-210	-328	-1,071	2,372,086

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

31 December 2024 SEK m	Gross			Provisions			Net
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Loans in Sweden							
State-owned property companies	11,200			0			11,200
Municipal-owned property companies	8,378	132		0	0		8,510
Residential property companies	149,035	12,928	159	-7	-21	-20	162,074
<i>of which mortgage loans</i>	140,174	12,436	155	-6	-21	-17	152,721
Other property management	147,033	4,415	191	-5	-8	-32	151,594
<i>of which mortgage loans</i>	84,124	2,301	65	-2	-4	-10	86,474
Total loans in Sweden	315,646	17,475	350	-12	-29	-52	333,378
Loans outside Sweden							
UK	147,258	8,151	1,567	-70	-58	-3	156,845
Norway	124,504	3,073	500	-15	-8	-33	128,021
Finland	32,794	7,318	148	-1	-17	-20	40,222
The Netherlands	68,898	1,139		-1	-1		70,035
Other countries	1,019			0			1,019
Total loans outside Sweden	374,473	19,681	2,215	-87	-84	-56	396,142
Total loans - Property management	690,119	37,156	2,565	-99	-113	-108	729,520

31 December 2023 SEK m	Gross			Provisions			Net
	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

31 December 2024 SEK m, gross	Sweden	UK	Norway	Finland	The Netherlands	Total
Residential	191,492	81,265	19,985	14,911	36,996	349,649
Office, retail, hotel	89,259	52,208	77,696	3,679	13,227	236,069
Other real estate	19,737	445	11,767	198	18,621	50,768
Industry, logistics	18,278	18,195	7,166	1,684	685	46,008
Agriculture, forestry	3,712	1,097	129	2	15	4,955
Other collateral	2,057	166	868	247	153	3,491
Unsecured	6,979	3,597	8,206	361	299	19,442
Undeveloped			1,791	252	41	2,084
Total	333,471	156,976	128,077	40,260	70,037	728,821

31 December 2023 SEK m, gross	Sweden	UK	Norway	Finland	The Netherlands	Total
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

31 December 2024						
LTV, %	Sweden	UK	Norway	Finland	The Netherlands	Total
0-40	84.4	90.4	76.4	72.3	87.9	83.1
41-60	15.0	9.3	20.0	17.9	11.2	15.0
61-75	0.6	0.3	2.6	7.7	0.5	1.4
>75	0.1	0.1	1.0	2.1	0.4	0.5
Average LTV	45.2	40.5	53.7	58.1	44.8	48.4

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

31 December 2024						
LTV, %	Sweden	UK	Norway	Finland	The Netherlands	Total
0-40	79.5	87.6	77.8	51.5	83.7	80.1
41-60	18.2	12.3	19.5	18.6	14.8	16.5
61-75	2.2	0.1	1.7	10.4	1.2	2.0
>75	0.2	0.0	1.0	19.6	0.4	1.4
Average LTV	49.9	43.4	52.2	93.9	47.9	51.0

31 December 2023						
LTV, %	Sweden	UK	Norway	Finland	The Netherlands	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 10 Credit risk exposure

SEK m	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023
Cash and balances with central banks	530,009	600,847	581,560	561,874	476,181
Other loans to central banks	12,547	25,995	23,773	42,751	32,145
Interest-bearing securities eligible as collateral with central banks	172,606	235,053	206,318	230,519	199,128
Loans to other credit institutions	18,923	32,244	26,356	27,344	19,297
<i>of which reverse repos</i>	<i>11,274</i>	<i>23,285</i>	<i>18,676</i>	<i>16,463</i>	<i>9,623</i>
Loans to the public	2,372,086	2,404,717	2,433,554	2,440,007	2,434,217
<i>of which reverse repos</i>	<i>17,977</i>	<i>18,770</i>	<i>18,522</i>	<i>19,088</i>	<i>17,404</i>
Bonds and other interest-bearing securities	47,508	57,691	57,560	54,358	50,087
Derivative instruments*	47,069	32,123	30,992	39,451	30,110
Contingent liabilities	55,754	57,871	58,625	60,724	58,120
Commitments	442,514	440,653	432,143	433,675	427,865
Total	3,699,017	3,887,194	3,850,880	3,890,703	3,727,150

* 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 11).

Note 11 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. During Q3 2024, part of the first disposal group was divested to Oma Sparbank Abp, comprising the part of the Finnish operations concentrating on small and medium-sized enterprises. During Q4 2024, the remainder of the first disposal group, constituting the parts of the operations covering private customers, including asset management and investment services, as well as the life insurance business, was transferred to S-banken Abp and the insurance company Fennia Liv, respectively. The operations remaining after these divestments will constitute the second disposal group. The following entities in Finland are included in the second disposal group and in the discontinued operations: Handelsbanken AB (publ) branch in Finland and Handelsbanken Asuntoluottopankki Stadshypotek AB (publ) branch in Finland

Assets and liabilities held for sale

SEK m	31 Dec 2024	31 Dec 2023
Assets		
Cash and balances with central banks	14	10
Other loans to central banks		25,863
Interest-bearing securities eligible as collateral with central banks		0
Loans to other credit institutions	1	3
Loans to the public	74,209	142,409
<i>Of which households</i>	<i>816</i>	<i>39,561</i>
<i>Of which corporates</i>	<i>73,393</i>	<i>102,847</i>
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	282	128
Total assets	74,506	178,590
Liabilities		
Due to credit institutions	247	980
Deposits and borrowing from the public	9,742	51,556
<i>Of which households</i>	<i>235</i>	<i>17,434</i>
<i>Of which corporates</i>	<i>9,507</i>	<i>34,122</i>
Liabilities where the customer bears the value change risk	0	9,586
Provisions	182	195
Other liabilities	451	1,404
Total liabilities	10,623	63,721

The translation reserve includes an accumulated amount of SEK 749m (1,022) attributable to the translation of assets and liabilities held for sale, and is included in the translation reserve presented in the Statement of changes in equity – Group. The purchase price remains on the books of the selling entities, meaning that the divestments do not result in any reclassification of the translation reserve to the income statement.

Income, expenses and profits, discontinued operations in Finland

SEK m	Q4			Q3		Q4		Full year		Full year	
	2024	2024	Change	2023	Change	2024	2023	Change	2024	2023	Change
Net interest income	313	471	-34%	619	-49%	1,895	2,368	-20%			
Net fee and commission income	131	68	93%	97	35%	376	406	-7%			
Net gains/losses on financial transactions	-21	3		9		-8	29				
Net insurance result	3	4	-25%	3	0%	15	17	-12%			
Other income	5	0		9	-44%	5	9	-44%			
Total income	433	546	-21%	738	-41%	2,284	2,829	-19%			
Staff costs	-180	-210	-14%	-264	-32%	-790	-841	-6%			
Other expenses	-154	-124	24%	-132	17%	-580	-464	25%			
Depreciation, amortisation and impairments of property, equipment and intangible assets											
Total expenses	-333	-334	0%	-397	-16%	-1,369	-1,306	5%			
Net credit losses	17	48	-65%	9	89%	53	41	29%			
Gains/losses on disposal of property, equipment and intangible assets	-1	0		0		-1	-1	0%			
Risk tax and resolution fee	-33	-32	3%	-24	38%	-131	-97	35%			
Profit for the period attributable to Denmark and Finland before tax	82	226	-64%	327	-75%	835	1,467	-43%			
Tax	-27	-46	-41%	-43	-37%	-178	-200	-11%			
Profit for the period attributable to Denmark and Finland after tax	55	181	-70%	284	-81%	657	1,267	-48%			
Other expenses pertaining to discontinued operations*	-1	-2	-50%	-5	-80%	-11	-73	-85%			
Impairment pertaining to discontinued operations**	-331	-115	188%			-446					
Taxes	67	23	191%	1		92	15				
Profit for the period incl. Other expenses pertaining to discontinued operations, after tax	-212	88		280		291	1,209	-76%			
Gains/losses on disposal of disposal groups in discontinued operations											
Capital gain before tax	-178	107				-71					
Taxes	36	-21				14					
Capital gain after tax	-142	86				-57					
Profit for the period pertaining to discontinued operations, after tax	-354	173		280		234	1,209	-81%			
Material internal transactions with continuing operations, which are eliminated in the income statement above**:											
Total income	-6	10		25		36	100				
Total expenses	-22	-29		-24		-113	-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.

** The valuation of each disposal group at the lower of fair value after deductions for selling costs, and the carrying amount, has resulted in an impairment loss attributable to non-current assets.

*** 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 Handelsbanken 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	Q4			Q3		Q4		Full year	Full year
	2024	2024	Change	2023	Change	2024	2023	Change	
Brokerage and other securities commissions	0	0	0%	2	-100%	4	9	-56%	
Mutual funds	1	1	0%	1	0%	5	7	-29%	
Custody and other asset management fees	2	7	-71%	10	-80%	28	41	-32%	
Advisory services									
Insurance	13	20	-35%	19	-32%	73	77	-5%	
Payments	126	41	207%	50	152%	264	213	24%	
Loans and deposits	1	10	-90%	20	-95%	38	85	-55%	
Guarantees	2	3	-33%	4	-50%	13	19	-32%	
Other	1	2	-50%	3	-67%	7	11	-36%	
Total fee and commission income	147	84	75%	111	32%	433	463	-6%	

Cash flows, discontinued operations

SEK m	Full year	Full year
	2024	2023
Cash flow from operating activities	17,592	4,611
Cash flow from investing activities	17,152	-8
Cash flow for the period from discontinued operations	34,744	4,604

Parts of the operations in Finland were divested during the year. Cash flows from the divestment of the operations in Finland are included in the cash flows from investing activities in the Condensed statement of cash flows – Group (see page 27).

Note 12 Derivatives

mkr	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec
	2024	2024	2024	2024	2023
Positive market values					
Trading	47,808	37,322	40,349	47,888	45,668
Fair value hedges	15,769	19,860	14,766	15,133	17,253
Cash flow hedges	27,636	22,916	22,741	27,402	19,410
Amounts offset	-44,144	-47,975	-46,864	-50,972	-52,221
Total	47,069	32,123	30,992	39,451	30,110
Negative market values					
Trading	36,432	45,039	38,291	42,606	54,579
Fair value hedges	11,679	11,185	17,035	18,285	16,007
Cash flow hedges	2,176	4,281	4,014	4,149	8,877
Amounts offset	-34,331	-37,529	-43,280	-46,687	-45,225
Total	15,956	22,975	16,060	18,353	34,238
Nominal value					
Trading	3,513,153	3,123,941	3,287,286	3,068,052	2,789,188
Fair value hedges	695,983	697,299	689,200	728,324	696,655
Cash flow hedges	335,914	383,049	407,111	422,602	468,797
Amounts offset	-2,368,886	-2,394,376	-2,380,511	-2,360,869	-2,310,691
Total	2,176,164	1,809,913	2,003,086	1,858,109	1,643,949

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 13 Offsetting of financial instruments

31 December 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	91,213	33,499	124,712
Amounts offset	-44,144	-3,735	-47,879
Carrying amount on the balance sheet	47,069	29,764	76,833
Related amounts not offset on the balance sheet			
Financial instruments, netting arrangements	-4,787		-4,787
Financial assets received as collateral	-37,378	-29,721	-67,099
Total amounts not offset on the balance sheet	-42,165	-29,721	-71,886
Net amount	4,904	43	4,947
Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements			
Gross amount	50,287	3,736	54,023
Amounts offset	-34,331	-3,735	-38,066
Carrying amount on the balance sheet	15,956	1	15,957
Related amounts not offset on the balance sheet			
Financial instruments, netting arrangements	-4,787		-4,787
Financial assets pledged as collateral	-3,554	-1	-3,555
Total amounts not offset on the balance sheet	-8,341	-1	-8,342
Net amount	7,615		7,615
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 11,617m (11,268) derived from the balance sheet item Deposits and borrowing from the public. The amount offset for derivative liabilities includes offset cash collateral of SEK 1,804m (4,272), derived from the balance sheet item Loans to the public.

Note 14 Goodwill and other intangible assets

SEK m	Goodwill		Other intangible assets		Total	
	Full year 2024	Full year 2023	Full year 2024	Full year 2023	Full year 2024	Full year 2023
Opening residual value	4,356	4,397	4,211	4,005	8,567	8,402
Additional during the period			680	961	680	961
Reclassified as assets held for sale						
The period's amortisation			-856	-751	-856	-751
The period's impairments			-3	-1	-3	-1
Foreign exchange effect	4	-41	34	-3	38	-44
Closing residual value	4,360	4,356	4,066	4,211	8,426	8,567

Note 15 Due to credit institutions, deposits and borrowing from the public

SEK m	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023
Due to credit institutions	84,280	136,554	107,793	98,824	90,143
<i>of which repos</i>		26	199	0	0
Deposits and borrowing from the public	1,310,739	1,384,921	1,416,323	1,422,065	1,298,480
<i>of which repos</i>	1	651	83	1	2

Note 16 Issued securities

SEK m	Full year 2024	Full year 2023
Issued securities at beginning of year	1,523,481	1,474,801
Issued	1,060,981	1,251,086
Repurchased	-54,766	-72,561
Matured	-1,035,785	-1,124,075
Foreign exchange effect etc.	56,115	-5,771
Issued securities at end of period	1,550,027	1,523,481

Note 17 Pledged assets and contingent liabilities

SEK m	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023
Assets pledged for own debt	1,063,896	1,125,979	1,086,266	1,062,964	1,062,518
Other pledged assets	90,336	105,427	104,793	76,699	69,399
Contingent liabilities	55,754	57,871	58,625	60,724	58,120
Commitments	442,514	440,653	432,143	433,675	427,865

Note 18 Classification of financial assets and liabilities

SEK m	Fair value through profit or loss				Amortised cost	Total carrying amount	Fair value
	Mandatory	Fair value option	Derivatives identified as hedge instruments	Fair value through other comprehensive income			
Assets							
Cash and balances with central banks					530,009	530,009	530,009
Other loans to central banks					12,547	12,547	12,547
Interest-bearing securities eligible as collateral with central banks	4,862	167,745				172,606	172,606
Loans to other credit institutions					18,923	18,923	18,632
Loans to the public					2,372,086	2,372,086	2,365,414
Value change of interest-hedged item in portfolio hedge					-6,399	-6,399	
Bonds and other interest-bearing securities	10,329	23,920		13,259		47,508	47,508
Shares	13,942			804		14,746	14,746
Assets where the customer bears the value change risk	287,984					287,984	287,984
Derivative instruments	21,340		25,729			47,069	47,069
Other assets	13				11,903	11,916	11,916
Total	338,470	191,665	25,729	14,063	2,939,069	3,508,995	3,508,431
Investments in associates and joint ventures						860	
Non-financial assets						29,317	
Total assets						3,539,173	
Liabilities							
Due to credit institutions					84,527	84,527	84,592
Deposits and borrowing from the public					1,320,481	1,320,481	1,320,543
Liabilities where the customer bears the value change risk		288,263				288,263	288,263
Issued securities	614				1,549,413	1,550,027	1,545,408
Derivative instruments	14,583		1,373			15,956	15,956
Short positions	1,007					1,007	1,007
Other liabilities	12				15,687	15,700	15,700
Subordinated liabilities					37,054	37,054	38,263
Total	16,216	288,263	1,373		3,007,162	3,313,015	3,309,732
Non-financial liabilities						16,131	
Total liabilities						3,329,146	

31 December 2023	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					476,181	476,181	476,181
Other loans to central banks					32,145	32,145	32,145
Interest-bearing securities eligible as collateral with central banks	3,534	195,594				199,128	199,128
Loans to other credit institutions					19,298	19,298	19,272
Loans to the public					2,434,217	2,434,217	2,415,484
Value change of interest-hedged item in portfolio hedge					-9,657	-9,657	
Bonds and other interest-bearing securities	13,550	23,827		12,709		50,087	50,087
Shares	11,617			601		12,218	12,218
Assets where the customer bears the value change risk	254,401				78	254,479	254,479
Derivative instruments	13,618		16,492			30,110	30,110
Other assets	27				10,282	10,309	10,309
Total	296,747	219,421	16,492	13,310	2,962,544	3,508,514	3,499,412
Investments in associates and joint ventures						657	
Non-financial assets						28,620	
Total assets						3,537,792	
Liabilities							
Due to credit institutions					91,124	91,124	91,287
Deposits and borrowing from the public					1,350,036	1,350,036	1,349,338
Liabilities where the customer bears the value change risk		254,609			78	254,687	254,687
Issued securities	1,506				1,521,975	1,523,481	1,497,333
Derivative instruments	27,399		6,840			34,238	34,238
Short positions	2,364					2,364	2,364
Other liabilities	27				15,712	15,739	15,739
Subordinated liabilities					43,117	43,117	43,227
Total	31,296	254,609	6,840		3,022,042	3,314,787	3,288,213
Non-financial liabilities						17,919	
Total liabilities						3,332,706	

Assets and liabilities in the 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 11).

Note 19 Fair value measurement of financial instruments

31 December 2024				
SEK m	Level 1	Level 2	Level 3	Total
Assets				
Interest-bearing securities eligible as collateral with central banks	172,522	84		172,606
Bonds and other interest-bearing securities	45,283	2,225		47,508
Shares	13,889	680	177	14,746
Assets where the customer bears the value change risk	285,122	2,845	17	287,984
Derivative instruments	52	47,017		47,069
Total	516,868	52,851	194	569,913
Liabilities				
Liabilities where the customer bears the value change risk	285,400	2,845	17	288,262
Issued securities		614		614
Derivative instruments	39	15,916		15,955
Short positions	992	15		1,007
Total	286,431	19,390	17	305,839
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 11).

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 year are shown in a separate table below.

The holdings in level 3 mainly comprise unlisted shares. The Group's holdings of unlisted shares are mainly comprised of participating interests in companies which provide supporting operations to the Bank. For example, these may be participating interests in clearing organisations and infrastructure collaboration on Handelsbanken's home markets. Such holdings are generally valued at the Bank's share of the company's net asset value, or alternatively at the price of the last completed transaction. In all material respects, unlisted shares are classified at fair value through other comprehensive income. Value changes for these holdings are thus reported in Other comprehensive income.

Certain holdings of private equity funds are categorised 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 164m (93) was recognised under Net gains/losses on financial transactions. At the end of the period, non-recognised day 1 gains/losses totalled SEK 500m; at year-end 2023, the corresponding figure was SEK 472m.

Change in level 3 holdings

31 December 2024 SEK m	Shares	Derivative assets	Derivative liabilities	Assets where the customer bears the value change risk	Liabilities where the customer bears the value change risk
Carrying amount at beginning of year	174	2	-2	77	-77
Acquisitions	1				
Repurchases/sales	-5				
Matured during the period					
The period's value change realised in the income statement					
Unrealised value change in income statement	-6	-2	2	-60	60
Unrealised value change in other comprehensive income	13				
Changes in the methodology					
Transfer from level 1 or 2					
Transfer to level 1 or 2					
Carrying amount at end of period	177			17	-17

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 20 Assets and liabilities by currency

31 December 2024							Other	
SEK m	SEK	EUR	NOK	GBP	USD	currencies	Total	
Assets								
Cash and balances with central banks	63,478	203,777	4,160	125,771	132,799	23	530,009	
Other loans to central banks		3,352	9,195				12,547	
Loans to other credit institutions	1,930	3,047	10,924	617	2,218	188	18,923	
Loans to the public	1,567,637	219,855	325,257	249,285	7,583	2,469	2,372,086	
<i>of which corporates</i>	598,763	155,273	185,593	179,980	7,423	1,565	1,128,597	
<i>of which households</i>	967,327	64,582	139,665	69,305	160	904	1,241,943	
Interest-bearing securities eligible as collateral with central banks	152,122	8,971	74		11,440		172,606	
Bonds and other interest-bearing securities	34,053	555	12,900		0		47,508	
Other items not broken down by currency	385,493						385,493	
Total assets	2,204,712	439,557	362,511	375,673	154,039	2,681	3,539,173	
Liabilities								
Due to credit institutions	21,125	34,762	27,340	485	337	479	84,528	
Deposits and borrowing from the public	808,538	100,333	103,939	282,784	21,170	3,718	1,320,481	
<i>of which corporates</i>	330,706	85,798	58,033	206,315	17,598	2,896	701,346	
<i>of which households</i>	477,832	14,535	45,906	76,469	3,572	822	619,136	
Issued securities	560,189	447,647	28,294	35,214	456,621	22,062	1,550,027	
Subordinated liabilities		20,519		6,722	9,814		37,054	
Other items not broken down by currency, incl. equity	547,083						547,083	
Total liabilities and equity	1,936,934	603,261	159,573	325,205	487,942	26,258	3,539,173	
Other assets and liabilities broken down by currency (net)		163,620	-202,929	-50,508	333,936	23,579		
Net foreign currency position		-84	8	-40	34	1	-80	

31 December 2023							Other	
SEK m	SEK	EUR	NOK	GBP	USD	currencies	Total	
Assets								
Cash and balances with central banks	67,895	128,820	4,776	113,645	160,935	109	476,181	
Other loans to central banks		29,326	1,687	1,131			32,145	
Loans to other credit institutions	259	5,772	9,671	873	2,299	423	19,297	
Loans to the public	1,579,316	287,783	319,815	234,892	9,330	3,081	2,434,217	
<i>of which corporates</i>	598,485	185,869	201,140	167,456	9,171	2,016	1,164,137	
<i>of which households</i>	974,083	101,914	118,675	67,436	159	1,065	1,263,332	
Interest-bearing securities eligible as collateral with central banks	181,752	7,561	36		9,778	1	199,128	
Bonds and other interest-bearing securities	36,868	486	12,223		509		50,087	
Other items not broken down by currency	326,737						326,737	
Total assets	2,192,827	459,749	348,209	350,541	182,852	3,614	3,537,792	
Liabilities								
Due to credit institutions	15,666	50,097	18,093	346	6,835	87	91,124	
Deposits and borrowing from the public	814,008	140,586	110,296	257,177	24,238	3,732	1,350,037	
<i>of which corporates</i>	335,161	110,747	75,871	190,553	20,797	2,801	735,931	
<i>of which households</i>	478,848	29,839	34,424	66,624	3,441	931	614,106	
Issued securities	569,595	407,148	27,016	37,930	459,581	22,211	1,523,481	
Subordinated liabilities	0	22,740		6,258	14,120		43,117	
Other items not broken down by currency, incl. equity	530,033						530,033	
Total liabilities and equity	1,929,302	620,570	155,404	301,711	504,774	26,030	3,537,792	
Other assets and liabilities broken down by currency (net)		160,527	-192,764	-48,850	321,918	22,493		
Net foreign currency position		-294	41	-20	-4	77	-200	

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 11).

Note 21 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	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023
Available own funds					
Common equity tier 1 (CET1) capital	155,345	158,433	160,292	162,648	157,576
Tier 1 capital	166,296	168,512	170,860	173,274	172,603
Total capital	193,191	188,223	190,568	193,227	200,081
Risk-weighted exposure amounts					
Total risk-weighted exposure amount	825,457	842,280	848,556	863,310	836,790
Capital ratios (as a percentage of risk-weighted exposure amount)					
Common equity tier 1 ratio (%)	18.8%	18.8%	18.9%	18.8%	18.8%
Tier 1 ratio (%)	20.2%	20.0%	20.1%	20.1%	20.6%
Total capital ratio (%)	23.4%	22.3%	22.5%	22.4%	23.9%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.8%	1.8%	2.0%	2.0%	2.0%
of which: to be made up of CET1 capital (percentage points)	1.2%	1.2%	1.3%	1.3%	1.3%
of which: to be made up of Tier 1 capital (percentage points)	1.4%	1.4%	1.5%	1.5%	1.5%
Total SREP own funds requirements (%)	9.8%	9.8%	10.0%	10.0%	10.0%
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%	2.0%	2.0%	1.9%	1.9%
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 (%)	8.7%	8.6%	8.6%	8.6%	8.6%
Overall capital requirements (%)	18.5%	18.5%	18.6%	18.6%	18.6%
CET1 available after meeting the total SREP own funds requirements (%)	13.1%	13.1%	13.1%	13.1%	13.1%
Leverage ratio					
Leverage ratio total exposure measure	3,368,806	3,585,482	3,578,473	3,593,854	3,390,498
Leverage ratio	4.9%	4.7%	4.8%	4.8%	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)	962,211	946,297	934,576	924,173	895,982
Cash outflows - Total weighted value	603,635	597,040	600,865	605,867	617,192
Cash inflows - Total weighted value	75,835	81,134	83,527	86,896	88,942
Total net cash outflows (adjusted value)	527,801	515,907	517,339	518,971	528,250
Liquidity coverage ratio	183%	184%	182%	179%	172%
Net stable funding ratio (NSFR)					
Total available stable funding	2,143,849	2,139,532	2,176,604	2,218,720	2,101,502
Total required stable funding	1,734,333	1,765,227	1,800,549	1,804,849	1,758,065
NSFR ratio	124%	121%	121%	123%	120%

* 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	
	31 Dec 2024	30 Sep 2024	31 Dec 2024	30 Sep 2024
Credit risk (excluding CCR)	706,444	718,037	56,516	57,443
Of which standardised approach	196,867	191,888	15,749	15,351
Of which foundation IRB (FIRB) approach	51,667	52,526	4,133	4,202
Of which slotting approach				
Of which equities under simple risk-weighted approach	2,922	2,575	234	206
Of which advanced IRB (AIRB) approach	234,160	262,409	18,733	20,993
Of which risk weight floors	220,828	208,639	17,666	16,691
Counterparty credit risk - CCR	10,985	13,012	879	1,041
Of which standardised approach	8,194	9,754	656	780
Of which internal model method (IMM)				
Of which exposures to a CCP	266	295	21	24
Of which credit valuation adjustment - CVA	2,127	2,386	170	191
Of which other CCR	398	577	32	46
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)	22,511	25,714	1,801	2,057
Of which standardised approach	22,511	25,714	1,801	2,057
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	825,457	842,280	66,037	67,382

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 72% of the total risk-weighted exposure amount for credit risk, including the effect of the risk weight floor.

For the remaining credit risk exposures, the capital requirements are calculated using the standardised approach.

Of Handelsbanken's corporate exposures, 97% 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, including 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 22 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. In recent years, geopolitical risk has risen to a higher level. 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.

Liquidity and funding

Handelsbanken has a low tolerance of liquidity risks, 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 needs, even in difficult times. This is achieved through a good matching of incoming and outgoing cash flows 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 777bn at 31 December 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	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023
Level 1 assets	776,204	930,650	876,124	896,423	762,149
Cash and balances with central banks	538,130	623,965	602,833	601,880	504,940
Securities issued or guaranteed by sovereigns, central banks, MDBs and international organisations	173,185	230,429	197,492	222,175	192,930
Securities issued by municipalities and PSEs	19	651	564	1,371	209
Extremely high quality covered bonds	64,871	75,603	75,234	70,997	64,071
Level 2 assets	1,196	3,735	3,526	3,693	1,109
Level 2A assets	1,030	3,595	3,247	3,477	1,049
<i>Securities issued or guaranteed by sovereigns, central banks, municipalities and PSEs</i>	95	2,277	2,834	2,939	36
<i>High quality covered bonds</i>	936	1,318	413	538	1,013
<i>Corporate debt securities (lowest rating AA-)</i>					
Level 2B assets	165	140	279	216	60
<i>Asset-backed securities</i>					
<i>High quality covered bonds</i>					
<i>Corporate debt securities (rated A+ to BBB-)</i>	165	140	279	216	60
<i>Shares (major stock index)</i>					
Total liquid assets	777,401	934,385	879,650	900,117	763,259
<i>of which in SEK</i>	253,235	295,856	259,662	293,928	282,919
<i>of which in EUR</i>	210,590	202,754	183,219	178,948	162,765
<i>of which in USD</i>	142,411	260,093	271,548	247,040	166,330
<i>of which in other currencies</i>	171,165	175,682	165,221	180,201	151,244

31 December 2024					
Market value, SEK m	SEK	EUR	USD	Other	Total
Level 1 assets	252,323	210,427	142,411	171,044	776,204
Cash and balances with central banks	62,533	204,795	132,563	138,239	538,130
Securities issued or guaranteed by sovereigns, central banks, MDBs and international organisations	154,706	5,516	9,848	3,115	173,185
Securities issued by municipalities and PSEs	19				19
Extremely high quality covered bonds	35,066	115		29,690	64,871
Level 2 assets	912	163		121	1,196
Level 2A assets	909			121	1,030
<i>Securities issued or guaranteed by sovereigns, central banks, municipalities and PSEs</i>				95	95
<i>High quality covered bonds</i>	909			27	936
<i>Corporate debt securities (lowest rating AA-)</i>					
Level 2B assets	2	163			165
<i>Asset-backed securities</i>					
<i>High quality covered bonds</i>					
<i>Corporate debt securities (rated A+ to BBB-)</i>	2	163			165
<i>Shares (major stock index)</i>					
Total liquid assets	253,235	210,590	142,411	171,165	777,401

Maturities for financial assets and liabilities

31 December 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	530,009							530,009
Interest-bearing securities eligible as collateral with central banks *	172,606							172,606
Bonds and other interest-bearing securities *	47,508							47,508
Loans to credit institutions **	29,250	115	121	517	690	777		31,470
<i>of which reverse repos</i>	11,274							11,274
Loans to the public	69,476	293,489	206,037	245,736	394,772	1,162,576		2,372,086
<i>of which reverse repos</i>	17,977							17,977
Other ***	20,056						365,437	385,493
<i>of which shares and participating interests</i>	14,746							14,746
<i>of which claims on investment banking settlements</i>	5,310							5,310
Total	868,904	293,604	206,158	246,253	395,462	1,163,354	365,437	3,539,173
Liabilities								
Due to credit institutions ****	38,161	32,595	1,404	64	770	341	11,192	84,527
<i>of which repos</i>								
<i>of which deposits from central banks</i>		12,659					247	12,906
Deposits and borrowing from the public ****	87,528	161,601	8,483	1,908	1,066	164	1,059,731	1,320,481
<i>of which repos</i>								
Issued securities	89,550	367,116	293,737	177,616	546,981	75,026		1,550,026
<i>of which covered bonds</i>		5,831	94,732	114,856	426,173	44,052		685,644
<i>of which bank certificates (CDs) with original maturity of less than one year</i>	40,798	167,983	55,202					263,983
<i>of which corporate certificates (CPs) with original maturity of less than one year</i>	47,721	158,050	142,106					347,877
<i>of which bank certificates (CDs) and corporate certificates (CPs) with original maturity above one year</i>		2,716	684					3,400
<i>of which Senior Non-Preferred Bonds</i>				19,368	27,873	30,051		77,292
<i>of which senior bonds and other securities with original maturity of more than one year</i>	394	30,016	447	43,976	95,900	1,098		171,831
Subordinated liabilities					26,285	10,769		37,054
Other ***	3,872						543,211	547,083
<i>of which short positions</i>	1,007							1,007
<i>of which investment banking settlement debts</i>	2,865							2,865
Total	219,111	561,312	303,624	179,588	575,102	86,300	1,614,134	3,539,173

* 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.

** Term loans to central banks stand for SEK 12,547m of the volume.

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

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

Liquidity coverage ratio (LCR)

Liquidity coverage ratio (LCR) - sub components SEK m	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023
High quality liquidity assets	772,623	928,483	873,757	894,518	758,587
Cash outflows					
Retail deposits and deposits from small business customers	59,319	57,002	57,940	55,608	55,996
Unsecured wholesale funding	278,914	417,584	363,131	377,412	255,923
Secured wholesale funding	2,452	10,498	3,642	3,722	4,266
Other cash outflows	78,779	99,234	96,469	104,019	108,646
Total cash outflows	419,464	584,318	521,182	540,761	424,831
Cash inflows					
Inflows from fully performing exposures	33,911	34,539	33,370	41,692	40,108
Other cash inflows	11,960	21,081	23,398	24,744	23,341
Total cash inflows	45,871	55,621	56,768	66,436	63,449
Liquidity coverage ratio (LCR)	207%	176%	188%	189%	210%

Net stable funding ratio (NSFR)

Net stable funding ratio (NSFR) - sub components SEK m	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023
Available stable funding (ASF)					
Capital items and instruments	219,139	211,366	213,794	216,900	208,436
Retail deposits	708,715	709,349	725,963	712,489	709,447
Wholesale funding	1,212,274	1,214,938	1,232,855	1,285,183	1,179,688
Other liabilities	3,722	3,879	3,992	4,148	3,931
Total Available stable funding (ASF)	2,143,849	2,139,532	2,176,604	2,218,720	2,101,502
Required stable funding (RSF)					
Total high-quality liquid assets (HQLA)	7,019	14,224	13,942	14,198	6,063
Assets encumbered for more than 12 months in cover pool					
	499,810	488,248	545,431	529,243	487,444
Performing loans and securities	1,136,619	1,167,972	1,142,078	1,157,185	1,178,603
Other assets	68,494	72,346	76,541	82,053	63,915
Off-balance sheet items	22,391	22,436	22,557	22,171	22,040
Total Required stable funding (RSF)	1,734,333	1,765,227	1,800,549	1,804,849	1,758,065
Net stable funding ratio (NSFR)	124%	121%	121%	123%	120%

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 NSFR at aggregate level, and the ratio must be at least 100%.

At the end of the quarter, the Group's aggregated LCR was 207%, 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 124%.

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

31 December 2024		Accumulated coverage ratio in % of unsecured funding*
SEK bn	NEA	
Holdings with central banks and securities in the liquidity portfolio	777	82%
Mortgage loans	793	166%
Other household lending	137	180%
Property company lending lowest risk class (1-3)	256	207%
Other corporate lending lowest risk class (1-3)	95	217%
Loans to credit institutions lowest risk class (1-3)	2	217%
Other corporate lending	325	252%
Other assets	0	252%
Total non-encumbered assets (NEA)	2,385	252%
Encumbered assets without underlying liabilities**	69	
Encumbered assets with underlying liabilities	1,085	
Total assets, Group	3,539	

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

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 23 Related-party transactions

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

Note 24 Segment reporting

Information about the Bank's segment reporting is provided on pages 10-19.

Note 25 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	Q4 2024	Q3 2024	Change	Q4 2023	Change	Full year 2024	Full year 2023	Change
Net interest income	6,222	6,415	-3%	7,018	-11%	25,416	25,946	-2%
Dividends received	12,322	323		11,644	6%	21,673	15,957	36%
Net fee and commission income	1,339	1,165	15%	1,153	16%	4,771	4,573	4%
Net gains/losses on financial transactions	878	586	50%	508	73%	2,880	1,745	65%
Other income	956	1,019	-6%	1,356	-29%	3,953	4,230	-7%
Total income	21,716	9,508	128%	21,681	0%	58,693	52,452	12%
Staff costs	-2,647	-3,340	-21%	-2,476	7%	-12,865	-11,456	12%
Other administrative expenses	-2,122	-1,648	29%	-2,070	3%	-7,745	-7,453	4%
Depreciation, amortisation and impairment of property, equipment and intangible assets	-556	-558	0%	-528	5%	-2,258	-2,334	-3%
Total expenses before credit losses	-5,325	-5,545	-4%	-5,074	5%	-22,867	-21,243	8%
Profit before credit losses and regulatory fees	16,391	3,962	314%	16,606	-1%	35,825	31,208	15%
Net credit losses	190	137	39%	-36		446	58	
Impairment of financial assets	-2,163			-1,397	55%	-2,163	-1,524	42%
Regulatory fees	-359	-469	-23%	-359	0%	-1,655	-1,633	1%
Operating profit	14,059	3,632	287%	14,815	-5%	32,454	28,110	15%
Appropriations	336					336		
Profit before tax	14,395	3,632	296%	14,815	-3%	32,790	28,110	17%
Taxes	-2,850	-798	257%	-3,416	-17%	-5,131	-5,747	-11%
Profit for the period	11,545	2,834	307%	11,399	1%	27,659	22,363	24%

Statement of comprehensive income – Parent company

SEK m	Q4 2024	Q3 2024	Change	Q4 2023	Change	Full year 2024	Full year 2023	Change
Profit for the period	11,545	2,834	307%	11,399	1%	27,659	22,363	24%
Other comprehensive income								
Items that will not be reclassified to the income statement								
Instruments measured at fair value through other comprehensive income - equity instruments	103	64		5		198	63	214%
Tax on items that will not be reclassified to income statement	-22	-13		-2		-39	-11	-255%
<i>of which equity instruments measured at fair value through other comprehensive income</i>	-22	-13		-2		-39	-11	-255%
Total items that will not be reclassified to the income statement	81	51		3		159	52	206%
Items that may subsequently be reclassified to the income statement								
Cash flow hedges	41	-608		-1,100		-767	-1,571	51%
Instruments measured at fair value through other comprehensive income - debt instruments	-18			9		6	25	-76%
Translation differences for the period	48	-754		-1,131		-219	-1,289	83%
<i>of which hedging net investment in foreign operations</i>							5	-100%
Tax on items that may subsequently be reclassified to the income statement	-125	274		445		88	522	-83%
<i>of which cash flow hedges</i>	-8	125		227		158	324	-51%
<i>of which debt instruments measured at fair value through other comprehensive income</i>	3	1	200%	-2		-1	-5	80%
<i>of which hedging net investment in foreign operations</i>							-1	-100%
<i>of which tax on translation difference</i>	-120	148		220		-69	204	
Total items that may subsequently be reclassified to the income statement	-54	-1,088	95%	-1,777	97%	-892	-2,313	61%
Total other comprehensive income for the period	28	-1,038		-1,774		-733	-2,262	68%
Total comprehensive income for the period	11,573	1,795		9,624	20%	26,926	20,100	34%

Comment on results – Parent company January – December 2024 compared with January – December 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 business support units. Although most of Handelsbanken's business comes from the local branches and is co-ordinated by them, in legal terms a sizeable part of business volumes is 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 11.

The parent company's operating profit increased by 15% to SEK 32,454m (28,110) compared with the previous year, mainly due to higher dividends received. The increase in dividends received by 36% to SEK 21,673m (15,957) 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 65% increase in net gains/losses on financial transactions to SEK 2,880m (1,745) 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 went down by 2% to SEK 25,416m (25,946). Net fee and commission income increased by 4% to SEK 4,771m (4,573). Profit for the year increased by 24% to SEK 27,659m (22,363). Since year-end 2023, the parent company's equity has increased to SEK 160,189m (158,431).

Balance sheet – Parent company

SEK m	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023
Assets					
Cash and balances with central banks	404,238	479,272	463,644	443,543	362,536
Interest-bearing securities eligible as collateral with central banks	172,606	235,053	206,318	230,519	199,128
Loans to credit institutions	996,917	990,093	1,011,203	1,058,155	1,007,992
Loans to the public	524,171	562,383	586,196	592,997	600,997
Value change of interest hedged item in portfolio hedge	-6,399	-6,573	-9,007	-9,690	-9,657
Bonds and other interest-bearing securities	53,569	62,331	60,191	55,379	50,791
Shares	8,952	25,546	26,003	27,095	6,170
Shares in subsidiaries and investments in associates and joint ventures	67,591	69,502	69,359	69,398	68,986
Assets where the customer bears the value change risk	2,087	2,055	2,011	1,994	1,948
Derivative instruments	52,686	37,886	39,712	49,357	39,019
Intangible assets	3,023	3,102	3,151	3,191	3,211
Property, equipment and leasing assets	5,875	5,801	6,005	6,417	6,673
Current tax assets		2,392	2,106	842	
Deferred tax assets	159	380	385	381	374
Other assets	18,097	11,308	13,360	27,080	20,789
Prepaid expenses and accrued income	1,481	1,722	2,011	2,272	1,386
Total assets	2,305,053	2,482,254	2,482,648	2,558,930	2,360,344
Liabilities and equity					
Due to credit institutions	169,394	221,588	186,255	188,315	176,143
Deposits and borrowing from the public	1,050,028	1,153,663	1,202,459	1,224,533	1,109,471
Liabilities where the customer bears the value change risk	2,087	2,055	2,011	1,994	1,948
Issued securities	840,866	852,573	855,122	904,585	806,167
Derivative instruments	30,312	41,124	27,927	31,523	46,269
Short positions	1,007	15,692	15,456	15,013	2,364
Current tax liabilities	244				831
Deferred tax liabilities	55	139	298	355	336
Provisions	423	576	620	633	624
Other liabilities	10,792	13,157	12,508	14,052	11,374
Accrued expenses and deferred income	2,070	2,626	2,867	3,062	2,399
Subordinated liabilities	37,054	30,150	30,010	30,146	43,117
Total liabilities	2,144,333	2,333,343	2,335,533	2,414,212	2,201,046
Untaxed reserves	531	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	8,164	8,197	9,310	9,646	9,063
Retained earnings	112,540	111,907	111,830	111,803	115,178
Profit for the period	27,659	16,114	13,280	10,575	22,363
Total equity	160,189	148,044	146,248	143,851	158,431
Total liabilities and equity	2,305,053	2,482,254	2,482,648	2,558,930	2,360,344

Statement in changes of equity – Parent company

January - December 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								27,659	27,659	
Other comprehensive income					-609	164	-288		-733	
<i>of which reclassified within equity</i>						-3	-570		-573	
Total comprehensive income for the period					-609	164	-288	27,659	26,926	
Reclassified to retained earnings								573	573	
Dividend								-25,740	-25,740	
Fund for internally developed software			-155					155		
Closing equity	3,069	2,682	2,984	8,758	1,675	361	473	140,187	160,189	

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	

* Included in fair value fund.

Condensed statement of cash flows – parent company

SEK m	Full year 2024	Full year 2023
Operating profit	32,454	28,110
Adjustment from operating activities to investment activities	2,602	-335
Adjustment for non-cash items in profit/loss	-5,421	-8,076
Paid income tax	-5,627	-5,188
Changes in the assets and liabilities of operating activities	21,441	-19,128
Cash flow from operating activities	45,449	-4,615
Disposal of operations and subsidiaries	2,167	
Liquidation of subsidiaries		336
Change in shares	-169	-53
Change in property and equipment	-831	-1,956
Change in intangible assets	-459	-682
Cash flow from investing activities	707	-2,355
Repayment of subordinated loans	-13,371	-8,351
Issued subordinated loans	5,704	8,635
Dividend paid	-25,740	-15,840
Received Group contributions	11,338	16,249
Cash flow from financing activities	-22,069	692
Cash and cash equivalents at beginning of the period*	362,536	376,010
Cash flow for the period	24,087	-6,278
Exchange rate difference on cash and cash equivalents	17,615	-7,196
Cash and cash equivalents at end of the period*	404,238	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	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023
Available own funds					
Common equity tier 1 (CET1) capital	123,977	125,379	128,954	134,088	125,618
Tier 1 capital	134,928	135,458	139,523	144,715	140,644
Total capital	161,824	155,170	159,231	164,667	168,123
Risk-weighted exposure amounts					
Total risk-weighted exposure amount	394,451	414,346	421,933	431,592	421,681
Capital ratios (as a percentage of risk-weighted exposure amount)					
Common equity tier 1 ratio (%)	31.4%	30.3%	30.6%	31.1%	29.8%
Tier 1 ratio (%)	34.2%	32.7%	33.1%	33.5%	33.4%
Total capital ratio (%)	41.0%	37.4%	37.7%	38.2%	39.9%
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%	1.2%
of which: to be made up of CET1 capital (percentage points)	0.7%	0.7%	0.7%	0.7%	0.7%
of which: to be made up of Tier 1 capital (percentage points)	0.9%	0.9%	0.9%	0.9%	0.9%
Total SREP own funds requirements (%)	9.2%	9.2%	9.2%	9.2%	9.2%
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%	2.0%	2.0%	1.9%	1.9%
Systemic risk buffer (%)					
Global Systemically Important Institution buffer (%)					
Other Systemically Important Institution buffer					
Combined buffer requirement (%)	4.5%	4.5%	4.5%	4.4%	4.4%
Overall capital requirements (%)	13.7%	13.6%	13.7%	13.6%	13.6%
CET1 available after meeting the total SREP own funds requirements (%)	26.2%	25.1%	25.3%	25.8%	25.8%
Leverage ratio					
Leverage ratio total exposure measure	1,544,065	1,778,094	1,765,198	1,818,244	1,609,855
Leverage ratio	8.7%	7.6%	7.9%	8.0%	8.7%
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)	842,356	829,516	821,351	815,105	790,916
Cash outflows - Total weighted value	578,624	577,495	581,818	583,264	595,524
Cash inflows - Total weighted value	154,650	166,209	168,509	169,789	174,788
Total net cash outflows (adjusted value)	423,974	411,286	413,309	413,475	420,736
Liquidity coverage ratio	202%	205%	202%	200%	192%
Net stable funding ratio (NSFR)					
Total available stable funding	1,306,165	1,320,605	1,353,824	1,396,356	1,320,193
Total required stable funding	1,159,673	1,177,066	1,194,445	1,244,630	1,211,510
NSFR ratio	113%	112%	113%	112%	109%

* 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	
	31 Dec 2024	30 Sep 2024	31 Dec 2024	30 Sep 2024
Credit risk (excluding CCR)	327,669	342,377	26,214	27,390
Of which standardised approach	145,115	145,943	11,609	11,675
Of which foundation IRB (FIRB) approach	45,550	46,429	3,644	3,714
Of which slotting approach				
Of which equities under simple risk-weighted approach	2,905	2,508	232	201
Of which advanced IRB (AIRB) approach	106,076	122,710	8,486	9,817
Of which risk weight floors	28,023	24,787	2,242	1,983
Counterparty credit risk - CCR	10,980	13,009	878	1,041
Of which standardised approach	8,189	9,751	655	780
Of which internal model method (IMM)				
Of which exposures to a CCP	266	295	21	24
Of which credit valuation adjustment - CVA	2,127	2,386	170	191
Of which other CCR	398	577	32	46
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)	9,224	12,383	738	991
Of which standardised approach	9,224	12,383	738	991
Of which IMA				
Large exposures				
Operational risk	46,577	46,577	3,726	3,726
Of which basic indicator approach				
Of which standardised approach	46,577	46,577	3,726	3,726
Of which advanced measurement approach				
Amounts below the thresholds for deduction (subject to 250% risk weight)				
Total	394,451	414,346	31,556	33,148

SUBMISSION OF REPORT

I hereby submit this report.

Stockholm, 5 February 2025

Michael Green
President and Chief Executive Officer

Information regarding the press conference

A press conference will be held on 5 February 2025 at 08:30 a.m.

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

The Annual and Sustainability Report for 2024 will be published in the week beginning 24 February and will be available from handelsbanken.com/ir.

The Annual General Meeting will be held on 26 March 2025.

The interim report for January – March 2025 will be published on 30 April 2025.

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Share price performance and other information

The Swedish stock market (OMX Stockholm 30 index) grew by 4% during the year. The Stockholm stock exchange's bank index increased by 7%. Handelsbanken's class A shares closed at SEK 114.20 at the end of the year, an improvement of 4% compared to the closing price of SEK 109.45 at the previous year-end. Including the distributed dividend of SEK 13.00 per share, the total return was 16%.

Over the last five years, the Swedish stock market (OMX Stockholm 30) has gone up by 40%, and the bank index (OMX Stockholm Banks PI) has gone up by 51%. During the same period, the price of Handelsbanken's class A share has risen by 13%.

Share price performance previous 5 years

Index 100 = December 30, 2019



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