Risk and Capital

– Information according to Pillar 3

2023

Handelsbanken

This is
Handelsbanken

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

Our idea of how to run our Bank is based on trust and respect for individuals, both customers and employees. At Handelsbanken, we strive to evolve and improve, so that we can be the best possible bank for our customers. We create value in each customer meeting.

Handelsbanken's ambition is to provide the best banking experience within financing, savings and advisory services. We see potential for continued strong business development and profitable growth at a low risk, facilitated by satisfied customers. The Bank's home markets are Sweden, Norway, the UK and the Netherlands, with business also conducted in Luxembourg and the USA.

Svenska Handelsbanken AB (publ)
Corporate identity no.: 502007-7862
Registered office: Stockholm
handelsbanken.com

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Introduction

Handelsbanken provides this information in compliance with Part Eight of Regulation (EU) No 575/2013 (CRR) and the Swedish Financial Supervisory Authority's regulations (FFFS 2014:12) regarding prudential requirements and capital buffers.

The disclosures pursuant to CRR can be found in this report in the form of quantitative and qualitative information to be provided as stipulated in the Commission Implementing Regulation (EU) 2021/637. For additional information regarding Handelsbanken, please see the Annual and Sustainability Report 2023.

Svenska Handelsbanken AB (publ) is the parent institution in Handelsbanken's consolidated situation. For Handelsbanken, the conglomerate rules mean that the capital requirements for the consolidated situation and the capital requirement for the insurance operations are combined.

Companies that are part of the consolidated situation and that are thus covered by the capital adequacy requirements according to the capital adequacy regulations are listed in table EU LI3. All subsidiaries which are subject to the regulations are included in the consolidated situation. Handelsbanken has no subsidiaries in which the actual own funds are less than the prescribed own funds. For additional information regarding related party disclosures, own funds and capital requirements, please see the Annual and Sustainability Report 2023 notes G50 and G52.

For periodic information, for which Handelsbanken has identified a need to submit information more often than once a year, please refer to the Bank's interim reports and quarterly Pillar 3 reports. Information to be provided on a quarterly basis as stipulated in the CRR is published on Handelsbanken's website.

The information is presented as at 31 December 2023, and the comparative figures as at 31 December 2022 unless otherwise specified. The amounts in parentheses are the figures for the preceding year.

Key metrics and overview of risk-weighted exposure amount

Template (KM1) shows Key metrics related to risk-based capital ratios, leverage ratio and liquidity standards and provides a set of key metrics covering the Bank's available capital (including buffer requirements and ratios). KM1 encompasses total risk-weighted assets, leverage ratio, Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). KM1 consist of the information on the impact of the Bank's regulatory capital and leverage ratios compared to the Bank's capital and leverage.

EU KM1

Key metrics 2023 SEK m		2023	2022
	Available own funds (amounts)		
1	Common Equity Tier 1 (CET1) capital	157 576	158 551
2	Tier 1 capital	172 603	174 134
3	Total capital	200 081	193 186
	Risk-weighted exposure amounts		
4	Total risk-weighted exposure amount	836 790	810 144
	Capital ratios (as a percentage of risk-weighted exposure amount)		
5	Common Equity Tier 1 ratio (%)	18.8	19.6
6	Tier 1 ratio (%)	20.6	21.5
7	Total capital ratio (%)	23.9	23.8
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)		
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.0	2.1
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.3	1.3
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.5	1.6
EU 7d	Total SREP own funds requirements (%)	10.0	10.1
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)		
8	Capital conservation buffer (%)	2.5	2.5
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)		
9	Institution specific countercyclical capital buffer (%)	1.9	1.0
EU 9a	Systemic risk buffer (%)	3.2	3.2
10	Global Systemically Important Institution buffer (%)		
EU 10a	Other Systemically Important Institution buffer	1.0	1.0
11	Combined buffer requirement (%)	8.6	7.7
EU 11a	Overall capital requirements (%)	18.6	17.8
12	CET1 available after meeting the total SREP own funds requirements (%)	13.1	13.7
	Leverage ratio		
13	Total exposure measure	3 390 498	3 341 332
14	Leverage ratio (%)	5.1	5.2
	Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)		
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)		0.4
EU 14b	of which: to be made up of CET1 capital (percentage points)		0.4
EU 14c	Total SREP leverage ratio requirements (%)	3.0	3.4
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)		
EU 14d	Leverage ratio buffer requirement (%)		
EU 14e	Overall leverage ratio requirements (%)	3.0	3.0
	Liquidity Coverage Ratio		
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	895 982	885 096
EU 16a	Cash outflows - Total weighted value	617 192	645 218
EU 16b	Cash inflows - Total weighted value	88 942	83 191
16	Total net cash outflows (adjusted value)	528 250	562 026
17	Liquidity coverage ratio (%)	172	159
	Net Stable Funding Ratio		
18	Total available stable funding	2 101 503	2 036 932
19	Total required stable funding	1 758 065	1 793 937
20	NSFR ratio (%)	120	114

EU KM2

Presentation in accordance with the implementing technical standards for the application of Regulation (EU) No 575/2013 and Directive 2014/59/EU with regards to the supervisory reporting and public disclosure of the minimum requirement for own funds and eligible liabilities. Excluded rows are deemed not relevant for Handelsbanken at present.

Key metrics - MREL and, where applicable, G-SII requirement for own funds and eligible liabilities 2023 SEK m		Minimum requirement for own funds and eligible liabilities (MREL)
Own funds and eligible liabilities, ratios and components		
1	Own funds and eligible liabilities	403 358
EU-1a	Of which own funds and subordinated liabilities	256 018
2	Total risk exposure amount of the resolution group (TREA)	836 790
3	Own funds and eligible liabilities as a percentage of the TREA	48.20%
EU-3a	Of which own funds and subordinated liabilities	30.60%
4	Total exposure measure (TEM) of the resolution group	3 390 498
5	Own funds and eligible liabilities as percentage of the TEM	11.90%
EU-5a	Of which own funds or subordinated liabilities	7.55%
Minimum requirement for own funds and eligible liabilities (MREL)		
EU-7	MREL expressed as a percentage of the TREA	23.75%
EU-8	Of which to be met with own funds or subordinated liabilities	16.82%
EU-9	MREL expressed as a percentage of the TEM	5.50%
EU-10	Of which to be met with own funds or subordinated liabilities	5.50%

EU OV1

The table shows risk exposure amounts (REA) for credit, counterparty, market and operational risk at the end of the previous and current period. Credit risk is calculated by the standardised approach, the Foundation IRB approach and the Advanced IRB approach. Market risk and operational risk is calculated by the standardised approach. REA for credit risk, counterparty credit risk and operational risk is in line with previous period. REA for market risk has decreased compared to the previous period.

Overview of total risk exposure amounts 2023 SEK m		Total risk exposure amounts (TREA) 2023	Total risk exposure amounts (TREA) 2022	Total own funds requirements 2023
1	Credit risk (excluding CCR)	**726 276**	**692 006**	**58 102**
2	Of which the standardised approach	183 549	182 775	14 684
3	Of which the Foundation IRB (F-IRB) approach	53 702	51 700	4 296
4	Of which slotting approach			
EU 4a	Of which equities under the simple riskweighted approach	2 240	2 108	179
5	Of which the Advanced IRB (A-IRB) approach	278 625	221 403	22 290
5a	Of which risk weight floors	208 160	234 020	16 653
6	Counterparty credit risk – CCR	**11 827**	**11 833**	**946**
7	Of which the standardised approach	8 507	8 255	681
8	Of which internal model method (IMM)			
EU 8a	Of which exposures to a CCP	268	174	21
EU 8b	Of which credit valuation adjustment - CVA	2 463	2 802	197
9	Of which other CCR	589	602	47
10	Not applicable			
11	Not applicable			
12	Not applicable			
13	Not applicable			
14	Not applicable			
15	Settlement risk			
16	Securitisation exposures in the non-trading book (after the cap)			
17	Of which SEC-IRBA approach			
18	Of which SEC-ERBA (including IAA)			
19	Of which SEC-SA approach			
EU 19a	Of which 1 250 %			
20	Position, foreign exchange and commodities risks (Market risk)	**23 471**	**34 654**	**1 878**
21	Of which standardised approach	23 471	34 654	1 878
22	Of which IMA			
23	Operational risk	**75 216**	**71 651**	**6 017**
EU 23a	Of which basic indicator approach			
EU 23b	Of which standardised approach	75 216	71 651	6 017
EU 23c	Of which advanced measurement approach			
24	Amounts below the thresholds for deduction (subject to 250 % risk weight)			
25	Not applicable			
26	Not applicable			
27	Not applicable			
28	Not applicable			
29	**Total**	**836 790**	**810 144**	**66 943**

EU INS1

Insurance participations 2023 SEK m		Exposure value	Risk-weighted exposure amount
1	Own fund instruments held in insurance or re-insurance undertakings or insurance holding company not deducted from own funds	6 254	15 636

EU INS2

Financial conglomerates information on own funds and capital adequacy ratio 2023 SEK m		
1	Supplementary own fund requirements of the financial conglomerate (amount)	11 559
2	Capital adequacy ratio of the financial conglomerate (%)	128.7

EU OVC ICAAP information

Article 438(a) CRR
Approach to assessing the adequacy of the internal capital.

In addition to the regulatory capital and buffer requirements, the Bank performs internal capital adequacy assessments in which all risks and capital requirements are assessed. The Bank’s assessment is based on an economic capital (EC) model and conservative stress tests. The EC model is calibrated to a confidence level of 99.97% over a one-year horizon. The stress tests cover a five-year horizon and affirm that the capital supply in a normal business cycle should be sufficient to cover potential losses and capital requirement changes which may occur under stressed conditions.

Article 438(c) CRR
Upon demand from the relevant competent authority, the result of the institution's internal capital adequacy assessment process.

Provided upon demand from the relevant competent authority.

Risk management policies and objectives

Handelsbanken's restrictive approach to risk means that the Bank deliberately avoids high-risk transactions. The risk strategy is founded on a strong risk culture that is sustainable in the long term and applies to all areas of the Group. The Bank is characterised by a clear division of responsibility where each part of the business operations bears full responsibility for its business and risk management. The decentralised business model is combined with strong centralised processes and internal controls. The same principles for the Bank's approach to risk apply in all countries where the Bank operates.

EU OVA - Institution risk management approach

Point (f) of Article 435(1) CRR

Disclosure of concise risk statement approved by the management body.

Risk statement

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

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

The Bank has, and will maintain, a low level of credit risk. The Bank's tolerance of credit risk is reflected in the expectation that the Bank will be able to have good capacity for granting credit without government support, even in a serious recession. This is achieved by such measures as its strong local connection and close customer relations. The quality of credits must never be neglected in favour of achieving higher volume or a higher margin. The Bank is selective when choosing customers with the requirement that borrowers have a good repayment capacity. As a consequence of this, the credit portfolio has a clear concentration on risk classes where the probability of loss is low. This consistent approach is reflected in the Bank's low credit losses over time. In 2023, credit losses were 0.01% (0.00) of loans to the public.

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

The Board has determined that the common equity tier 1 ratio must, under normal circumstances, be between 1 and 3 percentage points above the total common equity tier 1 capital requirement communicated to the Bank by the Swedish Financial Supervisory Authority. With regard to the leverage ratio, this must exceed the total capital requirement communicated to the Bank by the Swedish Financial Supervisory Authority by at least 0.6 percentage points.

The Bank's assessment of the Swedish Financial Supervisory Authority's common equity tier 1 capital requirement at year-end 2023 was 14.8% (14.5), including the Swedish Financial Supervisory Authority's guidance of 0.5% within the framework of Pillar 2. Similarly, the Bank's assessment of the leverage ratio requirement was 3.5%, including the Swedish Financial Supervisory Authority's guidance of 0.5% within the framework of Pillar 2. The Board has also determined that the ratio between AFR (Available Financial Resources) and EC must exceed 120%.

At the end of 2023, the Bank's common equity tier 1 ratio was 18.8% (19.6) and the AFR/EC ratio was 366% (413). The Board has stipulated the goal that the Bank must have accumulated positive net cash flows over a period of at least one year, taking into account the liquidity reserve, and with the assumption that parts of the non-fixed-term deposits from households and companies disappear during the first month. With Handelsbanken's total liquidity reserve, including liquidity-generating measures, the liquidity requirement would be covered for over three years during such stressed conditions.

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

Point (b) of Article 435(1) CRR

Information on the risk governance structure for each type of risk.

The Board is responsible for the Bank's organisation and manages the Bank's affairs on behalf of its shareholders. The Board must continuously assess the Bank's financial situation and ensure that the Bank is organised in such a way that the accounting records, management of funds and other aspects of the Bank's financial circumstances are satisfactorily controlled. The Board establishes policies and instructions on how this is to be executed, and establishes rules of procedure for the Board and also an instruction for the Chief Executive Officer. These central steering documents state how responsibility and authority are allocated among the Board as a whole, the committees, the Chairman of the Board and the Chief Executive Officer. The appointments made by the Board include the Chief Executive Officer, Executive Vice Presidents, the Chief Risk Officer, the Chief Compliance Officer and the Chief Audit Executive, and the Board also stipulates the employment terms for these persons. The Chairman is responsible for evaluating the Board's work and informs the Nomination committee of the results of this evaluation.

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

The Risk and Compliance committee has been set up by the Chief Executive Officer for follow-up of risk management within several areas and for in-depth discussions regarding the Bank's overall risk situation prior to such matters being addressed by the Risk committee and the Board. In addition to the Chief Executive Officer, the Risk and Compliance committee includes the Chief Financial Officer, Chief Risk Officer, Chief Compliance Officer, Chief Strategy Officer, Chief Credit

Officer, Chief Information Officer, Head of Financial Crime Prevention, Head of Capital Markets, Head of Products and Offerings and Chief Legal Officer.

Responsibility for fulfilling organisational requirements in order to ensure internal control, risk control and regulatory compliance within each respective unit has been delegated from the CEO to managers who report directly to the CEO. In turn, these managers have delegated operational responsibility for meeting these requirements to managers who report to them. Among other things, this responsibility means that suitable instructions and procedures for the operations must be in place, and compliance with these procedures must be monitored regularly. Thus, internal control, risk control and compliance are integral parts of managerial responsibility at all levels in the Bank.

The subsidiaries' control functions are, in most cases, an integral part of the Group's control functions. The subsidiaries must incorporate the Handelsbanken Group's governing policies into their own corresponding documents unless local or sector specific requirements give rise to deviations. In certain cases, control activities are fulfilled via an outsourcing agreement between a subsidiary and the Bank.

The Bank's policies and guidelines also include rules regarding the conduct of employees. Examples of such conduct rules are that Handelsbanken's employees must not be in a position where they may be suspected of taking improper advantage of knowledge about the financial markets which they obtain in the course of their work, must be familiar with legislation concerning trading in financial instruments and observe the Bank's rules for employees' private securities and currency transactions. Furthermore, in their work at the Bank and in their private affairs, employees must refrain from business transactions that violate the Bank's rules and refrain from transactions or other commitments that could seriously jeopardise their personal financial position. Employees are not permitted to process transactions in which they, or persons closely associated with them, have a personal interest – this also applies to companies in which employees, or persons closely associated with them, are involved. Employees must notify the Bank of assignments outside the Bank and obtain approval to engage in these – this also applies to secondary occupations and certain posts in clubs, societies and the like.

An employee who discovers or suspects irregularities or other unacceptable conditions within the Group must report this to their line manager or to a senior manager within their own or another unit. Handelsbanken's separate whistleblowing system provided by an external supplier may be used as well as these reporting channels.

THREE LINES OF DEFENCE FOR RISK MANAGEMENT

Handelsbanken has three lines of defence for risk management, follow-up and internal control of the Bank's risks. These are described in more detail below.

First line

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

Second line

The control functions Group Risk Control and Group Compliance constitutes the second line of defence.

Group Compliance

Group Compliance is an independent control function, organisationally separated from the functions to be monitored and controlled. Group Compliance identifies, monitors, controls and reports on compliance risks within the Group. This also includes controlling and assessing the suitability and effectiveness of the procedures in place and actions taken to minimise the risk of non-compliance with applicable rules. Another important duty is to provide advice and support about compliance to employees, the Chief Executive Officer and the Board, and to continually inform the units concerned about the risks which may arise in the operations due to non-compliance. Group Compliance also monitors the risk level relative to the risk tolerance for compliance risks defined by the Board, and is responsible for the Group's contacts with public authorities regarding supervision of the Group's licensed operations. The function also includes specifically defined roles such as the Appointed Officer for Controlling and Reporting Obligations according to the applicable money laundering and terrorist financing regulations, and the Data Protection Officer (DPO) according to the applicable regulations on data protection and personal data processing. The Chief Compliance Officer is appointed by the Board and reports directly and regularly to the Chief Executive Officer on matters regarding compliance in the Group, as well as quarterly to the Risk committee and the Board. This includes the report from the Appointed Officer regarding risks linked to financial crime, as well as the report from the DPO on data protection risks.

Group Risk Control

Group Risk Control is a control function that acts independently and impartially in relation to the operations that are controlled. Group Risk Control identifies, measures, analyses and reports all the Group's material risks. This includes monitoring and checking the Group's risk management and assessing that Handelsbanken's risk management framework is efficient and fit-for-purpose. Group Risk Control also checks that the risks and risk management comply with the Bank's risk strategy, and fall within the risk tolerance established by the Board. The Chief Risk Officer is appointed by the Board and reports directly and regularly to the Chief Executive Officer. The Chief Risk Officer also reports regularly to the Board's Risk committee, and quarterly to the Board as a whole.

Third line

The third line of defence is Group Audit. Group Audit is the board's controlling body. Chief Audit Executive is appointed by and reports to the board.

Group Audit

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

Steering documents

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

- Policy on governance and steering documents
- Credit policy
- Policy for risk control
- Policy for operational risk
- Capital policy
- Financial policy
- Policy for sustainability
- Policy for Group Audit
- Policy for compliance

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

For a detailed description of the Bank's management of market risk, liquidity risk, credit risk (including counterparty risk) and operational risk see, EU MRA, EU LIQA, EU CRA and EU ORA.

Point (e) of Article 435(1) CRR.
Declaration approved by the management body on the adequacy of the risk management arrangements

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

Point (c) of Article 435(1) CRR
Disclosure on the scope and nature of risk disclosure and/or measurement systems.

In 2023, the CRO reported the Group's risks (except for compliance risks) to the CEO, the Board's Risk committee and the Board at least quarterly. The Chief Compliance Officer reported the Group's compliance risks in a corresponding manner.

The Risk and Compliance committee has been set up by the Chief Executive Officer for follow-up of risk management within several areas and for in-depth discussions regarding the Bank's overall risk situation prior to such matters being addressed by the Risk committee and the Board. In addition to the Chief Executive Officer, the Risk and Compliance committee includes the Chief Financial Officer, Chief Risk Officer, Chief Compliance Officer, Chief Strategy Officer, Chief Credit Officer, Chief Information Officer, Head of Financial Crime Prevention, Head of Capital Markets, Head of Products and Offerings and Chief Legal Officer.

The Risk Forum, chaired by the CRO, met on ten occasions in 2023. At its meetings, the Risk Forum performs an in-depth follow-up of the Group's current risk situation, potential risks and actions for credit risks, financial risks and operational risks. Other types of risk are commented on where necessary. The indicators in the Group recovery plan are reported and any action is discussed as necessary.

For a more detailed description of the Bank's scope and nature of risk disclosure and/or measurement systems for market risk, liquidity risk, credit risk (including counterparty risk) and operational risk see, EU MRA, EU LIQA, EU CRA and EU ORA.

Point (c) of Article 435(1) CRR
Disclose information on the main features of risk disclosure and measurement systems.

The Board evaluates the Bank's risk tolerance and risk strategy on a regular basis and, if needed, implements updates.

The Bank's risk tolerance and risk strategy are expressed mainly through the Credit policy, Policy for operational risk, Capital policy, Financial policy, Policy for remuneration, Policy for compliance, Policy on measures against financial crime, Policy for products and services and Policy for sustainability. Furthermore the Board has established limits for financial risks and traditional market risk within the Bank's insurance operations.

In accordance with the Policy for risk control, Policy for compliance and the Policy for Group Audit the control functions are responsible for monitoring that the risk management is expedient and effective and that the risks are within the risk tolerance and risk strategy adopted by the Board.

Group Risk Control reports all the Group's material risks at an aggregated level on a regular basis to the Board's risk committee with an assessment of whether the risks are within the risk tolerance and risk strategy established by the Board. The Board is presented with a proposal to approve the Bank's internal capital- and liquidity adequacy assessment and thereby confirm that the risks are within the risk tolerance for capital and liquidity adopted by the Board.

Group Risk Control's assessment of the expediency and efficiency of the framework for risk management is presented in "Assessment of the Bank's framework for risk management" on an annual basis.

Point (a) of Article 435(1) CRR
Strategies and processes to manage risks for each separate category of risk.

Handelsbanken's Board has overall responsibility for the Bank's risk management and establishes internal rules for this. The Board establishes policies and the CEO establishes guidelines describing how various risks should be managed and reported.

The Board's Financial policy for the Handelsbanken Group states that Handelsbanken has a low risk tolerance.

In order to ensure the low tolerance of liquidity risks, both at aggregate level and in each individual currency, the Bank aims to have good access to liquidity, a low level of variation in results and a considerable capacity to meet customers' funding needs, even in difficult times. This is achieved by maintaining a good matching of incoming and outgoing cash flows over time in all currencies essential to the Bank and by maintaining large liquidity reserves of good quality. The Bank thus minimises the economic risks in funding and can thereby maintain stable and long-term funding for the business-operating units.

The restrictive view of market risks means that, essentially, market risks in the banking operations are only taken as part of meeting customers' investment and risk management needs. Market risks must be limited by matching cash flows and interest-rate adjustment periods, hedging open positions and taking other actions to limit risk. Market risks at Handelsbanken are thus very low. One result of the low market risks is that a small fraction of the Bank's earnings comes from net gains/losses on financial transactions.

The Board's steering documents, as well as internal instructions, reflect the Group's risk tolerance and risk strategy for credit risks. Handelsbanken's risk tolerance for credit risk includes restrictions within a number of areas i.e. Geographical focus, Portfolio composition, Repayment capacity, Concentration, Counterparty risks and Collateral. Handelsbanken has a low credit risk tolerance, and the Bank's business model focuses on credit risks being taken and managed in the business operations. While business decisions in Handelsbanken are decentralised, the Bank's credit process is centralised.

In order to maintain the Group's low risk tolerance for credit risks, credit decisions must be made according to the limitation in place for the respective decision levels, as stipulated in the delegation procedure determined by the Board and described in the credit instructions for the Handelsbanken Group.

Handelsbanken has a low tolerance for operational risks, although these risks are inevitable components in the Bank's operations. As far as possible, Handelsbanken must endeavour to prevent these risks. Operational losses must be low. An operational risk which could lead to a material deterioration of the Group's profit in the event of an incident must be reduced to a lower risk level. Risk reduction measures must be taken so that the risk is made acceptable.

The Bank also has a low tolerance for compliance risks and must prevent these risks as far as possible and prioritise the work that needs to be carried out to quickly address any risks which have been identified. A compliance risk is beyond risk tolerance if the Compliance function deems that the risk level is major or critical, and is of the view that there is no adequate action plan, or that there are material deviations from the existing action plan.

The Bank's principles for remuneration to employees are long established. In general, Handelsbanken has a low tolerance of risk and holds the opinion that fixed remuneration contributes to healthy operations. This is, therefore, the main principle. The Board decides on the remuneration policy.

Points (a) and (d) of Article 435(1) CRR
Information on the strategies and processes to manage, hedge and mitigate risks, as well as on the monitoring of the effectiveness of hedges and mitigants.

Handelsbanken has a low risk tolerance, and the Bank's business model focuses on risks being taken and managed in business operations. The local connection, coupled with internal control, promotes low risks. Among other things, the restrictive approach to risk means that the Bank deliberately avoids high-risk transactions, even if the expected financial reward may be high at the time.

The Board's risk tolerance in each of the Bank's risk areas is expressed through decisions regarding limits for financial risks in the Group, and traditional market risk in the insurance operations, approval of the Bank's internal capital adequacy and liquidity assessment process, and the Board's adoption of policy documents i.e. mainly the Credit policy for the Handelsbanken Group, the Capital policy for the Handelsbanken Group, the Financial policy for the Handelsbanken Group, Policy for Compliance in the Handelsbanken Group and the Policy for operational risk in the Handelsbanken Group.

The CRO compiles documentation for the Board's evaluation of risk tolerance and risk strategy. In this, the CRO evaluate and assess whether there is a need to update the risk tolerance and risk strategy of the Handelsbanken Group.

Handelsbanken's Board has overall responsibility for the Bank's risk management and establishes internal rules for this. The Board establishes policies and the CEO establishes guidelines describing how various risks should be managed and reported. These guidelines may complement the polices that have been issued by the Board, or otherwise deal with areas where the CEO deems it appropriate to provide guidelines for the operations. The next level of steering documents is the Group-wide instructions, which are to be issued by the relevant senior managers responsible at Group level.

The risk control function at Handelsbanken is independent of the functions that are to be monitored. The risk control function verifies that all material risks to which the Group is exposed, or may be exposed in the future, are identified and managed by the relevant functions. The risk control function monitors and verifies the Group's risk management. It ensures that relevant internal rules, processes and procedures concerning risk management are followed, while also ensuring that the risks fall within the risk tolerance established by the Board, and that management has reliable information to use as a basis for managing risks in critical situations. Its responsibilities also include monitoring the limits for market, liquidity and counterparty risks, and operational risk, and evaluating breaches of these limits and credit limits. The risk control function must also evaluate the risk analysis performed in the operations for new and materially changed products and services, markets, processes and IT systems, and in conjunction with significant changes to the operations or organisation.

As business decisions become more decentralised, the need for monitoring of the risk and capital situation increases. Risk control is therefore a natural and vital component of the Bank's business model. Group Risk Control is responsible for continually reporting the current risk situation in the Group to the Bank's management and Board and for ensuring that risks are measured in a fit-for-purpose and consistent manner across the Group.

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

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

EU OVB - Disclosure on governance arrangements

Point (a) of Article 435(2) CRR
The number of directorships held by members of the management body.

Name	Position and significant board assignments	Background	Education
Pär Boman **Chairman**	Chairman of Svenska Cellulosa AB SCA, Essity AB, Deputy Chairman of AB Industrivärden and Board Member of Skanska AB.	2006–2015 President and CEO of Handelsbanken.	Engineer and Business/Economics degree, PhD (Econ) h.c.
Fredrik Lundberg **Deputy Chairman**	President and CEO of L E Lundbergföretagen AB, Chairman of Holmen AB, Hufvudstaden AB, AB Industrivärden, Board Member of L E Lundbergföretagen AB and Skanska AB.	President of L E Lundbergföretagen AB since 1981, active at Lundbergs since 1977.	Graduate Engineer and Graduate in Economics/Business Administration Dr h.c. mult.
Jon Fredrik Baksaas **Board member**	Chairman of DNV, Board member of Telefonaktiebolaget LM Ericsson and Scale Leap Capital AS.	2008–2016 GSM Association member, Chairman 2013–2016, 2002–2015 Telenor Group, President and CEO, 1989–2002 Telenor Group, various positions within finance, financial control and management, 1988–1989 Aker AS, 1985–1988 Stolt Nielsen Seaway AS, 1979–1985 Det Norske Veritas, Norway and Japan.	Graduate in Economics/Business Administration and PED from IMD.
Hélène Barnekow **Board member**	Board member of GN Store Nord and Voyado	2018-2022 CEO of Microsoft Sweden, 2014-2018 CEO and various management roles, Telia Sverige, 2009-2014 Various market leader roles, EMC Corporation (UK and USA), 2001-2009 Various market leader roles, etc., Sony Ericsson Mobile Communications (USA, UK and Sweden), 1999-2001 Market leader, Novo Nordisk (Denmark), 1995-1999 Various management roles, Ericsson, 1993-1995 Market leader, Microsoft Corporation (Malta), 1991-1993 Project manager/consultant, DLF, Sweden.	Graduate in Economics/business administration
Stina Bergfors **Board member**	Board member of H&M Hennes & Mauritz and Tele2.	2013 – 2018 Co-founder and CEO and other roles, United Screens, 2008 – 2013 Country Director, Google and Youtube, 2004 – 2007 CEO and other roles, Carat, 2000 – 2004 Director and other roles, OMD Worldwide, 1999 – 1999 Account Manager, TV3 Sweden, Modern Times Group.	Graduate in Economics/Business Administration, PhD (Philosophy) h.c.
Hans Biörck **Board member**	Chairman of Skanska AB.	2001–2011 Skanska, Executive Vice President and CFO, 1998–2001 Autoliv, CFO, 1997–1998 Self-employed, 1977–1997 Various positions in Esselte.	Graduate in Economics/Business Administration.
Kerstin Hessius **Board member**	Chairman of Hemsö Fastighets AB, Board member of Lumera AB and Monterro Fund Management AB.	2004-2022 AP3, Third Swedish National Pension Fund, CEO 2001–2004 Stockholm Stock Exchange, CEO, 1999–2000 Sveriges Riksbank, Deputy Governor of the central bank, 1998 Danske Bank, CEO Asset Management, 1990–1997 ABN Amro Bank/ Alfred Berg, 1989–1990 Finanstidningen, 1986–1989 Swedish National Debt Office, 1985–1986 Sveriges Riksbank (Swedish central bank), 1984–1985 Swedish Agency for Public Management.	Graduate in Economics/Business Administration.
Ulf Riese **Board Member**	-	Various positions at Handelsbanken, 2016–2018 Senior Advisor, 2007–2016 CFO, 2004–2007 Head of Handelsbanken Asset Management, 2004 Executive Vice President of Handelsbanken, Employed by Handelsbanken since 1983.	Graduate in Economics/Business Administration.
Arja Taaveniku **Board member**	Chairman of LSTH Svenska Handelsfastigheter AB, Polarn Holding AB, Polarn BidCo AB, Board member of Dunelm PLC and Handelsbanken plc.	2015–2019 Chief Offer and Supply Chain Officer, Kingfisher plc, CEO of subsidiary of Kingfisher plc, 2012– 2015 President and CEO, Ikano Group, 2005–2012 Global Business Area Director, IKEA Group, 1989–2005 Various positions within the IKEA Group.	Graduate in Economics/Business Administration.
Carina Åkerström [1] **Board member**	President and CEO of Handelsbanken, Board member of Holmen AB, Skistar AB, Royal Swedish Academy of Engineering Sciences' (IVA) Business Executives Council, the Swedish Bankers' Association and World Childhood Foundation.	2016–2019 Executive Vice President, Deputy President of Handelsbanken, 2010–2019 Executive Vice President, Head of Regional Bank Stockholm, 2008–2010 Executive Vice President, Head of Regional Bank Eastern Sweden, Employed by Handelsbanken since 1986.	Master of Laws.
Anna Hjelmberg **Employee representative**	Chair of Finansförbundet's Handelsbanken union club.	Insurance Officer at Handelsbanken Liv and union roles in Handelsbanken Group	Economics Programme at upper secondary school.
Lena Renström **Employee representative**	Chair of Finansförbundet's Handelsbanken SE union club.	Advisory services in Handelsbanken's branch operations	Graduate in Economics/Business Administration.
Stefan Henricson **Employee representative,** **Deputy member**	Boardmember of Finansförbundet's Handelsbanken SE union club.	Managerial and advisory services at branches and regional head offices at Handelsbanken	Economics Programme at upper secondary school.
Mikael Almvret **Employee representative,** **Deputy member**	Chair of Akademikerföreningen (Association for graduate professionals) at Handelsbanken.	Specialist, System Owner and Business operations developer within Anti-Money Laundering, International operations and trading.	Graduate in Economics /Business Administration

[1] Resigned as board member and President and CEO of Handelsbanken from the 1st of January 2024.

Point (b) of Article 435(2) CRR

Information regarding the recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise.

In compiling its proposal for the AGM, the nomination committee considers relevant parts of the policy adopted by the Board regarding suitability assessment of Board members and the Chief Executive Officer. The policy contains criteria for knowledge, experience, reputation, sufficient time, other commitments etc. The nomination committee also considers the evaluation of the Board carried out by the Chairman of the Board. Please also see table in point a) above.

Point (c) of Article 435(2) CRR

Information on the diversity policy with regard of the members of the management body.

In the Bank's recruitment and diversity-related work, the nomination committee takes into account matters relating to diversity on the Board, including gender distribution. Handelsbanken's Board has adopted a policy to promote diversity on the Board.

The policy stipulates that, in order to promote independent opinions and critical questioning, it is desirable that the Board should be characterised by appropriate diversity in terms of age, gender, geographical origin, and also educational and professional background. The proportion of women on the Board of the Bank is 50 per cent of the elected members, and the proportion who are nationals of or have geographical origin in a country other than the one where Handelsbanken is domiciled is 20 per cent. In compiling its proposal for the AGM, the nomination committee also considers the evaluation of the Board carried out by the Chairman of the Board.

Point (d) of Article 435(2) CRR

Information whether or not the institution has set up a separate risk committee and the frequency of the meetings.

The Board's risk committee monitors risk control and risk management in the Handelsbanken Group. The committee prepares decisions regarding the Bank's risk strategy, risk tolerance, etc., and examines reports from Group Compliance and Group Risk Control.

In 2023, the risk committee had nine meetings.

Point (e) Article 435(2) CRR

Description on the information flow on risk to the management body.

The Chief Executive Officer, the risk committee and the Board must be kept regularly informed of material risks and of situations with particular development of risks.

Every quarter, the Chief Risk Officer must submit an overall Group risk report to the Chief Executive Officer, the risk committee, and the Board. The report must also be presented by the Chief Risk Officer to the risk committee and to the Board. The Chief Risk Officer must also ensure that other units which need for the report gain access to it.

The Group risk report must contain a description of the Group's material risks and deficiencies, including the Group's material deficiencies in both risk data aggregation and the Handelsbanken Group's ability to manage risk data. These reports shall cover:

1. impact analysis and proposals for action
2. follow-up of previously reported risks and deficiencies
3. follow-up of measures adopted
4. forward-looking risk assessments

The report must enable an assessment of whether Handelsbanken is fulfilling the risk strategy and remaining within the risk tolerance decided by the Board.

Once a year, or at the request of the risk committee, the Board or the Chief Executive Officer, the Chief Risk Officer must evaluate and assess whether there is a need to update the Handelsbanken Group's risk tolerance.

The result of the evaluation of methods used for the calculation and application of limits, capital requirements, economic capital and stress tests must be reported to the risk committee on an annual basis.

The Chief Risk Officer must be present at meetings when the risk control function's reports or area of responsibility are considered.

Scope of application

EU LI1

The table shows which regulatory framework is used to calculate the capital requirement for each asset type in the balance sheet. Derivatives, repos and securities lending capital requirements are calculated according to both the CCR framework and the market risk framework.

	Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories 2023			**Carrying values of items**				
	SEK m	**Carrying values as reported in published financial statements**	**Carrying values under scope of regulatory consolidation [1]**	**Subject to the credit risk framework**	**Subject to the CCR framework**	**Subject to the securitisation framework**	**Subject to the market risk framework**	**Not subject to own funds requirements or subject to deduction from own funds**
1	Assets							
2	Cash and balances with central banks	476 171	476 181	476 181				
3	Other loans to central banks	6 282	32 145	32 145	0			
4	Interest-bearing securities available as collateral with central banks	199 128	199 128	197 575	3		1 550	
5	Loans to other credit institutions	19 294	19 257	9 634	9 623			
6	Loans to the public	2 291 808	2 435 358	2 383 526	50 370	334		1 129
7	Value change of interest-hedged item in portfolio hedge	-9 657	-9 657	-9 657				
8	Bonds and other interest-bearing securities	50 087	50 087	36 771			13 316	
9	Shares and participating interests	12 216	6 170	501	486		5 669	
10	Investments in associates	657	6 924	6 856				68
11	Assets where the customer bears the value change risk	244 893	2 076	2 076				
12	Derivative instruments	30 110	30 110		30 110		2 723	
13	Reinsurance assets	0	0	0				
14	Intangible assets	8 567	8 405	0				8 405
15	Property and equipment	4 777	5 244	5 244				
16	Current tax assets	203	203	203				
17	Deferred tax assets	358	431	0				431
18	Pension assets	11 699	11 723	0				11 723
19	Assets held for sale	178 590	0	0				
20	Other assets	10 276	9 928	9 928				
21	Prepaid expenses and accrued income	2 331	2 327	2 327				
22	**Total assets**	**3 537 792**	**3 286 041**	**3 153 310**	**90 592**	**334**	**23 258**	**21 756**
1	Liabilities							
2	Liabilities to credit institutions	90 143	91 124					
3	Deposits and borrowing from the public	1 298 480	1 361 458					
4	Liabilities where the customer bears the value change risk	245 100	2 076					
5	Issued securities	1 523 481	1 523 481					
6	Derivative instruments	34 238	34 238				8 912	
7	Short positions	2 364	2 364				2 267	
8	Insurance liabilities	8 407	0					
9	Current tax liabilities	1 211	1 363					
10	Deferred tax liabilities	3 969	3 931					
11	Provisions	601	780					
12	Pension obligations	0	0					
13	Liabilities related to assets held for sale	63 721	0					
14	Other liabilities	14 882	15 091					
15	Accrued expenses and deferred income	2 990	3 070					
16	Subordinated liabilities	43 117	43 117					
17	**Total liabilities**	**3 332 706**	**3 082 094**				**11 179**	

[1] Carrying values under scope of regulatory consolidation are shown prior to the reclassification of the disposal group Finland to Assets held for sale and Liabilities held for sale, as in the published financial statements.

EU LI2

The table shows the difference between the carrying amount under the scope of regulatory consolidation and exposures considered for regulatory purposes.

Main sources of differences between regulatory exposure amounts and carrying values in financial statements 2023		Items subject to				
SEK m		Total	Credit risk framework	CCR framework	Securitisation framework	Market risk framework
1	**Assets carrying value amount under the scope of regulatory consolidation (as per template EU LI1)**	3 267 494	3 153 310	90 592	334	23 258
2	**Liabilities carrying value amount under the regulatory scope of consolidation (as per template EU LI1)**	11 179				11 179
3	**Total net amount under the regulatory scope of consolidation**	3 256 315	3 153 310	90 592	334	12 079
4	**Off-balance-sheet amounts**	468 832	468 832			
5	*Differences in valuations*					
6	*Differences due to different netting rules, other than those already included in row 2*	12 199		-7 781		19 980
7	*Differences due to consideration of provisions*	1 922	1 922			
8	*Differences due to the use of credit risk mitigation techniques (CRMs)*	-30 518	15 875	-46393		
9	*Differences due to credit conversion factors*	-286 614	-286 614			
10	*Differences due to Securitisation with risk transfer*					
11	*Other differences*	-7 604		-7 604		
12	**Exposure amounts considered for regulatory purposes**	3 414 532	3 353 325	28 814	334	32 059

EU LIA Explanations of differences between accounting and regulatory exposure amounts

Article 436(b) CRR
Differences between columns (a) and (b) in template EU LI1.

The regulatory consolidation (consolidated situation) consists of the parent company, subsidiaries and associates that are also included in the consolidated Group accounts reported in published financial statements, as shown in table EU LI3. The companies that are included in the consolidated accounts but are excluded from the consolidated situation are also shown in table EU LI3. Just as in the consolidated accounts, associates are consolidated using the equity method in the regulatory consolidated situation. All subsidiaries which are subject to the regulations are included in the consolidated situation.

Article 436(d) CRR
Qualitative information on the main sources of differences between the accounting and regulatory scope of consolidation shown in template EU LI2.

The main sources of differences between regulatory exposure amounts and carrying values in financial statements are the off balance sheet exposures reported under the credit risk framework, the differences due to the use of credit risk mitigation techniques and the reporting of derivative exposures under both the market risk and the counterparty credit risk framework.

EU LI3

The table outlines the scopes of consolidation for the companies included in the consolidated situation at year-end.

Outline of the differences in the scopes of consolidation (entity by entity) 2023				**Method of regulatory consolidation**					
Name of the entity	**Corporate identity number**	**Ownership share %**	**Method of accounting consolidation**	**Full consolidation**	**Proportional consolidation**	**Equity method**	**Neither consolidated nor deducted**	**Deducted**	**Description of the entity**
Svenska Handelsbanken AB (publ)	502007-7862	N/A	Parent company	N/A					Credit institution
Handelsbanken Finans AB (publ)	556053-0841	100.00	Full consolidation	X					Credit institution
Stadshypotek AB (publ)	556459-6715	100.00	Full consolidation	X					Credit institution
Svenska Intecknings Garanti AB Sigab (inactive)	556432-7285	100.00	Full consolidation	X					Non-financial corporation
Handelsbanken Fonder AB	556418-8851	100.00	Full consolidation	X					Financial corporations other than credit institutions
AB Handel och Industri	556013-5336	100.00	Full consolidation	X					Non-financial corporation
Ecster AB (publ)	556993-2311	100.00	Full consolidation	X					Credit institution
Handelsbanken plc	11305395	100.00	Full consolidation	X					Credit institution
Handelsbanken Wealth and Asset Management Limited	04132340	100.00	Full consolidation	X					Financial corporations other than credit institutions
Handelsbanken Nominees Limited (inactive)	2299877	100.00	Full consolidation	X					Non-financial corporation
Handelsbanken Second Nominees Limited (inactive)	3193458	100.00	Full consolidation	X					Non-financial corporation
Heartwood ACD Limited	4332528	100.00	Full consolidation	X					Non-financial corporation
Svenska Property Nominees Limited (inactive)	2308524	100.00	Full consolidation	X					Non-financial corporation
Optimix Vermogensbeheer N.V.	33194359	100.00	Full consolidation	X					Financial corporations other than credit institutions
Add Value Fund Management B.V.	19196768	80.00	Full consolidation	X					Financial corporations other than credit institutions
Optimix Beheer en Belegging B.V. (inactive)	33186584	100.00	Full consolidation	X					Non-financial corporation
Handelsbanken Markets Securities, Inc.	11-3257438	100.00	Full consolidation	X					Financial corporations other than credit institutions
Handelsbanken Rahoitus Oy	0112308-8	100.00	Full consolidation	X					Financial corporations other than credit institutions
Handelsbanken Fastigheter AB	556873-0021	100.00	Full consolidation	X					Non-financial corporation
Rådstuplass 4 AS	910508423	100.00	Full consolidation	X					Non-financial corporation
Handelsbanken Ventures AB	556993-9357	100.00	Full consolidation	X					Non-financial corporation
Bidtruster AB	556993-9084	100.00	Full consolidation	X					Non-financial corporation
Gröna stugan i Stockholm AB	559311-4712	100.00	Full consolidation	X					Non-financial corporation
Röda Stugan 1 i Stockholm AB (inactive)	559314-1400	100.00	Full consolidation	X					Non-financial corporation
Vita Stugan 2 i Stockholm AB (inactive)	559314-1418	100.00	Full consolidation	X					Non-financial corporation
Vita Stugan 3 i Stockholm AB (inactive)	559314-1426	100.00	Full consolidation	X					Non-financial corporation
Vita Stugan 4 i Stockholm AB (inactive)	559314-1434	100.00	Full consolidation	X					Non-financial corporation
Bankomat AB	556817-9716	20.00	Equity method			X			Non-financial corporation
BGC Holding AB	556607-0933	25,54	Equity method			X			Non-financial corporation
Torig AB	556564-5404	100.00	Equity method			X			Non-financial corporation
Finansiell ID-teknik BID AB	556630-4928	28.30	Equity method			X			Non-financial corporation
USE Intressenter AB	559161-9464	24.48	Equity method			X			Non-financial corporation
Getswish AB	556913-7382	20.00	Equity method			X			Non-financial corporation
P27 Nordic Payments Platform AB	559198-9610	16.70	Equity method			X			Non-financial corporation
Invidem AB	559210-0779	16.70	Equity method			X			Non-financial corporation
Tibern AB	559384-3542	14,3	Equity method			X			Non-financial corporation
Handelsbanken Liv Försäkrings AB (group excl. Handelsbanken Fastigheter AB)	516401-8284	100.00	Full consolidation					X	Insurance company
Svenska Re S.A.	RCS Lux B-32053	100.00	Full consolidation					X	Insurance company
Handelsbanken Skadeförsäkrings AB	516401-6767	100.00	Full consolidation					X	Insurance company
SHB Liv Försäkringsaktiebolag	2478149-7	100.00	Full consolidation				X		Insurance company
Svenska RKA International Insurance Services AB (inactive)	556324-2964	100.00	Full consolidation				X		Insurance company
Dyson Group plc	00163096	27.00	Equity method				X		Non-financial corporation
Dyson Industries Ltd	1187031	100.00					X		Non-financial corporation
Beepart Ltd	177682	100.00					X		Non-financial corporation
Pickford Holland & Company Ltd	128414	100.00					X		Non-financial corporation
Millennium Materials Inc	-	100.00					X		Non-financial corporation
EFN Ekonomikanalen AB	556930-1608	100.00					X		Non-financial corporation

Note: These entities are outside consolidated situation: Handelsbanken Liv Försäkrings AB, SHB Liv Försäkringsaktiebolag, Svenska RKA International Insurance Services AB, Handelsbanken Skadeförsäkrings AB, EFN Ekonomikanalen AB, Svenska Re S.A. Dyson Group plc, Dyson Industries Ltd, Beepart Ltd, Pickford Holland & Company Ltd and Millennium Materials Inc.

EU LIB Other qualitative information on the scope of application

Article 436(f) CRR
Impediment to the prompt transfer of own funds or to the repayment of liabilities within the group.

For the Bank's risk management, it is important that in risk terms, both the Group and the regulatory consolidation can be viewed as one unit. To enable efficient risk management in the Group, capital may need to be re-allocated among the various companies in the Group. In general, Handelsbanken is able to reallocate capital among the Group companies, to the extent that is permitted by legislation, for example, with reference to capital adequacy requirements and restrictions in corporate law. The Bank sees no other material or legal obstacles to a rapid transfer of funds from own funds, or repayment of liabilities between the parent company and its subsidiaries.

Article 436(g) CRR
Subsidiaries not included in the consolidation with own funds less than required.

Handelsbanken has no subsidiaries where the actual own funds are less than the prescribed own funds.

Article 436(h) CRR
Use of derogation referred to in Article 7 CRR or individual consolidation method laid down in Article 9 CRR.
Not applicable.

Article 436(g) CRR
Aggregate amount by which the actual own funds are less than required in all subsidiaries that are not included in the consolidation.

Handelsbanken has no subsidiaries where the actual own funds are less than the prescribed own funds.

EU PV1

	Prudent valuation adjustments (PVA) 2023	Risk category					Category level AVA - Valuation uncertainty		Total category level post-diversification		
	SEK m	Equity	Interest Rates	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA		Of which: Total core approach in the trading book	Of which: Total core approach in the banking book
1	Market price uncertainty	0	263		116		1	0	190	155	35
2	Set not applicable in the EU										
3	Close-out cost	0	1	4	2	0			5	5	
4	Concentrated positions				5		[N/A]	[N/A]	5	5	
5	Early termination						[N/A]	[N/A]			
6	Model risk	3					85	8	53	41	12
7	Operational risk	0	13	0	6	0	[N/A]	[N/A]	19	16	3
8	Set not applicable in the EU										
9	Set not applicable in the EU										
10	Future administrative costs		45				[N/A]	[N/A]	45	45	
11	Set not applicable in the EU										
12	**Total Additional Valuation Adjustments (AVAs)**								**442**	**266**	**176**

Regulatory own funds

The disclosed regulatory adjustments comprise deductions from own funds and prudential filters as referred to in points (a), (d), (e) and (f) of Article 437 of Regulation EU 575/2013. The right hand column of this template shows the source of every major input, which is cross-referenced to the corresponding rows in template EU CC2.

EU CC1

Presentation in accordance with the requirements of Commission Implementing Regulation (EU) No 2021/637. Excluded rows are deemed not relevant for Handelsbanken at present.

	Composition of regulatory own funds 2023 SEK m	Amount at disclosure date	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation amount of regulation (EU) No 575/2013
	Common equity tier 1 capital: instruments and reserves		
1	Capital instruments and the related share premium accounts	11 827	E - 2, E - 4
	of which: share capital	11 827	*E - 2, E - 4*
2	Retained earnings	149 018	E - 7
3	Accumulated other comprehensive income (and any other reserves)	15 781	E - 6
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	1 573	E - 8
6	**Common equity tier 1 (CET1) capital before regulatory adjustments**	**178 199**	
	Common equity tier 1 (CET1) capital: regulatory adjustments		
7	Additional value adjustments (negative amount)	-442	
8	Intangible assets (net of related tax liability) (negative amount)	-8 473	A - 18
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-181	E - 6
12	Negative amounts resulting from the calculation of expected loss amounts	-1 740	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	36	
15	Defined benefit pension fund assets (negative amount)	-9 308	A - 24
16	Direct, indirect and syntetic holdings by an institution of own CET1 instruments (negative amount)	-516	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative		
20c	*of which: securitisation positions (negative amount)*		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)		
22	Amount exceeding the 17,65% threshold (negative amount)		
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		
25	Of which: deferred tax assets arising from temporary differences		
25a	Losses for the current financial year (negative amount)		
25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)		
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)		
27a	Other regulatory adjustments	0	
28	**Total regulatory adjustments to common equity tier 1 (CET1) capital**	**-20 623**	
29	**Common equity tier 1 (CET1) capital**	**157 576**	
	Additional tier 1 (AT1) capital: instruments		
30	Capital instruments and the related share premium accounts	15 026	L - 19
32	of which: classified as liabilities under applicable accounting standards	15 026	L - 19
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase-out from AT1		
36	**Additional tier 1 (AT1) capital before regulatory adjustments**	**15 026**	L - 19
	Additional tier 1 (AT1) capital: regulatory adjustments		
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)		
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount) in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
42	Qualifying (T2) deductions that exceed the T2 capital of the institution (negative amount)		
43	**Total regulatory adjustments to additional tier 1 (AT1) capital**		
44	**Additional tier 1 (AT1) capital**	**15 026**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**172 603**	
	Tier 2 (T2) capital: instruments and provisions		
46	Capital instruments and the related share premium accounts	28 580	L - 20
50	Credit risk adjustments	28	
51	**Tier 2 (T2) capital before regulatory adjustments**	**28 608**	L - 20
	Tier 2 (T2) capital: regulatory adjustments		
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)		

Presentation in accordance with the requirements of Commission Implementing Regulation (EU) No 2021/637. Excluded rows are deemed not relevant for Handelsbanken at present.

Composition of regulatory own funds 2023 SEK m		**Amount at disclosure date**	**Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation amount of regulation (EU) No 575/2013**
55	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amounts)	-1 129	A - 5
57	**Total regulatory adjustments to tier 2 (T2) capital**	**-1 129**	A - 5
58	**Tier 2 (T2) capital**	**27 479**	
59	**Total capital (TC = T1 + T2)**	**200 081**	
60	**Total risk-weighted assets**	**836 790**	
	Capital ratios and requirements including buffers		
61	Common equity tier 1 capital (as a percentage of total risk exposure amount)	18.8	
62	Tier 1 capital (as a percentage of total risk exposure amount)	20.6	
63	Total capital (as a percentage of total risk exposure amount)	23.9	
64	Institution CET1 overall capital requirements	14.3	
65	of which: capital conservation buffer requirement	2.5	
66	of which: countercyclical buffer requirement	1.9	
67	of which: systemic risk buffer requirement	3.2	
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	1.0	
67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	1.3	
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	13.1	
	Amounts below the thresholds for deduction (before risk weighting)		
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities amount below 10% threshold and net of eligible short positions)	0	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	6 254	
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	0	
	Applicable caps on the inclusion of provisions tier 2 capital		
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	2 298	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach		
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	3 311	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach		

EU CC2

Reconciliation of regulatory own funds to balance sheet in the audited financial statements 2023 SEK m		Balance-sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	ASSETS			
A – 1	Cash and balances with central banks	476 171	476 181	
A – 2	Other loans to central banks	6 282	32 145	
A – 3	Interest-bearing securities available as collateral with central banks	199 128	199 128	
A – 4	Loans to other credit institutions	19 294	19 257	
A – 5	Loans to the public	2 291 808	2 435 358	55, 57
A – 6	Value change of interest-hedged item in portfolio hedge	-9 657	-9 657	
A – 7	Bonds and other interest-bearing securities	50 087	50 087	
A – 8	*of which interest-bearing instruments classified as fair value through other comprehensive income (carrying amount)*	*12 709*	*12 709*	
A – 9	*of which interest-bearing instruments classified as fair value through other comprehensive income, accumulated value change*	*-96*	*-96*	
A – 10	Shares and participating interests	12 216	6 170	
A – 11	*of which shares classified as fair value through other comprehensive income (carrying amount)*	*601*	*501*	
A – 12	*of which shares classified as fair value through other comprehensive amount, accumulated value change*	*322*	*322*	
A – 13	Investments in associates	657	6 924	
A – 14	Assets where the customer bears the value change risk	244 893	2 076	
A – 15	Derivative instruments	30 110	30 110	
A – 16	*of which cash flow hedges*	*181*	*181*	
A – 17	Reinsurance assets	0	0	
A – 18	Intangible assets	8 567	8 405	8
A – 19	Property and equipment	4 777	5 244	
A – 20	Current tax assets	203	203	
A – 21	Deferred tax assets	358	431	
A – 22	*of which related to cash flow hedges*	-	-	
A – 23	*of which related to interest-bearing instruments classified as fair value through other comprehensive income*	*18*	*18*	
A – 24	Pension assets	11 699	11 723	15
A – 25	Assets held for sale	178 590	0	
A – 26	Other assets	10 276	9 928	
A – 27	Prepaid expenses and accrued income	2 331	2 327	
A – 28	**Total assets**	**3 537 792**	**3 286 041**	
	LIABILITIES AND EQUITY			
L – 1	Liabilities to credit institutions	90 143	91 124	
L – 2	Deposits and borrowing from the public	1 298 480	1 361 458	
L – 3	Liabilities where the customer bears the value change risk	245 100	2 076	
L – 4	Issued securities	1 523 481	1 523 481	
L – 5	Derivative instruments	34 238	34 238	
L – 6	*of which cash flow hedges*	-	-	
L – 7	Short positions	2 364	2 364	
L – 8	Insurance liabilities	8 407	0	
L – 9	Current tax liabilities	1 211	1 363	
L – 10	Deferred tax liabilities	3 969	3 931	
L – 11	*of which related to cash flow hedges*	*47*	*47*	
L – 12	*of which related to shares classified as fair value through other comprehensive income*	*49*	*49*	
L – 13	Provisions	601	780	
L – 14	Pension obligations	0	0	
L – 15	Liabilities related to assets held for sale	63 721	-	
L – 16	Other liabilities	14 882	15 091	
L – 17	Accrued expenses and deferred income	2 990	3 070	
L – 18	Subordinated liabilities	43 117	43 117	
L – 19	*of which tier 1 capital loans*	*15 026*	*15 026*	30, 32, 36
L – 20	*of which loans with remaining time to maturity > 5 yrs*	*28 580*	*28 580*	46, 51
L – 21	*of which loans with remaining time to maturity < 5 yrs*	-	-	
L – 22	*of which other loans*	-	-	
L – 23	**Total liabilities**	**3 332 706**	**3 082 094**	
E – 1	Minority interest	8	8	
E – 2	Share capital	3 069	3 069	1
E – 3	*Holdings of own shares*	*-140*	*-140*	
E – 4	Share premium reserve	8 758	8 758	
E – 5	*of which equity from compound financial instruments*			
E – 6	Other reserves	16 239	15 781	3, 11
E – 7	Retained earnings	147 905	149 018	2
E – 8	Profit for the year (belonging to shareholders of Svenska Handelsbanken AB)	29 107	27 314	5a
E – 9	**Total equity**	**205 085**	**203 947**	
LE - 1	**Total liabilities and equity**	**3 537 792**	**3 286 041**	

EU CCA, CET1

Presentation in accordance with the requirements of Commission Implementing Regulation (EU) No 2021/637. For meeting own funds and eligible liabilities requirements.

Main features - regulatory own funds instruments, CET1

1	Issuer	Svenska Handelsbanken AB	Svenska Handelsbanken AB
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	SE0007100599	SE0007100607
EU-2a	Public or private placement	Public	Public
3	Governing law(s) of the instrument	Swedish law	Swedish law
3a	Contractual recognition of write-down and conversion powers of resolution authorities	N/A	N/A
	Regulatory treatment		
4	Current treatment taking into account, where applicable, transitional CRR rules	Common equity tier 1 capital	Common equity tier 1 capital
5	Post-transitional CRR rules	Common equity tier 1 capital	Common equity tier 1 capital
6	Eligible at solo/(sub)consolidated/solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated
7	Instrument type (types to be specified by each jurisdiction)	Share capital, class A	Share capital, class B
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	SEK 11 616m	SEK 211m
9	Nominal amount of instrument	SEK 3 014m	SEK 55m
EU-9a	Issue price	SEK 11 616m	SEK 211m
EU-9b	Redemption price	N/A	N/A
10	Accounting classification	Equity	Equity
11	Original date of issuance	1871	1990
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	N/A	N/A
14	Issuer call subject to the previous supervisory approval	N/A	N/A
15	Optional call date, contingent call dates and redemption amount	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A
	Coupons/dividends		
17	Fixed or floating dividend/coupon	N/A	N/A
18	Coupon rate and any related index	N/A	N/A
19	Existence of a dividend stopper	N/A	N/A
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A	N/A
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A	N/A
21	Existence of step-up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A
25	If convertible, fully or partially	N/A	N/A
26	If convertible, conversion rate	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A
30	Write-down features	No	No
31	If write-down, write-down trigger(s)	N/A	N/A
32	If write-down, full or partial	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	N/A	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	1	1
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Lowest, next senior is additional tier 1 capital	Lowest, next senior is additional tier 1 capital
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	N/A	N/A
EU-37a	Link to the full term and conditions of the instrument (signposting)		

EU CCA, AT1

Presentation in accordance with the requirements of Commission Implementing Regulation (EU) No 2021/637. For meeting own funds and eligible liabilities requirements.

Main features - regulatory own funds instruments, AT1				
1	Issuer	Svenska Handelsbanken AB	Svenska Handelsbanken AB	Svenska Handelsbanken AB
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS1952091202	XS2233263404	XS2233263586
EU-2a	Public or private placement	Public	Public	Public
3	Governing law(s) of the instrument	Mainly English law, Swedish insolvency law	Mainly English law, Swedish insolvency law	Mainly English law, Swedish insolvency law
3a	Contractual recognition of write-down and conversion powers of resolution authorities	Yes	Yes	Yes
	Regulatory treatment			
4	Current treatment taking into account, where applicable, transitional CRR rules	Additional tier 1 capital	Additional tier 1 capital	Additional tier 1 capital
5	Post-transitional CRR rules	Tier 1 capital	Tier 1 capital	Tier 1 capital
6	Eligible at solo/(sub)consolidated/solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated
7	Instrument type (types to be specified by each jurisdiction)	Additional tier 1 capital	Additional tier 1 capital	Additional tier 1 capital
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	SEK 5 025m	SEK 5 005m	SEK 4 997m
9	Nominal amount of instrument	USD 500m	USD 500m	USD 500m
EU-9a	Issue price	100%	100%	100%
EU-9b	Redemption price	100%	100%	100%
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	22 Feb 2019	6 Oct, 2020	6 Oct, 2020
12	Perpetual or dated	Perpetual	Perpetual	Perpetual
13	Original maturity date	No maturity date	No maturity date	No maturity date
14	Issuer call subject to the previous supervisory approval	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	1 Mar 2024, Tax/Regulatory call, 100% of nominal amount	1 Mar 2027, Tax/Regulatory call, 100% of nominal amount	1 Mar 2031 Tax/Regulatory call, 100% of nominal amount
16	Subsequent call dates, if applicable	Callable each subsequent interest reset date after first redemption date	Callable each subsequent interest reset date after first redemption date	Callable each subsequent interest reset date after first redemption date
	Coupons/dividends			
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	6.25%	4.375%	4.75%
19	Existence of a dividend stopper	No	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A	N/A	N/A
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A	N/A	N/A
21	Existence of step-up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Convertible	Convertible	Convertible
24	If convertible, conversion trigger(s)	Common equity tier 1 ratio 8% consolidated, 5.125% parent company	Common equity tier 1 ratio 8% consolidated, 5.125% parent company	Common equity tier 1 ratio 8% consolidated, 5.125% parent company
25	If convertible, fully or partially	Fully	Fully	Fully
26	If convertible, conversion rate	The greater of the current market price of an ordinary share on the conversion date translated into USD at the prevailing exchange rate, and the SEK equivalent of the floor price (USD 7.58) on the conversion date. The floor price may not be lower than the quota value (Sw: kvotvärde) of the share.	The greater of the current market price of an ordinary share on the conversion date translated into USD at the prevailing exchange rate, and the SEK equivalent of the floor price (USD 7.58) on the conversion date. The floor price may not be lower than the quota value (Sw: kvotvärde) of the share.	The greater of the current market price of an ordinary share on the conversion date translated into USD at the prevailing exchange rate, and the SEK equivalent of the floor price (USD 7.58) on the conversion date. The floor price may not be lower than the quota value (Sw: kvotvärde) of the share.
27	If convertible, mandatory or optional conversion	Mandatory	Mandatory	Mandatory
28	If convertible, specify instrument type convertible into	Share capital, class A	Share capital, class A	Share capital, class A
29	If convertible, specify issuer of instrument it converts into	Svenska Handelsbanken AB	Svenska Handelsbanken AB	Svenska Handelsbanken AB
30	Write-down features	No	No	No
31	If write-down, write-down trigger(s)	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	N/A	N/A	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	3	3	3
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to all instruments except shares, next in priority are subordinated loans	Subordinate to all instruments except shares, next in priority are subordinated loans	Subordinate to all instruments except shares, next in priority are subordinated loans
36	Non-compliant transitioned features	N/A	N/A	N/A
37	If yes, specify non-compliant features	N/A	N/A	N/A
EU-37a	Link to the full term and conditions of the instrument (signposting)			

EU CCA, T2

Presentation in accordance with the requirements of Commission Implementing Regulation (EU) No 2021/637. For meeting own funds and eligible liabilities requirements.

Main features - regulatory own funds instruments, T2

1	Issuer	Svenska Handelsbanken AB	Svenska Handelsbanken AB	Svenska Handelsbanken AB	Svenska Handelsbanken AB
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS1875333178	XS2486857431	XS2523511165	XS2667124569
EU-2a	Public or private placement	Public	Public	Public	Public
3	Governing law(s) of the instrument	Mainly English law. Swedish insolvency law	Mainly English law. Swedish insolvency law	Mainly English law. Swedish insolvency law	Mainly English law. Swedish insolvency law
3a	Contractual recognition of write-down and conversion powers of resolution authorities	Yes	Yes	Yes	Yes
	Regulatory treatment				
4	Current treatment taking into account, where applicable, transitional CRR rules	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital
6	Eligible at solo/(sub)consolidated/solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated
7	Instrument type (types to be specified by each jurisdiction)	Subordinated loan	Subordinated loan	Subordinated loan	Subordinated loan
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	SEK 8 344m	SEK 5 547m	SEK 6 384m	SEK 8 304m
9	Nominal amount of instrument	EUR 750m	EUR 500m	GBP 500m	EUR 750m
EU-9a	Issue price	99.962%	99.914%	99.934%	99.792%
EU-9b	Redemption price	100%	100%	100%	100%
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	5 Sep 2018	1 Jun 2022	23 Aug 2022	16 Aug 2023
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	5 Mar 2029	1 Jun 2033	23 Aug 2032	16 Aug 2034
14	Issuer call subject to the previous supervisory approval	Yes	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	5 Mar 2024. Tax/Regulatory call. 100% of nominal amount	1 Jun 2028. Tax/Regulatory call. 100% of nominal amount	23 Aug 2027. Tax/Regulatory call. 100% of nominal amount	16 Aug 2029. Tax/Regulatory call. 100% of nominal amount
16	Subsequent call dates, if applicable	N/A	N/A	N/A	N/A
	Coupons/dividends				
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	1.625%	3.25%	4.625%	5.02%
19	Existence of a dividend stopper	No	No	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Write-down features	No	No	No	No
31	If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	N/A	N/A	N/A	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	4	4	4	5
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to all senior lending	Subordinate to all senior lending	Subordinate to all senior lending	Subordinate to all senior lending
36	Non-compliant transitioned features	No	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A
EU-37a	Link to the full term and conditions of the instrument (signposting)				

Eligible liabilities

Handelsbanken's eligible liabilities instruments within the meaning of Article 72b CRR are disclosed in the below tables, CCA.

EU CCA, EMTN

Presentation in accordance with the requirements of Commission Implementing Regulation (EU) No 2021/637

Main features - regulatory own funds instruments, EMTN 1(5)

1	Issuer	Svenska Handelsbanken AB	Svenska Handelsbanken AB	Svenska Handelsbanken AB
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS2156510021	XS2618499177	XS2049582542
EU-2a	Public or private placement	Public	Public	Public
3	Governing law(s) of the instrument	Mainly English law, Swedish insolvency law	Mainly English law, Swedish insolvency law	Mainly English law, Swedish insolvency law
3a	Contractual recognition of write-down and conversion powers of resolution authorities	Yes	Yes	Yes
	Regulatory treatment			
4	Current treatment taking into account, where applicable, transitional CRR rules	N/A	N/A	N/A
5	Post-transitional CRR rules	Eligible liabilities	Eligible liabilities	Eligible liabilities
6	Eligible at solo/(sub)consolidated/solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated
7	Instrument type (types to be specified by each jurisdiction)	Senior preferred	Senior preferred	Senior non-preferred liabilities
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	SEK 13 909m	SEK 13 909m	SEK 8 345m
9	Nominal amount of instrument	EUR 1 250m	EUR 1250m	EUR 750m
EU-9a	Issue price	99.386%	99.724%	99.805%
EU-9b	Redemption price	100%	100%	100%
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	15 Apr 2020	05 May 2023	03 Sep 2019
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	15 Apr 2025	05 May 2026	03 Sep 2026
14	Issuer call subject to the previous supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A	N/A
	Coupons/dividends			
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	1.00%	3.75%	0.05%
19	Existence of a dividend stopper			
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory
21	Existence of step-up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
30	Write-down features	No	No	No
31	If write-down, write-down trigger(s)	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	Contractual	Contractual	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings			
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Indebtedness entitled to preference under Swedish law	Indebtedness entitled to preference under Swedish law	Subordinated to senior
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A
EU-37a	Link to the full term and conditions of the instrument (signposting)	AODocument (alertir.com)	shb_trade_may_2023_-_pricing_supplement.pdf (alertir.com)	emtn_346_isin_xs2049582542 (alertir.com)

Main features - eligible liabilities instruments, EMTN page 2(5)

1	Issuer	Svenska Handelsbanken AB	Svenska Handelsbanken AB	Svenska Handelsbanken AB	Svenska Handelsbanken AB
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS2404629235	XS2715276163	CH1184694714	XS2551280436
EU-2a	Public or private placement	Public	Public	Public	Public
3	Governing law(s) of the instrument	Mainly English law, Swedish insolvency law	Mainly English law, Swedish insolvency law	Mainly English law, Swedish insolvency law	Mainly English law, Swedish insolvency law
3a	Contractual recognition of write-down and conversion powers of resolution authorities	Yes	Yes	Yes	Yes
	Regulatory treatment				
4	Current treatment taking into account, where applicable, transitional CRR rules	N/A	N/A	N/A	N/A
5	Post-transitional CRR rules	Eligible liabilities	Eligible liabilities	Eligible liabilities	Eligible liabilities
6	Eligible at solo/(sub)consolidated/solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated
7	Instrument type (types to be specified by each jurisdiction)	Senior preferred	Senior preferred	Senior preferred	Senior preferred
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	SEK 11 127m	SEK 8 345m	SEK 4 199m	SEK 8 345m
9	Nominal amount of instrument	EUR 1000m	EUR 750m	CHF 350m	EUR 750m
EU-9a	Issue price	99.751%	99.893%	100.012%	99.821%
EU-9b	Redemption price	100%	100%	100%	100%
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	03 Nov 2021	10 Nov 2023	24 May 2022	01 Nov 2022
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	03 Nov 2026	10 May 2027	24 May 2027	01 Nov 2027
14	Issuer call subject to the previous supervisory approval	No	No	No	No
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A	N/A	N/A
	Coupons/dividends				
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	0.125%	3.875%	1.25%	3.75%
19	Existence of a dividend stopper				
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Write-down features	No	No	No	No
31	If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	Contractual	Contractual	Contractual	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings				
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Indebtedness entitled to preference under Swedish law	Indebtedness entitled to preference under Swedish law	Indebtedness entitled to preference under Swedish law	Indebtedness entitled to preference under Swedish law
36	Non-compliant transitioned features	No	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A
EU-37a	Link to the full term and conditions of the instrument (signposting)	Document (alertir.com)	uko2-2007210257-v1_shb_trade_november_2023_-_pricing_supplement_execution_version.pdf (alertir.com)	AODocument (alertir.com)	AODocument (alertir.com)

Main features - eligible liabilities instruments, EMTN page 3(5)

1	Issuer	Svenska Handelsbanken AB	Svenska Handelsbanken AB	Svenska Handelsbanken AB	Svenska Handelsbanken AB
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS2551374254	XS2265968284	XS2588099981	XS1835013050
EU-2a	Public or private placement	Public	Public	Public	Private
3	Governing law(s) of the instrument	Mainly English law, Swedish insolvency law	Mainly English law, Swedish insolvency law	Mainly English law, Swedish insolvency law	English law
3a	Contractual recognition of write-down and conversion powers of resolution authorities	Yes	Yes	Yes	Yes
	Regulatory treatment				
4	Current treatment taking into account, where applicable, transitional CRR rules	N/A	N/A	N/A	N/A
5	Post-transitional CRR rules	Eligible liabilities	Eligible liabilities	Eligible liabilities	Eligible liabilities
6	Eligible at solo/(sub)consolidated/solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated
7	Instrument type (types to be specified by each jurisdiction)	Senior preferred	Senior non-preferred liabilities	Senior preferred	Senior
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	SEK 1 096m	SEK 5 564m	SEK 11 127m	SEK 1 669m
9	Nominal amount of instrument	USD 109m	EUR 500m	EUR 1000m	EUR 150m
EU-9a	Issue price	100%	99.958%	99.440%	99.856%
EU-9b	Redemption price	100%	100%	100%	100%
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	10 Nov 2022	02 Dec 2020	17 Feb 2023	12 Jun 2018
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	10 Nov 2027	02 Dec 2027	17 Feb 2028	12 Jun 2028
14	Issuer call subject to the previous supervisory approval	No	No	No	No
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A	N/A	N/A
	Coupons/dividends				
17	Fixed or floating dividend/coupon	Floating	Fixed	Fixed	Fixed
18	Coupon rate and any related index	SOFR + 1.25% quarterly	0,01%	3.375%	1.26%
19	Existence of a dividend stopper				
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Write-down features	No	No	No	No
31	If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	Contractual	Contractual	Contractual	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings				
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Indebtedness entitled to preference under Swedish law	Subordinated to senior	Indebtedness entitled to preference under Swedish law	Indebtedness entitled to preference under Swedish law
36	Non-compliant transitioned features	No	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A
EU-37a	Link to the full term and conditions of the instrument (signposting)	Svenska Handelsbanken Pricing Supplement EMTN 361 (alertir.com)	Document (alertir.com)	AODocument (alertir.com)	N/A

Main features - eligible liabilities instruments, EMTN page 4(5)

1	Issuer	Svenska Handelsbanken AB	Svenska Handelsbanken AB	Svenska Handelsbanken AB	Svenska Handelsbanken AB	Svenska Handelsbanken AB
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS1865236100	XS2345317510	XS1909084375	XS0994979044	XS1016849462
EU-2a	Public or private placement	Private	Public	Private	Public	Public
3	Governing law(s) of the instrument	Mainly English law, Swedish insolvency law	Mainly English law, Swedish insolvency law	Mainly English law, Swedish insolvency law	English law	English law
3a	Contractual recognition of write-down and conversion powers of resolution authorities	Yes	Yes	Yes	No	No
	Regulatory treatment					
4	Current treatment taking into account, where applicable, transitional CRR rules	N/A	N/A	N/A	N/A	N/A
5	Post-transitional CRR rules	Eligible liabilities	Eligible liabilities	Eligible liabilities	Eligible liabilities	Eligible liabilities
6	Eligible at solo/(sub)consolidated/solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated
7	Instrument type (types to be specified by each jurisdiction)	Senior	Senior preferred	Senior	Senior	Senior
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	SEK 1 005m	SEK 11 127m	SEK 1 005m	SEK 1 168m	SEK 501m
9	Nominal amount of instrument	USD 100m	EUR 1 000m	USD 100m	EUR 105m	EUR 45m
EU-9a	Issue price	100%	99,714%	100%	100%	100%
EU-9b	Redemption price	100%	100%	100%	100%	100%
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	14 Aug 2018	06 Sep 2021	15 Nov 2018	20 Nov 2013	17 Jan 2014
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	14 Aug 2028	06 Sep 2028	15 Nov 2028	20 Nov 2028	17 Jan 2029
14	Issuer call subject to the previous supervisory approval	No	No	No	No	No
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	N/A	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/dividends					
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	3.678%	0.05%	3.983%	3.08%	3.08%
19	Existence of a dividend stopper					
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Write-down features	No	No	No	No	No
31	If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	Contractual	Contractual	Contractual	Contractual	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings					
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Indebtedness entitled to preference under Swedish law	Indebtedness entitled to preference under Swedish law	Indebtedness entitled to preference under Swedish law	Indebtedness entitled to preference under Swedish law	Indebtedness entitled to preference under Swedish law
36	Non-compliant transitioned features	No	No	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A
EU-37a	Link to the full term and conditions of the instrument (signposting)	N/A	Document (alertir.com)	N/A	FINAL TERMS (alertir.com)	emtn_322_isin_xs1016849462.pdf (alertir.com)

Main features - eligible liabilities instruments, EMTN page 5(5)

1	Issuer	Svenska Handelsbanken AB	Svenska Handelsbanken AB	Svenska Handelsbanken AB	Svenska Handelsbanken AB	Svenska Handelsbanken AB
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS2447983813	XS2527451905	XS2121207828	XS1904734495	XS2530441109
EU-2a	Public or private placement	Public	Public	Public	Private	Public
3	Governing law(s) of the instrument	Mainly English law, Swedish insolvency law	Mainly English law, Swedish insolvency law	Mainly English law, Swedish insolvency law	Mainly English law, Swedish insolvency law	Mainly English law, Swedish insolvency law
3a	Contractual recognition of write-down and conversion powers of resolution authorities	Yes	Yes	Yes	Yes	Yes
	Regulatory treatment					
4	Current treatment taking into account, where applicable, transitional CRR rules	N/A	N/A	N/A	N/A	N/A
5	Post-transitional CRR rules	Eligible liabilities	Eligible liabilities	Eligible liabilities	Eligible liabilities	Eligible liabilities
6	Eligible at solo/(sub)consolidated/solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated
7	Instrument type (types to be specified by each jurisdiction)	Senior non-preferred	Senior preferred	Senior non-preferred liabilities	Senior	Senior non-preferred liabilities
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	SEK 11 127m	SEK 8 345m	SEK 11 127m	SEK 668m	SEK 1 669m
9	Nominal amount of instrument	EUR 1000m	EUR 750m	EUR 1000m	EUR 60m	EUR 150m
EU-9a	Issue price	99.874%	99.358%	99,602%	100%	100%
EU-9b	Redemption price	100%	100%	100%	100%	100%
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	23 Feb 2022	5 Sep 2022	18 Feb 2020	12 Nov 2018	12 Sep 2022
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	23 Feb 2029	5 Sep 2029	18 Feb 2030	12 Nov 2031	12 Sep 2034
14	Issuer call subject to the previous supervisory approval	No	No	No	No	No
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	N/A	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/dividends					
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	1.375%	2.625%	0.5%	1.563%	3.696%
19	Existence of a dividend stopper					
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Write-down features	No	No	No	No	No
31	If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	Contractual	Contractual	Contractual	Contractual	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings					
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated to senior	Indebtedness entitled to preference under Swedish law	Subordinated to senior	Indebtedness entitled to preference under Swedish law	Subordinated to senior
36	Non-compliant transitioned features	No		No	No	No
37	If yes, specify non-compliant features	N/A		N/A	N/A	N/A
EU-37a	Link to the full term and conditions of the instrument (signposting)	-		Microsoft Word - ICM-#34696691-v5-SHB_Senior_MTN_Trade_-_Feb_2020_-_Final_Terms (alertir.com)	N/A	

EU CCA, AMTN

Presentation in accordance with the requirements of Commission Implementing Regulation (EU) No 2021/637

Main features - eligible liabilities instruments, AMTN page 1(2)

1	Issuer	Svenska Handelsbanken AB	Svenska Handelsbanken AB	Svenska Handelsbanken AB	Svenska Handelsbanken AB	Svenska Handelsbanken AB
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	AU3CB0287605	AU3CB0236123	AU3FN0058632	AU3CB0278232	AU3FN0067476
EU-2a	Public or private placement	Private	Private	Private	Private	Private
3	Governing law(s) of the instrument	Mainly NSW law, Swedish insolvency law	Australian law	Mainly NSW law, Swedish insolvency law	Mainly NSW law, Swedish insolvency law	Mainly NSW law, Swedish insolvency law
3a	Contractual recognition of write-down and conversion powers of resolution authorities	Yes	Yes	Yes	Yes	Yes
	Regulatory treatment					
4	Current treatment taking into account, where applicable, transitional CRR rules	N/A	N/A	N/A	N/A	N/A
5	Post-transitional CRR rules	Eligible liabilities	Eligible liabilities	Eligible liabilities	Eligible liabilities	Eligible liabilities
6	Eligible at solo/(sub)consolidated/solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated
7	Instrument type (types to be specified by each jurisdiction)	Senior preferred	Senior	Senior preferred	Senior preferred	Senior preferred
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	SEK 2 741m	SEK 856m	SEK 2 741m	SEK 1 370m	SEK 685m
9	Nominal amount of instrument	AUD 400m	AUD 125m	AUD 400m	AUD 200m	AUD 100m
EU-9a	Issue price	99.869 %	99.796%	100%	99.915%	100%
EU-9b	Redemption price	100%	100%	100%	100%	100%
10	Accounting classification					
11	Original date of issuance	24 Mar 2022	02 Mar 2016	04 Mar 2021	04 Mar 2021	24 Mar 2022
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	24 Mar 2025	02 Mar 2026	04 Mar 2026	04 Mar 2026	24 Mar 2027
14	Issuer call subject to the previous supervisory approval	No	No	No	No	No
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	N/A	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/dividends					
17	Fixed or floating dividend/coupon	Fixed	Fixed	Floating	Fixed	Floating
18	Coupon rate and any related index	2.95% s.a	4.00% s.a	90 days BBSW+ 0.45%	1.20% s.a	90 days BBSW + 1.10% qa
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Write-down features	No	No	No	No	No
31	If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	Contractual	Contractual	Contractual	Contractual	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings					
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Indebtedness entitled to preference under Swedish law	Indebtedness entitled to preference under Swedish law	Indebtedness entitled to preference under Swedish law	Indebtedness entitled to preference under Swedish law	Indebtedness entitled to preference under Swedish law
36	Non-compliant transitioned features	No	No	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A
EU-37a	Link to the full term and conditions of the instrument (signposting)	N/A	N/A	N/A	N/A	N/A

Main features - eligible liabilities instruments, AMTN page 2(2)

1	Issuer	Svenska Handelsbanken AB	Svenska Handelsbanken AB	Svenska Handelsbanken AB	Svenska Handelsbanken AB
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	AU3CB0297232	AU3FN0075636	AU3FN0081485	AU3CB0303121
EU-2a	Public or private placement	Private	Private	Private	Private
3	Governing law(s) of the instrument	Mainly NSW law, Swedish insolvency law	Mainly NSW law, Swedish insolvency law	Mainly NSW law, Swedish insolvency law	Mainly NSW law, Swedish insolvency law
3a	Contractual recognition of write-down and conversion powers of resolution authorities	Yes	Yes	Yes	Yes
	Regulatory treatment				
4	Current treatment taking into account, where applicable, transitional CRR rules	N/A	N/A	N/A	N/A
5	Post-transitional CRR rules	Eligible liabilities	Eligible liabilities	Eligible liabilities	Eligible liabilities
6	Eligible at solo/(sub)consolidated/solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated
7	Instrument type (types to be specified by each jurisdiction)	Senior preferred	Senior preferred	Senior preferred	Senior preferred
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	SEK 4 454m	SEK 2 398m	SEK 1 370m	SEK 685m
9	Nominal amount of instrument	AUD 650m	AUD 350m	AUD 200m	AUD 100m
EU-9a	Issue price	99.672%	100%	100%	99.974%
EU-9b	Redemption price	100%	100%	100%	100%
10	Accounting classification				
11	Original date of issuance	02 Mar 2023	02 Mar 2023	05 Oct 2023	05 Oct 2023
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	02 Mar 2028	02 Mar 2028	05 Oct 2028	05 Oct 2028
14	Issuer call subject to the previous supervisory approval	No	No	No	No
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A	N/A	N/A
	Coupons/dividends				
17	Fixed or floating dividend/coupon	Fixed	Floating	Floating	Fixed
18	Coupon rate and any related index	5.00% s.a	90 days BBSW + 1.05% qa	90 days BBSW + 1.15% qa	5.40% s.a
19	Existence of a dividend stopper	No	No	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Write-down features	No	No	No	No
31	If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	Contractual	Contractual	Contractual	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings				
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Indebtedness entitled to preference under Swedish law	Indebtedness entitled to preference under Swedish law	Indebtedness entitled to preference under Swedish law	Indebtedness entitled to preference under Swedish law
36	Non-compliant transitioned features	No	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A
EU-37a	Link to the full term and conditions of the instrument (signposting)	N/A	N/A	N/A	N/A

EU CCA, 144A

Presentation in accordance with the requirements of Commission Implementing Regulation (EU) No 2021/637

Main features - eligible liabilities instruments, 144A page 1(2)

1	Issuer	Svenska Handelsbanken AB	Svenska Handelsbanken AB	Svenska Handelsbanken AB	Svenska Handelsbanken AB	Svenska Handelsbanken AB
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	US86959LAJ2	US86959LAK9	US86959LAM5	US86959LAN3	US86959LAL7
EU-2a	Public or private placement	Public	Public			Public
3	Governing law(s) of the instrument	Mainly New York law, Swedish insolvency law	Mainly New York law, Swedish insolvency law	Mainly New York law, Swedish insolvency law	Mainly New York law, Swedish insolvency law	Mainly New York law, Swedish insolvency law
3a	Contractual recognition of write-down and conversion powers of resolution authorities	Yes	Yes	Yes	Yes	Yes
	Regulatory treatment					
4	Current treatment taking into account, where applicable, transitional CRR rules	N/A	N/A	N/A	N/A	N/A
5	Post-transitional CRR rules	Eligible liabilities	Eligible liabilities	Eligible liabilities	Eligible liabilities	Eligible liabilities
6	Eligible at solo/(sub)consolidated/solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated
7	Instrument type (types to be specified by each jurisdiction)	Senior preferred	Senior preferred	Senior preferred	Senior preferred	Senior preferred
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	SEK 8 545m	SEK 3 518m	SEK 7 037m	SEK 5 026m	SEK 8 042m
9	Nominal amount of instrument	USD 850m	USD 350m	USD 700m	USD 500m	USD 800m
EU-9a	Issue price	99.89%	100%	99.896%	100%	99.852%
EU-9b	Redemption price	100%	100%	100%	100%	100%
10	Accounting classification					
11	Original date of issuance	10 Jun 2022	10 Jun 2022	15 Jun 2023	15 Jun 2023	10 Jun 2022
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	10 Jun 2025	10 Jun 2025	15 Jun 2026	15 Jun 2026	10 Jun 2027
14	Issuer call subject to the previous supervisory approval	No	No	No	No	No
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	N/A	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/dividends					
17	Fixed or floating dividend/coupon	Fixed	Floating	Fixed	Floating	Fixed
18	Coupon rate and any related index	3.65% s.a	SOFR + 0.91% quarterly	5.25% s.a	SOFR + 1.25% quarterly	3.95% s.a
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Write-down features	No	No	No	No	No
31	If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	Contractual	Contractual	Contractual	Contractual	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings					
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Indebtedness entitled to preference under Swedish law	Indebtedness entitled to preference under Swedish law	Indebtedness entitled to preference under Swedish law	Indebtedness entitled to preference under Swedish law	Indebtedness entitled to preference under Swedish law
36	Non-compliant transitioned features	No	No	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A
EU-37a	Link to the full term and conditions of the instrument (signposting)	N/A	N/A	N/A	N/A	N/A

Main features - eligible liabilities instruments, 144A page 2(2)

1	Issuer	Svenska Handelsbanken AB	Svenska Handelsbanken AB
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	US86959LAH69	US86959LAP8
EU-2a	Public or private placement	Public	
3	Governing law(s) of the instrument	Mainly New York law, Swedish insolvency law	Mainly New York law, Swedish insolvency law
3a	Contractual recognition of write-down and conversion powers of resolution authorities	Yes	Yes
	Regulatory treatment		
4	Current treatment taking into account, where applicable, transitional CRR rules	N/A	N/A
5	Post-transitional CRR rules	Eligible liabilities	Eligible liabilities
6	Eligible at solo/(sub)consolidated/solo & (sub)consolidated	Solo & (sub)consolidated	Solo & (sub)consolidated
7	Instrument type (types to be specified by each jurisdiction)	Senior non-preferred	Senior non-preferred
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	SEK 10 052m	SEK 10 052m
9	Nominal amount of instrument	USD 1,000m	USD 1,000m
EU-9a	Issue price	100%	99.556%
EU-9b	Redemption price	100%	100%
10	Accounting classification		
11	Original date of issuance	11 Jun 2021	15 Jun 2023
12	Perpetual or dated	Dated	Dated
13	Original maturity date	11 Jun 2027	15 Jun 2028
14	Issuer call subject to the previous supervisory approval	Yes*	No
15	Optional call date, contingent call dates and redemption amount	11 Jun 2026	N/A
16	Subsequent call dates, if applicable	N/A	N/A
	Coupons/dividends		
17	Fixed or floating dividend/coupon	Fixed rate reset note	Fixed
18	Coupon rate and any related index	1.418% s.a	5.5% s.a
19	Existence of a dividend stopper	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of step-up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A
25	If convertible, fully or partially	N/A	N/A
26	If convertible, conversion rate	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A
30	Write-down features	No	No
31	If write-down, write-down trigger(s)	N/A	N/A
32	If write-down, full or partial	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	Contractual	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings		
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated to senior preferred notes and 3a2 notes	Subordinated to senior preferred notes and 3a2 notes
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	N/A	N/A
EU-37a	Link to the full term and conditions of the instrument (signposting)	N/A	N/A

EU CCA, Samurai

Presentation in accordance with the requirements of Commission Implementing Regulation (EU) No 2021/637

Main features - eligible liabilities instruments, Samurai

1	Issuer	Svenska Handelsbanken AB
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	JP575214BF94
EU-2a	Public or private placement	Private
3	Governing law(s) of the instrument	Japanese law
3a	Contractual recognition of write-down and conversion powers of resolution authorities	Yes
	Regulatory treatment	
4	Current treatment taking into account, where applicable, transitional CRR rules	N/A
5	Post-transitional CRR rules	Eligible liabilities
6	Eligible at solo/(sub)consolidated/solo & (sub)consolidated	Solo & (sub)consolidated
7	Instrument type (types to be specified by each jurisdiction)	Senior preferred
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	SEK 327m
9	Nominal amount of instrument	JPY 4600m
EU-9a	Issue price	100%
EU-9b	Redemption price	100%
10	Accounting classification	Liability – amortised cost
11	Original date of issuance	03 Sep 2015
12	Perpetual or dated	Dated
13	Original maturity date	03 Sep 2025
14	Issuer call subject to the previous supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	0.734% s.s
19	Existence of a dividend stopper	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory
21	Existence of step-up or other incentive to redeem	No
22	Non-cumulative or cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	No
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination (only for eligible liabilities)	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings	
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Indebtedness entitled to preference under Swedish law
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A
EU-37a	Link to the full term and conditions of the instrument (signposting)	N/A

EU TLAC1

Presentation in accordance with the implementing technical standards for the application of Regulation (EU) No 575/2013 and Directive 2014/59/EU with regards to the supervisory reporting and public disclosure of the minimum requirement for own funds and eligible liabilities. Excluded rows/column are deemed not relevant for Handelsbanken at present.

Composition - MREL 2023 SEK m		Minimum requirement for own funds and eligible liabilities (MREL)
Own funds and eligible liabilities and adjustments		
1	Common Equity Tier 1 capital (CET1)	157 576
2	Additional Tier 1 capital (AT1)	15 026
6	Tier 2 capital (T2)	27 479
11	Own funds for the purpose of Articles 92a of Regulation (EU) No 575/2013 and 45 of Directive 2014/59/EU	200 081
Own funds and eligible liabilities: Non-regulatory capital elements		
12	Eligible liabilities instruments issued directly by the resolution entity that are subordinated to excluded liabilities (not grandfathered)	55 937
EU-12a	Eligible liabilities instruments issued by other entities within the resolution group that are subordinated to excluded liabilities (not grandfathered)	
EU-12b	Eligible liabilities instruments that are subordinated to excluded liabilities issued prior to 27 June 2019 (subordinated grandfathered)	
EU-12c	Tier 2 instruments with a residual maturity of at least one year to the extent they do not qualify as Tier 2 items	
13	Eligible liabilities that are not subordinated to excluded liabilities (not grandfathered pre-cap)	145 672
EU-13a	Eligible liabilities that are not subordinated to excluded liabilities issued prior to 27 June 2019 (pre-cap)	1 669
14	Amount of non subordinated eligible liabilities instruments, where applicable after application of Article 72b (3) CRR	147 341
17	Eligible liabilities items before adjustments	203 277
EU-17a	Of which subordinated liabilities items	55 937
Own funds and eligible liabilities: Adjustments to non-regulatory capital elements		
18	Own funds and eligible liabilities items before adjustments	403 358
19	(Deduction of exposures between multiple point of entry (MPE) resolution groups)	
20	(Deduction of investments in other eligible liabilities instruments)	
22	Own funds and eligible liabilities after adjustments	403 358
EU-22a	Of which: own funds and subordinated liabilities	256 018
Risk-weighted exposure amount and leverage exposure measure of the resolution group		
23	Total risk exposure amount (TREA)	836 790
24	Total exposure measure (TEM)	3 390 498
Ratio of own funds and eligible liabilities		
25	Own funds and eligible liabilities as a percentage of TREA	48.20%
EU-25a	Of which own funds and subordinated liabilities	30.60%
26	Own funds and eligible liabilities as a percentage of TEM	11.90%
EU-26a	Of which own funds and subordinated liabilities	7.55%
27	CET1 (as a percentage of the TREA) available after meeting the resolution group's requirements	13.06%

EU TLAC3b

Presentation in accordance with the implementing technical standards for the application of Regulation (EU) No 575/2013 and Directive 2014/59/EU with regards to the supervisory reporting and public disclosure of the minimum requirement for own funds and eligible liabilities. Excluded rows are deemed not relevant for Handelsbanken at present.

Creditor ranking - resolution entity 2023		Insolvency ranking							
SEK m		1 (most junior)	2	3	4	5	6	7 (most senior)	Sum of 1 to 7
1	**Description of insolvency rank**	Common Equity Tier 1 Capital	Fines and penalties	Additional Tier 1 capital instruments	Tier 2 capital instruments	Other Sub-ordinated debt	Senior non-preferred debt	Senior unsecured debt	
5	Own funds and liabilities potentially eligible for meeting MREL	157 576		15 026	27 479		55 937	147 341	403 358
6	of which residual maturity ≥ 1 year < 2 years							29 039	29 039
7	of which residual maturity ≥ 2 year < 5 years						32 014	108 788	140 802
8	of which residual maturity ≥ 5 years < 10 years				19 174		22 254	9 514	50 942
9	of which residual maturity ≥ 10 years, but excluding perpetual securities				8 304		1 669		9 973
10	of which perpetual securities	157 576		15 026					172 603

Countercyclical capital buffers

EU CCyB1

The table shows the geographical breakdown of credit exposures relevant for the calculation of the countercyclical capital buffer.

	Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer 2023	General credit exposures		Relevant credit exposures – Market risk				Own funds requirements						
	SEK m	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Counter-cyclical buffer rate (%)
010	Breakdown by country													
	Sweden	25 451	1 687 340	16			1 712 807	34 084	16		34 100	426 252	60.6%	2.0%
	Norway	2 107	345 052	0			347 159	6 844	0		6 845	85 558	12.2%	2.5%
	Other countries	339 562	145 109	4			484 674	15 301	4		15 306	191 319	27.2%	1.5%
020	**Total**	**367 120**	**2 177 500**	**20**			**2 544 640**	**56 230**	**20**		**56 250**	**703 129**	**100.0%**	

EU CCyB2

The table shows the total amount for the institution-specific countercyclical capital buffer.

	Amount of institution-specific countercyclical capital buffer 2023	
	SEK m	
10	Total risk exposure amount	836 790
20	Institution specific countercyclical buffer rate	1.9%
30	Institution specific countercyclical buffer requirement	16 050

Leverage ratio

EU LRA Disclosure of LR qualitative information
Article 451.1 d CRR.

Description of the processes used to manage the risk of excessive leverage
The Bank's capital requirement is reported weekly to the CFO and the CEO and at least quarterly to the Board. In cases where various thresholds are exceeded, or if the Head of Group Treasury or the CFO deems it appropriate for some other reason, proposals for appropriate measures are presented to the CEO. The capital situation in a medium- and long-term perspective is summarised quarterly by the capital committee. Group Treasury performs a complete update of the capital forecast on a quarterly basis, or when there are significant changes in conditions.

Description of the factors that had an impact on the leverage Ratio during the period to which the disclosed leverage Ratio refers
The leverage ratio decreased during the year from 5.2% to 5.1%. The nominator (Tier 1 capital) decreased slightly, and the denominator (Exposures Measure) increased slightly during the year. The decrease in tier 1 capital can to a large extent be explained by increased proposed dividend to shareholders.

EU LR1
The table shows the summary reconciliation of accounting assets and leverage ratio exposures.
The leverage ratio total exposure measure has increased compared to the previous period.

LRSum: Summary reconciliation of accounting assets and leverage ratio exposures 2023		
SEK m		Applicable amount
1	Total assets as per published financial statements	3 286 489
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	251 750
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	
7	Adjustment for eligible cash pooling transactions	
8	Adjustment for derivative financial instruments	7 313
9	Adjustment for securities financing transactions (SFTs)	8 654
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	133 326
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-442
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	
12	Other adjustments	-296 593
13	**Total exposure measure**	**3 390 498**

EU LR2

The table shows the leverage ratio for the current and previous period. The exposures are specified for the categories on-balance, derivatives, securities finance and off-balance. The leverage ratio is calculated as tier 1 capital divided by the total exposures. The leverage ratio has increased compared to the previous year.

LRCom: Leverage ratio common disclosure 2023

SEK m		2023	2022
	On-balance-sheet exposures (excluding derivatives and SFTs)		
1	On-balance-sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	3 224 615	3 177 755
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework		
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-18 705	-6 483
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)		
5	(General credit risk adjustments to on-balance sheet items)		
6	(Asset amounts deducted in determining Tier 1 capital)	-20 623	-19 841
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**3 185 287**	**3 151 432**
	Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	15 731	14 235
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach		
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	19 296	21 967
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach		
EU-9b	Exposure determined under Original Exposure Method		
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)		
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)		
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)		
11	Adjusted effective notional amount of written credit derivatives	2 395	2 574
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)		
13	**Total derivatives exposures**	**37 423**	**38 777**
	Securities financing transaction (SFT) exposures		
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	31 655	21 237
15	Netted amounts of cash payables and cash receivables of gross SFT assets)	110	1
16	Counterparty credit risk exposure for SFT assets	3 917	4 085
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR		
17	Agent transaction exposures		
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)		
18	**Total securities financing transaction exposures**	**35 681**	**25 322**
	Other off-balance-sheet exposures		
19	Off-balance sheet exposures at gross notional amount	468 770	504 914
20	(Adjustments for conversion to credit equivalent amounts)	-335 445	-378 315
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)		
22	**Off-balance sheet exposures**	**133 326**	**126 599**
	Excluded exposures		
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)		
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))		
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)		
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)		
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))		
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-1 219	-797
EU-22g	(Excluded excess collateral deposited at triparty agents)		
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)		
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)		
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)		
EU-22k	(Total exempted exposures)	-1 219	-797
	Capital and total exposure measure		
23	**Tier 1 capital**	**172 603**	**174 134**
24	**Total exposure measure**	**3 390 498**	**3 341 332**
	Leverage ratio		
25	Leverage ratio (%)	5.1%	5.2%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	5.1%	5.2%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	5.1%	5.2%
26	Regulatory minimum leverage ratio requirement (%)	3.0%	3.0%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)		
EU-26b	of which: to be made up of CET1 capital		
27	Leverage ratio buffer requirement (%)	3.0%	3.0%
EU-27a	Overall leverage ratio requirement (%)		
	Choice on transitional arrangements and relevant exposures		
EU-27b	Choice on transitional arrangements for the definition of the capital measure	NA	NA
	Disclosure of mean values		
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	36 133	31 284
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	31 765	21 237
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	3 394 866	3 351 379
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	3 394 866	3 351 379
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	5.1%	5.2%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	5.1%	5.2%

EU LR3

The table specifies on-balance-sheet exposures excluding derivatives, SFTs, and exposures exempt from the leverage ratio calculation. The total exposure has increased compared to the previous period.

LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) 2023 SEK m		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	3 236 456
EU-2	Trading book exposures	72 306
EU-3	Non-trading book exposures, of which:	3 164 149
EU-4	Covered bonds	32 407
EU-5	Exposures treated as sovereigns	715 358
EU-6	Exposures to regional governments, MDB, international organisations and PSE **not** treated as sovereigns	0
EU-7	Institutions	4 917
EU-8	Secured by mortgages of immovable properties	2 167 241
EU-9	Retail exposures	28 233
EU-10	Corporates	193 847
EU-11	Exposures in default	5 688
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	16 459

Funding and liquidity Risk

Liquidity risk is the risk that the Bank will not be able to meet its payment obligations as they fall due without being affected by unacceptable costs or losses.

The Bank has a low tolerance of liquidity risks, both at aggregate level and in each individual currency. The aim is to have good access to liquidity, a low level of variation in results and a considerable capacity to meet customers' funding needs, even in difficult times. This is achieved by maintaining a good matching of incoming and outgoing cash flows over time in all currencies essential to the Bank and by maintaining large liquidity reserves of good quality.

EU LIQA Liquidity risk management
In accordance with Articles 435(1) and 451a(4) CRR.

Strategies and processes in the management of the liquidity risk, including policies on diversification in the sources and tenor of planned funding.
Handelsbanken's Board has overall responsibility for the Bank's risk management and establishes internal rules for this. The Board establishes policy documents and the CEO establishes guidelines describing how various risks should be managed and reported.

Handelsbanken has a low tolerance of liquidity risks, both at aggregate level and in each individual currency. The aim is to have good access to liquidity, a low level of variation in results and a considerable capacity to meet customers' funding needs, even in difficult times. This is achieved by maintaining a good matching of incoming and outgoing cash flows over time in all currencies essential to the Bank and by maintaining large liquidity reserves of good quality. The Bank thus minimises the economic risks in funding and can thereby maintain stable and long-term funding for the business-operating units. The Bank strives for a balanced usage of deposit and market funding. Furthermore, the Bank aims for breadth in its funding programmes and their use. This ensures that the Bank can keep its core business intact for a long period of time, even if there is extensive disruption in the financial markets. The result of this work is a well-matched balance sheet, where illiquid assets are financed using stable funding.

Good diversification between different types of funding sources in various markets, currencies and forms of funding instruments is a key component of the funding strategy. This reduces the significance of individual markets or sources of funding.

Structure and organisation of the liquidity risk management function (authority, statute, other arrangements).
Handelsbanken's Board has overall responsibility for the Bank's liquidity risk management and establishes internal rules for this. The Board establishes policy documents for funding and liquidity management and decides on limits. The financial policy describes the Bank's risk tolerance and risk strategy, and applies to the entire Group. Guidelines from the CEO and instructions from the CFO provide further details and guidance. The CFO issues instructions for funding and liquidity management that are approved by the Board. These instructions include details of risk management and strategy such as further limits, the composition of the funding, and benchmarks in the case of disruptions in the funding markets. Group Risk Control has the responsibility for risk measurement and methodology.

The CFO has the function responsibility for liquidity and funding, while the Head of Group Treasury, who reports to the CFO, is responsible for the Group's liquidity and funding. This responsibility includes managing the Group's liquidity, foreign exchange and interest rate risks in its banking operations. The Head of Group Treasury then allocates the limits between the different business-operating units. Group Risk Control monitors business operations' risk management. Exceeded limits and objectives are identified and reported by Group Risk Control.

A description of the degree of centralisation of liquidity management and interaction between the group's units.
Handelsbanken has a decentralised business model, as part of which the Bank's liquidity monitoring takes place locally and close to the business, but all funding and liquidity risk management in the Group is centralised to Group Treasury where all liquidity risk limits are channelled to the operations. Group Treasury is also responsible for the Bank's liquidity reserve, including the pledged assets that must be kept in different payment and clearing systems, and monitors liquidity flows during the day to ensure that the Bank has sufficient collateral in its payment systems at any given time to meet the Bank's payment obligations.

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

Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants.
In order to limit risk in liquidity management, the Bank has a robust risk tolerance framework including both limits and qualitative targets for liquidity risk. Group Risk Control is responsible for measuring risks and reports risk utilisation daily to the CFO and the CEO, and on a regular basis to the Board. Liquidity planning is based on an analysis of cash flows for the respective currency. As a general rule, a larger exposure is permitted in currencies with high liquidity than in currencies where the liquidity is low. The funding strategy is that illiquid assets are financed with stable, long-term funding, and that a positive liquidity position (cash flow plus liquid assets) must be maintained – even in stressed conditions. This gap analysis is supplemented by scenarios, in which the effect on liquidity is further stressed and analysed using various assumptions.

An outline of the Bank's contingency funding plans.
Handelsbanken maintains a contingency funding plan in the event of a liquidity shortfall (*Group Contingency Plan for Managing a Liquidity Crisis*). The plan specifies responsibilities, sets out practical steps and considerations needed in order to implement various contingency actions, and describes their estimated impacts. It also determines a set of indicators to be used to help identify when it is appropriate to take contingency actions. A traffic light system is adopted, where each indicator has a baseline level and (up to three) trigger levels with predetermined escalation and reporting processes.

The focus is on being proactive rather than reactive, to ensure continued access to liquidity – and continued confidence in the Bank – in times of crisis.

The indicators cover the Bank's short-term and long-term liquidity positions, counterbalancing capacity, dependence on deposits, the use of credit facilities and the cost of wholesale funding. They also distinguish between key currencies.

Each indicator is monitored at the applicable level of periodicity, i.e. from daily to quarterly, depending on the indicator and the current business state. Indicators are evaluated and discussed by the Liquidity Committee and the CRO's Risk Forum on a monthly basis and trigger levels are recalibrated if necessary. An annual review of the indicator framework is conducted.

All indicators are monitored over time, e.g. by including historic values, and hence trending information is an integral part of the reporting conducted within the Bank's general risk management framework. An escalation process is associated with all indicators, regardless of type. Pre-determined levels activate an escalation process to predefined decision-making bodies.

Group Risk Control and Group Treasury follow the liquidity metrics on a daily basis. If any of the metrics are in jeopardy, it is the responsibility of the Head of Group Treasury to take remedial action. Remedial actions may be to use non-encumbered assets (most likely mortgages) in secured financing transactions, selling assets in the liquidity reserve and utilising the funding programmes. In a very severe crisis measures such as withholding dividends, or reduced lending to the public would also be available. In such cases the CEO and the Board are involved in the decision-making.

An explanation of how stress testing is used.
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 ensure that the Bank has sufficient liquidity, from both a short-term and long-term perspective, in various stressed scenarios and with various liquidity-generating actions. The stress tests are carried out with the application of both market wide and idiosyncratic stress, on a regular basis and an ad hoc basis. These are also supplemented with scenario analyses which consider substantial falls in housing prices. In these stress tests, it is assumed that the Bank does not have access to market funding, at the same time as some deposits from households and companies gradually disappear in the first month. It is further assumed that the Bank will continue to conduct its core activities, that loans to households and companies will be renewed at maturity and that customers will partly utilise issued commitments and credit facilities. The stress tests assume that the cash assets in the liquidity reserve are used and that securities can immediately supply liquidity if provided as collateral, primarily in the market and as a last resort with central banks. In addition, the Bank can generate liquidity through the unutilised issue amount for covered bonds and by implementing other liquidity-creating measures to gradually provide the Bank with liquidity. The volume and quality of unutilised collateral must be such that in a crisis situation it can provide the Bank with the necessary liquidity.

***A declaration approved by the management body on the adequacy of liquidity risk management arrangements of the institution providing assurance that the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy*.**
Handelsbanken has satisfactory arrangements for risk management which are fit for purpose in relation to the Bank's business goal, the risk tolerance and risk strategy which the Board has decided for the operations and the Bank's overall risk profile.

A concise liquidity risk statement approved by the management body succinctly describing the institution's overall liquidity risk profile associated with the business strategy.
This statement shall include key ratios and figures (other than those already covered in the EU LIQ1 template under this ITS) providing external stakeholders with a comprehensive view of the institution's management of liquidity risk, including how the liquidity risk profile of the institution interacts with the risk tolerance set by the management body.

Please also see the Board's complete risk statement in EU OVA.

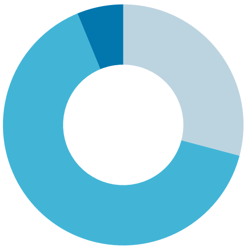
To ensure that the Bank has a good liquidity situation, the Board stipulates the Bank's risk tolerance for liquidity. Handelsbanken has a low risk tolerance. The structural risk in the balance sheet must promote a low variation in financial performance and stable, long-term profit growth and not be so high as to prevent Handelsbanken from being able to, in the short and long term, fulfil the requirements set by supervisory authorities. Financial risks shall only arise as a natural part of business with customers, in connection with the Handelsbanken Group's funding and liquidity management, and in its role as a market maker. The Group's risks must be limited through the good matching of both cash flows and interest-fixing periods, the hedging of open positions, and the use of collateral, netting agreements and other risk mitigation measures. In addition, the Group should avoid business proposals and trading in products that appear to be complicated or difficult to understand.

The purpose of the Group's funding and liquidity management is to ensure that Handelsbanken is able to meet its payment commitments in the short and long term. A further aim is that the Group should have better access to the capital markets and a lower funding cost than the average for peer banks. In addition, Handelsbanken should continue to have a high rating from the most important rating agencies in comparison with peer banks and taking into account the rating for each state in which the Bank has its main operations.

To achieve this goal Handelsbanken maintains loan programmes in all currencies and instruments that are important to the Bank. The target intervals for the Bank's short- and long-term market funding are also established by the management body.

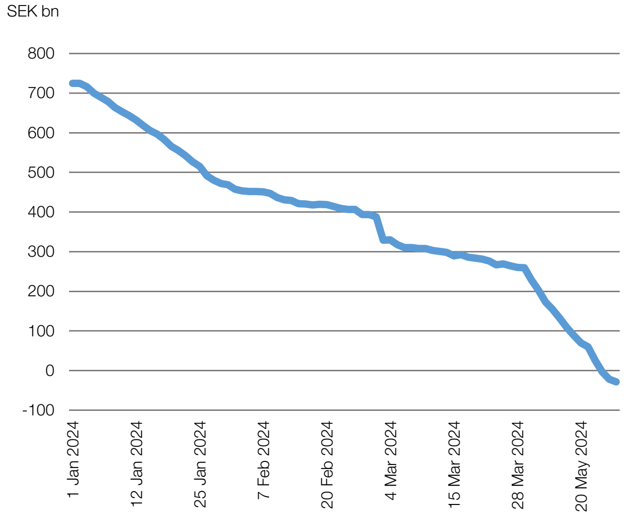
Short-term market funding by currency 2023

Refers to the currency breakdown as at 31 December 2023 for issued securities with a short-term[1] original time to maturity. Amounts in parentheses SEK billion.



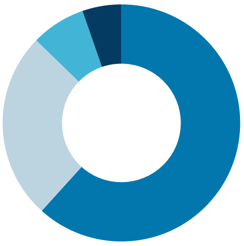
[1]Short-term maturity corresponds to a maturity of less than one year and one month.

Short-term stress test of liquidity – accumulated liquidity position



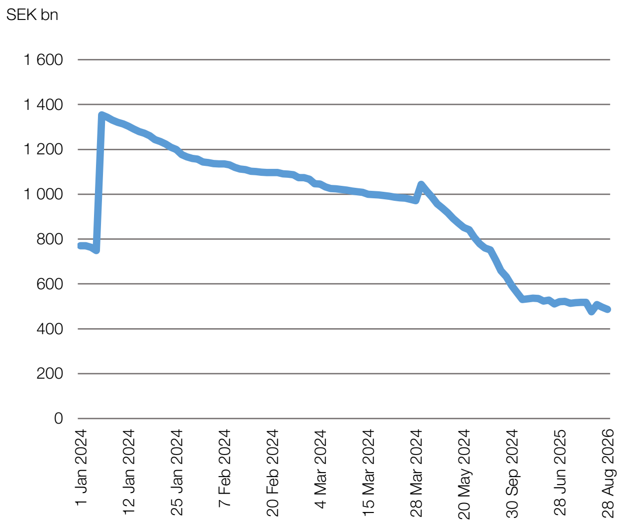
Long-term market funding by currency 2023

Refers to the currency breakdown as at 31 December 2023 for issued securities with a long-term[1] original time to maturity. Amounts in parentheses in SEK billion.



[1]Long-term maturity corresponds to a maturity equal to or exceeding one year and month.

Long-term stress test of liquidity, including liquidity generating measures - accumulated liquidity position



Handelsbanken must have a good match of maturities for liabilities and assets, and positive structural net funding that comprises the difference between stable funding and illiquid assets. Handelsbanken's illiquid assets are risk weighted and consist of lending to households and companies, and other assets requiring stable funding. Handelsbanken's stable funding is risk weighted and consists of shareholders' equity, deposits from households and companies, and other funding with sufficiently long residual maturity or quality to withstand a protracted liquidity crisis. In addition, Handelsbanken must have adequate liquidity in the form of cash available from central banks and assets that are liquid and can be pledged, to be able to continue its operations for pre-determined periods of time, without new funding on the financial markets. This requirement must also be fulfilled in times of financial strain. In addition, the Bank must have the liquidity-creating capacity to cope with a lengthy period of financial strain without requiring new funding on the financial markets.

The maturity mismatch of assets and liabilities is monitored through internal short- and long-term stress tests, as described above in the section regarding stress testing. The mismatch analysis also includes effects from off-balance sheet items, such as increased cash collateral requirements and increased utilisation of outstanding credit (and liquidity) facilities.

EU LIQ1

The following table shows weighted and unweighted components and levels for the liquidity coverage ratio (LCR) where the values presented are simple averages of month-end observations over the 12 months preceding the end of each quarter.

LCR disclosure template 2023		Total unweighted value (average)				Total weighted value (average)			
SEK m		31 Dec 23	30 Sep 23	30 Jun 23	31 Mar 23	31 Dec 23	30 Sep 23	30 Jun 23	31 Mar 23
Number of data points used in the calculation of averages		**12**	**12**	**12**	**12**	**12**	**12**	**12**	**12**
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					895 982	883 232	889 405	889 352
CASH – OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	673 554	699 876	730 666	758 146	57 938	61 039	64 635	67 993
3	*Stable deposits*	366 800	363 723	362 355	358 589	18 340	18 186	18 118	17 929
4	*Less stable deposits*	306 755	336 153	368 311	399 558	39 598	42 853	46 517	50 063
5	Unsecured wholesale funding	794 799	825 879	873 137	912 637	436 868	452 331	475 760	490 505
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	307 288	322 093	342 111	363 719	74 410	77 970	82 830	88 065
7	*Non-operational deposits (all counterparties)*	391 090	408 818	430 123	446 917	266 036	279 393	292 027	300 440
8	*Unsecured debt*	96 422	94 969	100 903	102 001	96 422	94 969	100 903	102 001
9	Secured wholesale funding					6 335	7 496	9 928	11 584
10	Additional requirements	494 864	499 315	496 575	494 245	104 663	101 411	93 074	82 277
11	*Outflows related to derivative exposures and other collateral requirements*	57 370	53 710	45 366	34 837	56 595	52 892	44 491	33 788
12	*Outflows related to loss of funding on debt products*								
13	*Credit and liquidity facilities*	437 494	445 605	451 209	459 408	48 067	48 518	48 584	48 489
14	Other contractual funding obligations	11 885	11 173	9 926	8 656	10 137	9 466	8 262	7 047
15	Other contingent funding obligations	60 095	60 982	62 132	62 424	1 251	1 302	1 288	1 267
16	**TOTAL CASH OUTFLOWS**					617 192	633 045	652 947	660 672
CASH – INFLOWS									
17	Secured lending (e.g. reverse repos)	46 740	43 657	41 039	40 142	13 288	13 011	11 782	10 600
18	Inflows from fully performing exposures	73 212	72 399	72 157	71 183	44 084	44 779	44 205	43 151
19	Other cash inflows	31 570	34 424	35 597	34 727	31 570	34 424	35 597	34 727
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)								
EU-19b	(Excess inflows from a related specialised credit institution)								
20	**TOTAL CASH INFLOWS**	151 522	150 480	148 792	146 051	88 942	92 214	91 583	88 477
EU-20a	***Fully exempt inflows***								
EU-20b	***Inflows subject to 90% cap***								
EU-20c	***Inflows subject to 75% cap***	151 522	150 480	148 792	146 051	88 942	92 214	91 583	88 477
21	**LIQUIDITY BUFFER**					895 982	883 232	889 405	889 352
22	**TOTAL NET CASH OUTFLOWS**					528 250	540 831	561 364	572 195
23	**LIQUIDITY COVERAGE RATIO (%)**					**172**	**164**	**159**	**156**

EU LIQ2

The following template shows weighted and unweighted components and level for the Net Stable Funding Ratio (NSFR) at the end of the fourth quarter 2023 in accordance with Article 451a(3) CRR

a. The main driving forces for the NSFR are issued debt and the deposit base. Group Treasury monitors the deposit base and manages the maturity structure of the issued debt to ensure an adequate NSFR. The structure of the liability side should be based on the composition of the assets in order to maintain a sound structural liquidity position. The more long-term lending and other illiquid assets, the more stable financing is required. During the last quarter the NSFR has strengthened. The growth in the deposit base and the lending to the public has, however, stalled somewhat. The issuance of long term debt has been slightly in excess of the established plan.

b. Handelsbanken does not have interdependent assets and liabilities at the reporting period.

Net Stable Funding Ratio 2023		Unweighted value by residual maturity				
SEK m		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
Available stable funding (ASF) Items						
1	Capital items and instruments	188 201			20 236	208 436
2	*Own funds*	*188 201*			*20 236*	*208 436*
3	*Other capital instruments*					
4	Retail deposits		736 760	23 167	5 451	709 447
5	*Stable deposits*		*391 675*	*9 558*	*3 111*	*384 283*
6	*Less stable deposits*		*345 085*	*13 610*	*2 340*	*325 165*
7	Wholesale funding:		1 168 043	275 573	756 988	1 179 688
8	*Operational deposits*		*310 426*			*155 213*
9	*Other wholesale funding*		*857 617*	*275 573*	*756 988*	*1 024 475*
10	Interdependent liabilities					
11	Other liabilities:	4 527	70 614		3 931	3 931
12	*NSFR derivative liabilities*	*4 527*				
13	*All other liabilities and capital instruments not included in the above categories*		*70 614*		*3 931*	*3 931*
14	**Total available stable funding (ASF)**					2 101 503
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					6 063
EU-15a	Assets encumbered for more than 12m in cover pool		7 455	5 008	561 001	487 444
16	Deposits held at other financial institutions for operational purposes					
17	Performing loans and securities:		374 371	219 159	1 272 121	1 178 603
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		*2 641*			
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		*31 000*	*233*	*2 739*	*4 499*
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		*187 367*	*101 606*	*350 406*	*436 942*
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised approach for credit risk*		*7 074*	*2 127*	*30 182*	*24 713*
22	*Performing residential mortgages, of which:*		*153 299*	*117 255*	*915 412*	*734 043*
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised approach for credit risk*		*151 943*	*113 330*	*896 676*	*715 477*
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		*65*	*65*	*3 565*	*3 119*
25	Interdependent assets					
26	Other assets:		33 224	430	62 212	63 915
27	*Physical traded commodities*					
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*				*11 591*	*9 852*
29	*NSFR derivative assets*					
30	*NSFR derivative liabilities before deduction of variation margin posted*		*25 878*			*1 294*
31	*All other assets not included in the above categories*		*7 346*	*430*	*50 621*	*52 769*
32	Off-balance sheet items		440 795			22 040
33	**Total RSF**					1 758 065
34	**Net Stable Funding Ratio (%)**					120

EU LIQB on qualitative information on LCR, which complements template EU LIQ1

In accordance with Article 451a(2) CRR.

Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time.
The main drivers of the LCR are issued unsecured debt, non-operational deposits and central bank placements. The goal is to manage these three inputs so that they are highly correlated as regards to volume changes. By controlling these inputs, the Bank has achieved a relatively stable LCR over time.

Explanations on the changes in the LCR over time.
The LCR has been quite stable over time. However, given the nature of the measure there are inevitable fluctuations caused by slight changes in the maturity structure of Handelsbanken's issued debt and also from client activities (e.g. deposits, loans issued/repaid). Changes also occur due to the nature of LCR being a fraction where equal increases, or decreases, in outflows and liquid assets will incur a change in the LCR.

Explanations on the actual concentration of funding sources.
The actual concentration follows from the Bank's funding strategy. The strategy aims for well-diversified funding in terms of currencies, investors, debt types and geographic breakdown. The strategy is long-term and has been followed for many years. The result is a funding structure that is relatively stable over time. The most important sources of funding are deposits from households and companies as well as covered and senior bonds. The short-term funding mainly comprises deposits from financial companies and institutions as well as issues of commercial papers and certificates of deposit.

High-level description of the composition of the institution`s liquidity buffer.
The liquidity reserve is built up by several different parts. Cash, central bank balances and liquid securities (government bonds, covered bonds and other securities of very high credit quality). Holdings which can provide Handelsbanken with almost immediate liquidity in normal and stressed situations in the relevant currencies for Handelsbanken.

Derivative exposures and potential collateral calls.
Cash flows stemming from derivative exposures and potential collateral calls are reported in row 11 and 19, where row 11 also includes outflows from the impact of an adverse market scenario on derivatives transactions (the historical look back approach) as well as material outflows due to deterioration of own credit quality.

Currency mismatch in the LCR.
The Bank holds large and relevant liquidity reserves to match the outflows and inflows of LCR in all currencies of relevance for Handelsbanken. The Swedish Financial Supervisory Authority also stipulates a 100% LCR in EUR, USD and 75% LCR in all other significant currencies for Handelsbanken within the framework of the supervisory review and evaluation process in Pillar 2 which the Bank is also obligated to fulfil.

Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile.
Not applicable.

ENCUMBERED AND UNENCUMBERED ASSETS

EU AE1

The following table shows encumbered and unencumbered assets. The information is presented as quarterly medians over the previous 12 months.

Encumbered and unencumbered assets 2023		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
SEK m		010	030	040	050	060	080	090	100
010	**Assets of the reporting institution**	**777 755**	**24 288**			**2 633 907**	**754 310**		
030	Equity instruments	9 121				8 243			
040	Debt securities	16 717	16 716	16 270	16 270	264 835	262 027	265 139	260 054
050	*of which: covered bonds*	*2 252*	*2 063*	*2 252*	*2 252*	*42 164*	*40 798*	*42 164*	*40 798*
060	*of which: asset-backed securities*								
070	*of which: issued by general governments*	*14 084*	*14 084*	*13 647*	*13 647*	*16 164*	*16 164*	*16 164*	*16 164*
080	*of which: issued by financial corporations*	*2 350*	*2 236*	*2 350*	*2 350*	*47 324*	*45 466*	*47 324*	*46 448*
090	*of which: issued by non-financial corporations*					*2 992*	*511*	*3 004*	*511*
120	Other assets	748 966	8 103			2 359 208	496 116		

EU AE2

The following table shows collateral received. The information is presented as quarterly medians over the previous 12 months.

Collateral received and own debt securities issued 2023				Unencumbered	
		Fair value of encumbered collateral received or own debt securities issued		Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
SEK m		010	030	040	060
130	**Collateral received by the disclosing institution**	**13 871**	**4 741**	**43 774**	**33 745**
140	Loans on demand				
150	Equity instruments	8 833		10 157	
160	Debt securities	5 305	4 741	33 745	33 745
170	of which: covered bonds	*1 382*	*452*	*29 356*	*29 356*
180	of which: asset-backed securities				
190	of which: issued by general governments	*4 092*	*4 092*	*3 069*	*3 069*
200	of which: issued by financial corporations	*1 579*	*649*	*30 695*	*30 695*
210	of which: issued by non-financial corporations				
220	Loans and advances other than loans on demand				
230	Other collateral received				
240	**Own debt securities issued other than own covered bonds or asset-backed securities**				
241	**Own covered bonds and securitisation issued and not yet pledged**				
250	**Total assets, collateral received and own debt securities issued**	**795 750**			

EU AE3

The following table shows sources of encumbrance. The information is presented as quarterly medians over the previous 12 months.

Sources of encumbrance 2023		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
SEK m		010	030
010	**Carrying amount of selected financial liabilities**	**672 714**	**769 288**

EU AE4 Accompanying narrative information
In accordance with Article 443 CRR.

General narrative information on asset encumbrance, including:
An important part of Handelsbanken's liquidity management is to retain significant volumes of unutilised collateral that can be used in the event of disruptions in the financial markets. One prerequisite for being able to pledge additional collateral is for the Bank to have unutilised collateral at its disposal from the outset. The Bank therefore retains substantial volumes of non-encumbered assets that could be used as collateral in the issue of covered bonds. Furthermore, the Bank holds liquid securities with very high credit ratings which can be used as collateral in repo-transactions.

The Bank is restrictive with entering into agreements (such as CSA agreements) with other parties than credit institutions, that stipulate that the Bank, according to certain criteria, may be forced to provide collateral to a counterparty.

To assess the degree of subordination between investors of unsecured funding and secured funding, the volume and credit quality of the non-encumbered assets are important factors. The Bank's low risk tolerance ensures that the non-encumbered assets are of a high quality. Since Handelsbanken wishes to have a balanced utilisation of covered and senior bonds, there is a large volume of mortgage loans which are not encumbered. Other non-encumbered loans are also of a good credit quality and thus available for contingent purposes.

a) an explanation of any difference between the regulatory consolidation scope used for the purpose of the disclosures on asset encumbrance and the scope retained for the application of the liquidity requirements on a consolidated basis as defined in Chapter 2 of Title I of Part Two CRR, which is used to define (E)HQLA eligibility;

There are no differences.

b) an explanation of any difference between, on the one hand, pledged and transferred assets in accordance with the applicable accounting frameworks and as applied by the institution and, on the other hand, encumbered assets and an indication of any difference of treatment of transactions, such as when some transactions are deemed to lead to pledge or transfer of assets but not to encumbrance of assets, or vice versa;

There are no differences.

c) the exposure value used for the purposes of disclosure and how median exposure values are derived.

The exposure value used for the purposes of disclosure is based on the accounting balances of each counterparty and quarter.

Narrative information relating to the impact of the institution's business model on its level of encumbrance and the importance of encumbrance on the institution's funding model, including the following:

a) the main sources and types of encumbrance, detailing, where applicable, encumbrance due to significant activities with derivatives, securities lending, repos, covered bonds issuance and securitisation;

Encumbrance is primarily a product of covered bonds issuance and to a lesser extent derivatives trading and banking book hedging.

b) the structure of encumbrance between entities within a group, and especially whether the encumbrance level of the consolidated group stems from particular entities and whether there is significant intragroup encumbrance;

The majority of the encumbered assets consist of Stadshypotek's cover pools, which comprise mortgage loans provided as collateral for outstanding covered bonds. There is no significant intragroup encumbrance.

c) information on over-collateralisation, especially regarding covered bonds and securitisations, and the incidence of over-collateralisation on the levels of encumbrance;

The majority of the encumbered assets consist of Stadshypotek's cover pools, which comprise mortgage loans provided as collateral for outstanding covered bonds. The Bank also has voluntary OC (over-collateralisation – extra assets in addition to those which are needed to cover the issued bonds, and in addition to the 2% statutory requirement) of 8% which is included in the pool.

d) additional information on encumbrance of assets, collateral and off-balance sheet items and the sources of encumbrance by any significant currencies other than the reporting currency as referred to in Article 415(2) CRR;

The main source of encumbrance in significant currencies other than the reporting currency is from the Norwegian cover pool in NOK, approximately 9.1% of encumbered assets. There is also a small proportion of other significant currencies, approximately 4%. Out of those currencies, EUR accounts for 56% and GBP for 24%.

e) a general description of the proportion of items included in column 060 'Carrying amount of unencumbered assets' in Template EU AE1 that the institution would not deem available for encumbrance in the normal course of its business (e.g. intangible assets, including goodwill, deferred tax assets, property, plant and other fixed assets, derivative assets, reverse repo and stock borrowing receivables);

The proportion of items included in column 060 'Carrying amount of unencumbered assets' in Template EU AE1 that the Bank deem as not available for encumbrance in the normal course of business amounts to approximately 2.3%. This consist of intangible assets such as goodwill, deferred tax assets, property, plant and other fixed assets, derivative assets, reverse repo and stock borrowing receivables. As a result of the previous communicated divestment of Finland, a decision was made that this part of the Bank's balance sheet is not to be considered available for encumbrance. These assets account for 6.8% of the available assets.

f) the amount of underlying assets and of cover pool assets of retained securitisations and retained covered bonds, and whether those underlying and cover pool assets are encumbered or unencumbered, along with the amount of associated retained securitisations and retained covered bonds;

The Bank does not have any retained securitisations nor retained covered bonds.

g) where relevant for explaining the impact of their business model on their level of encumbrance, details (including quantitative information if relevant) on each of the following:
Not relevant.

h) where relevant in the context of their use of encumbrance in relation to their business model, additional information on the breakdown of the following rows in the templates EU AE1, EU AE2 and EU AE3:
Not relevant.

Market risk

Handelsbanken aims to have low market risks and low volatility in its earnings. Market risks mainly arise in Handelsbanken Capital Markets as a result of customer-driven transactions, in its role as market maker and in connection with the Bank's funding and liquidity management. Market risks arise from price and volatility changes in the financial markets. Market risks are divided into interest rate risk, equity price risk, foreign exchange risk and commodity price risk.

EU MRA Qualitative disclosure requirements related to market risk

Points (a) and (d) of Article 435 (1) CRR

A description of the institution's strategies and processes to manage market risk, Including:
- An explanation of management's strategic objectives in undertaking trading activities, as well as the processes implemented to identify, measure, monitor and control the institution's market risks
- A description of their policies for hedging and mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges

Handelsbanken has a restrictive view of market risks. Essentially, market risks in the banking operations are only taken as part of meeting customer's investment and risk management needs. Market risks must be limited by matching cash flows and interest rate adjustment periods, hedging open positions and taking other actions to limit risk. Market risks at Handelsbanken are thus very low. As a result of the Bank's market strategy, only a small fraction of the Bank's earnings comes from net gains/losses on financial transactions.

In Handelsbanken's operations, market risks arise when the Bank's customers request services for which the Bank must have flexible funding. The Bank can also obtain funding on other markets than those where it has its lending so that it can diversify its sources of funding. The funding can also have different interest rate adjustment periods than the assets which it finances. In addition, market risks can arise in Group Treasury's liquidity portfolio, which can be converted into liquidity at short notice in case disruptions in the markets where the Bank conducts its operations. The portfolio secures the Group's payments in the daily clearing operations and is part of the Bank's liquidity reserve. Market risks also arise in Capital Markets to meet customers' demand for financial instruments with exposure to the fixed income, foreign exchange, equity or commodity markets. As a consequence, it may be necessary for the Bank to hold certain positions. This situation arises, for example, when the Bank has undertaken to quote prices in its role as a market maker. Market risks in the Bank's business operations arise – and are thus managed – mainly at Group Treasury and Handelsbanken Capital Markets. In addition, market risks also arise as part of Handelsbanken Liv's operations and in the Bank´s pension system.

The Bank's limit system restricts the size of the exposure to market risks. Measurement methods and limits are established by the Board. The CFO has the functional responsibility for liquidity and funding, while the Head of Group Treasury, who reports to the CFO, is responsible for the Group's liquidity and funding. This responsibility includes managing the Group's liquidity, foreign exchange and interest rate risks in its banking operations. The limits for interest rate, foreign exchange and liquidity risk are allocated by the CEO and CFO to the Head of Group Treasury, who in turn allocates these to the business-operating units. Limits for equity price risk and commodity price risk are allocated directly to Capital Markets by the CFO. The CEO and the CFO also decide on supplementary risk measures, intraday limits and detailed guidelines. The supplementary limit measures aim to reduce the Bank's sensitivity to volatility changes in the financial markets, and to limit the risks of specific holdings and the liquidity risk per currency. These measures also limit the risks from a maturity perspective. The CFO, CEO and Board regularly receive reports on the market risks and utilisation of the limits.

Market risks are measured using several different methods. The sensitivity measures used show which changes in value would occur in the event of predefined changes in prices and volatilities. Position-related risk measures and probability-based Value at Risk models (VaR) are also used.

Point (b) of Article 435 (1) CRR

A description of the structure and organisation of the market risk management function, including a description of the market risk governance structure established to implement the strategies and processes of the institution discussed in row (a) above, and that describes the relationships and the communication mechanisms between the different parties involved in market risk management.

Handelsbanken's Board has overall responsibility for the Bank's management of market risks and establishes policy documents for this. The financial policy describes the Bank's risk tolerance and risk strategy, and applies to the entire Group. Guidelines from the CEO and instructions from the CFO concretise these policies. These instructions include details of risk management and strategy. Within this structure, each part of the business operations bears the responsibility for its own business activities and its management of all risks. However, the risks that arise in conjunction with funding and liquidity management are centralised to Group Treasury under the CFO, and Capital Markets manages the majority of the risks in the trading book. The control functions monitor to ensure that the operations are conducted within the limits of the Bank's risk tolerance and reports on the risks to the Board and senior management.

The Board sets total limits for the entire Handelsbanken Group for each type of risk. The limits for market risks that are allocated by the Board to the CEO are further delegated to the CFO. The CFO in turn allocates the limits and decision-making power concerning limits within the business operations. The limits for interest rate risk, foreign exchange risk and liquidity risk are delegated to the Head of Group Treasury, who has overall responsibility for these Asset Liability Management (ALM) risks. The Head of Group Treasury then allocates the limits between the different business-operating units. Limits for equity price risk and commodity price risk are allocated directly to Capital Markets by the CFO. The CFO also issues supplementary restrictions and regulations in a limit decision for derivatives trading within the investment bank.

Point (c) of Article 435 (1) CRR

Scope and nature of risk reporting and measurement systems

The Bank's limit system restricts the size of the exposure to market risks. Measurement methods and limits are established by the Board. The CFO has the functional responsibility for liquidity and funding, while the Head of Group Treasury, who reports to the CFO, is responsible for the Group's liquidity and funding. This responsibility includes managing the Group's liquidity, foreign exchange and interest rate risks in its banking operations. The limits for interest rate, foreign exchange and liquidity risk are allocated by the CEO and CFO to the Head of Group Treasury, who in turn allocates these to the business-operating units. Limits for equity price risk and commodity price risk are allocated directly to Capital Markets by the CFO. The CEO and the CFO also decide on supplementary risk measures, intraday limits and detailed guidelines. The supplementary limit measures aim to reduce the Bank's sensitivity to volatility changes in the financial markets, and to limit the risks of specific holdings and the liquidity risk per currency. These measures also limit the risks from a maturity perspective. The CFO, CEO and Board regularly receive reports on the market risks and utilisation of the limits.

Market risks are measured using several different methods. Value at Risk (VaR) is calculated for the portfolios at Handelsbanken Capital Markets and Group Treasury that are classified as trading book. VaR is a probability-based measure and expresses the losses in Swedish kronor that may arise in risk positions due to movements in the underlying markets over a specified holding period and for a given confidence level.

General interest rate risk is measured daily, and limits are set as the absolute sum of the least favourable changes in fair value per currency in the case of substantial instantaneous upward or downward parallel shifts of one percentage point for all interest rates. Specific interest rate risk is measured and limits set using sensitivity to changes in credit spreads, that is, the difference between the interest on the current holding and the yield on a government bond with the same maturity. The risk is measured and limits set on the basis of different rating classes, calculated as the least favourable change in market value in the case of an upward or downward shift of one basis point in all credit spreads.

Risk such as yield curve twist risk and basis risk, which show changes in the risks in the case of hypothetical changes in various interest rate curves, are measured and followed up on a regular basis. The non-linear interest rate risk, for example, part of the risk in interest rate options, is measured and a limit set with pre-defined stress scenarios expressed in matrices. This means that the risk is measured as changes in underlying market interest rates and volatilities. VaR and other risk measures are also used for the trading book, supplemented by various stress scenarios.

To estimate the effect of interest rate changes on the income statement, the net interest income effect is also measured. The net interest income effect when interest rates change is measured as the change in net interest income over a twelve-month period in the case of a general increase of market rates by one percentage point. This effect reflects the differences in interest rate adjustment periods and volume composition between assets, liabilities and derivatives outside the trading book, assuming that the size of the balance sheet is constant.

Equity price risk is measured as the market value change in the Bank's total equity positions in the case of an instantaneous change in equity prices of +/-10 % and in volatilities of +/-25 %.

The structural foreign exchange risk is managed by considering the trade-off between the respective impacts of foreign exchange movements on either capital ratios or equity. The Board has established the maximum impact on equity which the structural foreign exchange position is permitted to give rise to in the hedging of the common equity tier 1 ratio. The Board, the CEO and the CFO have also set VaR limits and position limits for foreign exchange risk for non-structural risk, i.e. in the trading and banking book operations.

Commodity price risk, both linear and non-linear, is measured as the absolute total of risk for all commodities to which the Bank is exposed.

EU MR1

The following table shows RWEAs for market risk according to the standardised approach at year-end 2023

Market risk under the standardised approach 2023		
SEK m		**RWEAs**
	Outright products	
1	Interest rate risk (general and specific)	3 038
2	Equity risk (general and specific)	35
3	Foreign exchange risk	20 190
4	Commodity risk	4
	Options	
5	Simplified approach	
6	Delta-plus approach	
7	Scenario approach	204
8	Securitisation (specific risk)	
9	**Total**	**23 471**

IRRBB

EU IRRBBA Qualitative information on interest rate risks of non-trading book activities

Article 448(1), point (e)
A description of how the institution defines IRRBB for purposes of risk control and measurement

Interest rate risk is defined as the risk of earnings and the economic value being affected in an adverse manner for the Bank, as a result of fluctuations in interest rates and volatilities. Exposure to interest rate risk in the banking book is divided into general and specific risk (credit spread risk). The general interest rate risk is measured as the change in the economic value of all interest rate risk sensitive items on and off the balance sheet given a momentaneous 100 bp change in interest rate curves. The specific interest rate risk is calculated as the changes in economic value for credit-sensitive securities given a one basis point parallel shift in the current credit spread. This is calculated by rating level, sector and by individual counterparty.

The regulatory capital requirement for interest rate risk is measured on the basis of the EBA guidelines. Model and parametric assumptions are different where the Swedish FSA has additional requirements (FI dnr 19-4434). The internal capital assessment for IRRBB is included in the Bank's model for economic capital. IRRBB in the economic capital model is based on empirical scenarios for general interest rate risk, credit spread risk and basis spread risk. Scenarios span from the 1980s to the present day and cover the Swedish banking crisis in the early 1990s, the financial crisis of 2008 and the Covid-19 pandemic.

Interest rate risk limit utilisation is measured daily. The regulatory capital requirement for IRRBB is calculated daily and reported quarterly to senior management and the Board. IRRBB in the economic capital model is calculated monthly but may be calculated on a daily basis if deemed necessary. Internal hedges and the boundary between the trading and the non-trading book are monitored and regularly evaluated.

Net interest income stress testing is included in Group-wide stress and scenario analysis. It provides forward-looking assessments of risk and provides indications of how much capital might be needed to absorb losses in adverse market conditions. The various scenarios are formulated by Group Risk Control and Group Treasury. The selected scenarios all represent possible adverse economic trends for the Bank. Scenario analysis is conducted regularly, at least quarterly.

Article 448(1), point (f)
A description of the institution's overall IRRBB management and mitigation strategies.

The Board determines the overall market risk tolerance and sets limits for the entire Group within each type of risk. The Bank applies a hierarchical limit structure for financial risks where a set of limits is delegated from the Board to the CEO and, in turn, to the CFO. The CFO has the function responsibility for the Bank's liquidity and funding, and manages the Bank's interest rate risks in the banking operations in accordance with internal and external rules and regulations. The CFO allocates ALM-limits to the Head of Group Treasury, who is responsible for the management of ALM throughout the group and allocates ALM-limits to the various business units. Group Risk Control is responsible for identifying, measuring, analysing and reporting interest rate risks. Interest rate risks and limit utilisation for Handelsbanken Group Treasury, the mortgage loan business and other operations, are checked and summarised on a daily basis.

Group Risk Control calculates the capital requirement for IRRBB both according to regulatory requirements and according to the Bank's internal model for economic capital. The CRO, CFO, CEO and Board continually receive reports on the market risks, utilisation of the limits and capital requirements. Group Audit regularly reviews whether risk measurement and reporting are being undertaken in compliance with internal rules and regulatory requirements.

According to internal policies, the Bank's funding must be well-diversified in terms of markets, currencies and maturities. When the Bank obtains funding on markets other than those in which the primary lending currencies are used, foreign exchange risk arises. Derivatives are used to transform the duration and currency of assets and liabilities in order to reach a suitable match and ensure stable earnings. Derivatives in the banking book consist solely of vanilla instruments: interest rate swaps, cross currency basis swaps, FX-swaps and bond futures. In addition, there are also legacy holdings in interest rate options (caps) hedging mortgage loans with interest rate caps. The maturity profile of the funding is matched to that of the lending in order to restrict interest rate risk. In general, interest rate risk exposure is in markets which are characterised by good liquidity.

Article 448(1), points (e) (i) and (v); Article 448(2)
The periodicity of the calculation of the institution's IRRBB measures, and a description of the specific measures that the institution uses to gauge its sensitivity to IRRBB

Interest rate risk limit utilisation is evaluated daily. The regulatory capital requirement for IRRBB is calculated daily and reported quarterly to senior management and the Board. IRRBB in the Economic capital model is calculated monthly but may be calculated on a daily basis if deemed necessary. Internal hedges and the boundary between the trading and the non-trading book are monitored and regularly evaluated. Net interest income stress testing is conducted regularly and reported quarterly to senior management and the Board.

Article 448(1), point (e) (iii); Article 448(2)
A description of the interest rate shock and stress scenarios that the institution uses to estimate changes in the economic value and in net interest income (if applicable)

The general interest rate risk limit is measured as the change in profit and economic value of all interest rate risk sensitive items on and off the balance sheet when there is a 100 bp change in current interest rate levels. Non-parallel gap risk limit is measured in a steepening scenario (short rates fall and long rates increase), short rates down scenario, long rates down scenario, and mid rates down scenario. The specific interest rate risk limit is calculated as the changes in value for credit-sensitive holdings in the case of a one basis point parallel shift in current credit spreads.

The regulatory capital requirement for interest rate risk is measured based on the EBA guidelines. Model and parametric assumptions are detailed by the Swedish FSA (FI dnr 19-4434). The internal capital assessment for IRRBB is included in the Bank's model for economic capital. IRRBB in the economic capital model is purely based on empirical scenarios for general interest rate risk, credit spread risk and basis spread risk. Scenarios span from the 1980s to the present day and cover the Swedish banking crisis in the early 1990s, the financial crisis of 2008 and the Covid-19 pandemic. Net interest income stress testing includes various scenarios formulated by Group Risk Control and Group Treasury. The selected scenarios all represent possible adverse economic trends for the Bank. Net interest income is also measured and reported for a 100 bp parallel shift of interest curves over a one-year horizon.

Article 448(1), point (e) (ii); Article 448(2)
A description of the key modelling and parametric assumptions different from those used for disclosure of template EU IRRBB1 (if applicable)

The general interest rate risk limit is measured as the change in profit and economic value of all interest rate risk sensitive items on and off the balance sheet when there is a 100 bp change in current interest rate levels. Non-parallel gap risk limit is measured in a steepening scenario (short rates fall and long rates increase), short rates down scenario, long rates down scenario, and mid rates down scenario. The specific interest rate risk limit is calculated as the changes in value for credit-sensitive holdings in the case of a one basis point parallel shift in current credit spreads.

The regulatory capital requirement for interest rate risk is measured based on the EBA guidelines. Model and parametric assumptions are detailed by the Swedish FSA (FI dnr 19-4434). The internal capital assessment for IRRBB is included in the Bank's model for economic capital. IRRBB in the economic capital model is based on empirical scenarios for general interest rate risk, credit spread risk and basis spread risk. Scenarios span from the 1980s to the present day and cover the Swedish banking crisis in the early 1990s, the financial crisis of 2008 and the Covid-19 pandemic. Net interest income stress testing includes various scenarios formulated by Group Risk Control and Group Treasury. The selected scenarios all represent possible adverse economic trends for the Bank. Net interest income is also measured and reported for a 100 bp parallel shift of interest curves over a one-year horizon.

Article 448(1), point (e) (iv);Article 448(2)
A high-level description of how the bank hedges its IRRBB, as well as the associated accounting treatment (if applicable).

Interest rate risk in the banking book is generally hedged at portfolio level. Derivatives are used to transform the duration and currency of assets and liabilities in order to reach a suitable match and ensuring stable earnings. The Bank employs hedge accounting to hedges and hedged items.

Article 448(1), point (c);Article 448(2)
A description of key modelling and parametric assumptions used for the IRRBB measures in template EU IRRBB1 (if applicable)

Handelsbanken has been modelling the interest rate adjustment periods of non-maturity deposits (NMD) since 2015. The starting point of the model is to assign deposit customers into Retail-transactional, Retail-non-transactional and Wholesale. Within each category there are a number of deposits products. The repricing of each product type is then determined based on historical Handelsbanken deposit rates, market rates and customer behaviour. NMD from financial institutions are excluded from the modelling.

Article 448(1), point (d)
Explanation of the significance of the IRRBB measures and of their significant variations since previous disclosures

The regulatory capital requirement for IRRBB is calculated daily and reported quarterly to senior management and the Board. Regulatory capital is evaluated together with the internal capital requirement for IRRBB calculated in Handelsbanken's model for economic capital and with the results from internal models for IRRBB.

Since the previous disclosure, the bank has updated its internal models for estimating behavioural risks. The updated model for estimating the behavioural risk of NMDs have a significant impact on the outcome and largely explains the changes of the net interest income risk.

i) Any other relevant information regarding the IRRBB measures disclosed in template EU IRRBB1 (optional)

(1) (2) Article 448(1), point (g)
Disclosure of the average and longest repricing maturity assigned to non-maturity deposits

The Bank applies a duration of 0.28 years for non-maturity deposits on average. The average duration for core is 1.62 years and 6.4 the longest.

EU IRRBB1

Interest rate risks of non-trading book activities 2023 Supervisory shock scenarios		Changes of the economic value of equity		Changes of the net interest income	
SEK m		Current period	Last period	Current period	Last period
1	Parallel up	-1 629	-790	6 568	4 195
2	Parallel down	560	1 308	-7 418	-4 195
3	Steepener	-710	-1 369		
4	Flattener	-367	1 209		
5	Short rates up	-974	707		
6	Short rates down	-425	-744		

Credit risk

Handelsbanken's low risk tolerance is maintained by means of a strong credit policy and credit culture. The Bank's credit policy states that credits must normally have satisfactory collateral. A weak repayment capacity can never be accepted on the grounds that good collateral has been offered to the Bank. The same principles for the Bank's approach to risks apply in all countries where the Bank operates and are sustainable over time. The decentralised working method combined with a local connection and the Bank's low risk tolerance are important reasons for the Bank reporting very low credit losses over a long period.

CREDIT QUALITY

EU CRA General qualitative information about credit risk
Institutions shall describe their risk management objectives and policies for credit risk by providing the following information:

In the concise risk statement in accordance with point (f) of Article 435(1) CRR, how the business model translates into the components of the institution's credit risk profile.
See EU OVA.

When discussing their strategies and processes to manage credit risk and the policies for hedging and mitigating that risk in accordance with points (a) and (d) of Article 435(1) CRR, the criteria and approach used for defining the credit risk management policy and for setting credit risk limits.

The Board has overall responsibility for the Bank's risk management and establishes internal rules for this. The Board establishes various steering documents and the CEO establishes guidelines describing how risks should be managed and reported.

The Bank's operations entail a variety of risks that are systematically identified, measured, managed and reported in all parts of the Group. Handelsbanken's restrictive approach to risk means that the Bank deliberately avoids high-risk transactions. This low risk tolerance is maintained through a strong risk culture that is sustainable in the long term and applies to all areas of the Group. The risk culture is an integral part of the Bank's work and is deeply rooted among the Bank's employees. The Bank is characterised by a clear division of responsibility where each part of the business operations bears full responsibility for its business and for risk management. As a consequence, there are strong incentives for high risk awareness and for prudence in business operations. However, the decentralised business model is combined with strong centralised controls. The same principles for the Bank's approach to risks apply in all countries where the Bank operates.

The credit policy and credit instructions describe the Bank's risk tolerance, including credit risk limits and risk strategy, and applies to the entire Group. These steering documents are evaluated and adopted by the Board on an annual basis. Handelsbanken has a low tolerance of credit risks and strives to maintain its historically low level of credit losses compared to other banks.

The branch has full financial responsibility for granted credits. Therefore, it addresses problems that arise when a customer has repayment difficulties and also bears any credit losses. If necessary, the local branch obtains support from the local head office and central departments. The Bank makes sure that all employees whose work involves transactions linked to credit risk acquire a solid and well-founded approach to this type of risk. This approach forms an important part of the Bank's culture. The working method and approach described are important reasons for the Bank reporting very low credit losses over a long period. Customer and credit responsibility lies with the branch manager or with the employees appointed by the manager of the local branch. In Handelsbanken's decentralised organisation, the documentation that forms the basis for credit decisions is always prepared by the branch responsible for the credit, regardless of whether the final decision is to be made at the branch, at local level, in the Board's credit committee or by the Board. The Bank has an established method, including criteria for evaluating customers which is laid down by the Board in the credit policy. Branch managers and most branch staff have personal decision limits allowing them to decide on credits to the customers they manage. For decisions on larger credit limits, there are local and central decision levels. Each additional level of decision adds credit expertise and experience. Each decision level has the right to reject credit limits both within their own decision level and also credit limits which would otherwise have been decided at a higher level. All staff throughout the decision process who are responsible for granting credits, regardless of level, must be in agreement in order to positively decide on a credit limit. If there is the slightest doubt among any of these staff, the credit application is rejected. The largest credits are reviewed by Group Credits and decided by the Board or the credit committee set up by the Board. However, no credit application may be processed in the Bank without the recommendation of the branch manager who is responsible for the credit, with the exception of retail credit commitments made via automatic processes.

In Handelsbanken's decentralised organisation, where a large proportion of the credit and credit limit decisions are made by individual branches, a well-functioning review process is crucial for ensuring high-quality decision-making. The branch manager examines the quality of the staff's decisions and the local credit departments examine the quality of decisions made by branch managers. The purpose of the quality review is to ensure that the Bank's credit policy and internal instructions are complied with, that credit quality is maintained, and that credit and credit limit decisions show that there is good credit judgement and a sound business approach. A corresponding quality review is also performed for credit limit decisions made at higher levels in the Bank. Credit limits granted by local credit committees and national boards are examined by Group Credits, which also prepares and examines credit limits decided by the Board or the credit committee set up by the Board.

The Policy for risk control states that Handelsbanken should have a risk control function that is independent of the functions that are to be monitored. Risk control should be enforced regarding all material risks in Handelsbanken, with the exception of compliance risks, which are within the purview of Group Compliance. The risk control function should verify that all material risks to which the Group is exposed, or may be exposed to in the future, are identified and managed by the relevant functions, and should also supervise and monitor the Group's risk management. In addition, the function must identify risks arising as a result of deficiencies in the Group's risk management. The risk control function should also verify that every business unit monitors all its material risks in an efficient manner.

The Bank's credit policy states that credits must normally have satisfactory collateral. A weak repayment capacity can never be accepted on the grounds that good collateral has been offered to the Bank. Collateral may, however, substantially reduce the Bank's loss if the borrower cannot fulfil his or her obligations. Credits must therefore be adequately secured. The local branch's close contact with its customers enables the branch to quickly identify any problems and take action. In many cases, this means that the Bank can take action more rapidly than would have been possible with a more centralised management of problem loans. The Bank's measures to limit its credit risk include the acceptance of collateral from customers. The primary means of reducing credit risk in the Bank is the pledging of immovable property, such as residential properties and other real estate, floating charges on assets, guarantees (including guarantor commitments) and the use of netting agreements.

The basic principle applied in property finance is that credits must be covered by collateral in the form of properties. For exposures with properties as collateral, a loan-to-value (LTV) ratio is calculated by dividing the credit exposure by the market value of the collateral. The Bank follows internal recommendations and external regulations which limit the maximum amount of a loan for which the collateral is property.

The value of collateral is reviewed in accordance with internal instructions on an annual basis and is based on the estimated market value. If the market value is deemed to have declined and the value of the collateral has therefore diminished, reviews are carried out more often.

The size of counterparty exposures is restricted by credit limits in the regular credit process. The size of the exposures may vary substantially due to fluctuations in the price of the underlying asset. In order to take into consideration the risk that the exposure may increase, supplements are added to the value of the exposure when setting credit limits. These add-ons are calculated using standard amounts that depend on the type of contract and the time to maturity. The exposures are calculated and followed up daily. The counterparty risk in derivatives is reduced through close-out netting agreements, which involve offsetting positive values against negative values in all derivative transactions with the same counterparty. Netting agreements are supplemented with agreements for issuing collateral for the net exposure (Credit Support Annex, CSA), which further reduce the credit risk. The collateral for these transactions is mainly cash, but government securities are also used. Due to the high proportion of cash, the concentration risks in the collateral are limited. The majority of Handelsbanken’s agreements include close-out netting, and the agreements with the largest exposures, which are to financial institutions, also include CSAs. Derivatives which are cleared via central counterparties also give rise to capital requirements. Central counterparties are clearing houses which act as the counterparty for both the buyer and seller in various transactions, and thus take over the responsibility for fulfilling the parties’ obligations.

All parties which use a central counterparty must provide collateral for all transactions. In most cases the risk weight for centrally cleared derivatives is considerably lower than for other types of derivatives.

When informing on the structure and organisation of the risk management function in accordance with point (b) of Article 435(1) CRR, the structure and organisation of the credit risk management and control function.

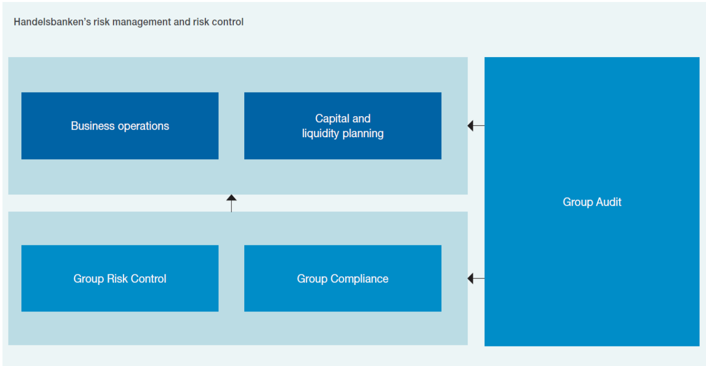
At Handelsbanken, the credit process is based on a conviction that a decentralised organisation with local connection ensures high quality in credit decisions. The Bank is a relationship bank whose branches maintain regular contact with the customer. This gives the branch an in-depth knowledge of each individual customer and a continually up-to-date picture of the customer’s financial situation.

In Handelsbanken’s decentralised organisation, a well-functioning review process, involving the local credit department and Group Credits, is crucial for ensuring high-quality decision-making. The branch manager examines the quality of the staff’s decisions and the local credit departments examine the quality of decisions made by branch managers. A corresponding quality review is also performed for credit limit decisions made at higher levels in the Bank. The purpose of the quality review is to ensure that the Bank’s credit policy and internal instructions are complied with, that credit quality is maintained, and that credit and credit limit decisions show that there is good credit judgement and a sound business approach. Credit limits granted by county or national credit committees and national boards are examined by Group Credits, which also prepares and examines credit limits decided by the Board or the credit committee set up by the Board.

The Board’s Policy for risk control states that the risk control should be independent from the functions it monitors.

Handelsbanken’s framework for risk control also shows that the independent risk control and risk control units for subsidiaries are independent and organisationally separated from the units they monitor. Group Risk Control’s role and independence from the operations under review is described in Handelsbanken’s Corporate Governance Report, for example.

When informing on the authority, status and other arrangements for the risk management function in accordance with point (b) of Article 435(1) CRR, the relationships between credit risk management, risk control, compliance and internal audit functions.



Group Credits, part of the business operations and the first line of defence, bears the overall responsibility for the Bank’s credit process, and for preparing every major credit case that the Board’s credit committee or the Board as a whole decides on. The head of the department, Handelsbanken’s Chief Credit Officer, reports to the CEO and is a member of the credit committee established by the Board. The Chief Credit Officer also reports to the Board about losses and risks in the credit portfolio.

Group Risk Control, the second line of defence, is responsible for independent monitoring and control of the credit risk management carried out by the business operations. Group Risk Control is further responsible for identifying, measuring, analysing and for continuously reporting the current credit risk situation in the Group to the Bank’s management and Board internally at an aggregated level. The risk control function is also responsible for ensuring that the measurement methods used for the calculation of capital requirements are fit for purpose and also for regularly evaluating the IRB system. Group Risk Control reports continually to the CEO and on a regular basis to the risk committee and the Board.

Group Audit, the third line of defence, is governed by, and reports to, the Board. It performs independent periodic reviews and verifies that Group Risk Control, and Group Credits’ and the business operations’ risk management is adequate and compliant. The internal auditors are in turn evaluated by external auditors.

The primary responsibilities of the compliance function are to work actively to ensure a high level of compliance within the Group and to ensure that Handelsbanken’s low risk tolerance regarding non-compliance is fulfilled. The compliance function is also responsible for the Group’s contacts with public authorities regarding supervision of the Group’s licensed operations. The compliance function is independent and organisationally separated from the functions and areas to be monitored and controlled. The Chief Compliance Officer reports regularly to the CEO, the risk committee and the Board on matters regarding compliance.

EU CRB Additional disclosure related to the credit quality of assets.

The scope and definitions of 'past-due' and 'impaired' exposures used for accounting purposes and the differences, if any, between the definitions of past due and default for accounting and regulatory purposes as specified by the EBA Guidelines on the application of the definition of default in accordance with Article 178 CRR.

"Past-due" is defined as a borrower having an unsettled, overdue payment (interest, repayment instalment or fee not paid by the due date). The definition of "impaired" is identical with the definition of default. There is no difference between the definitions of past due and default for accounting and regulatory purposes.

The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this.

There are some cases where exposures that are more than 90 days past due are not considered to be impaired. Those cases are: either the past-due amount is insignificant or the reason for the overdraft is technical, meaning that it has been caused by deficiencies in systems outside the control of the customer and the customer is not considered to be in default for any other reason. The definition of insignificant is:

For retail exposures (Private individuals and Small companies) default is reported when the unpaid, overdue amount exceeds the equivalent of
1) SEK 1000, and
2) 1% of the agreement's exposure

For corporate exposures (Corporate, Bank, Sovereign and Municipality), when the unpaid, overdue amount exceeds the equivalent of
1) SEK 5000, and
2) The relative threshold of 1% of the borrower's total exposure in Handelsbanken.

Description of methods used for determining general and specific credit risk adjustments.
In the Capital Requirements Regulation (CRR), credit risk adjustments are loss provisions that are divided into two categories: specific and general. The term 'Credit risk adjustments' in CRR corresponds to 'provisions' in accounting rules. Expected credit losses (ECL) determined in accordance with IFRS 9 correspond to Specific Credit Risk Adjustments in CRR.

The impairment rules presented in IFRS 9 apply to financial assets at amortised cost, financial assets at fair value through other comprehensive income, as well as financial guarantees and other irrevocable commitments, and are based on a model for the recognition of expected credit losses (ECL). The assets to be tested for impairment are divided into three stages, depending on the degree of credit impairment.

- Stage 1 comprises financial assets with no significant increase in credit risk since initial recognition.
- Stage 2 comprises financial assets with a significant increase in credit risk since initial recognition, but for which there is no objective evidence that the claim is credit impaired at the time of reporting.
- Stage 3 comprises financial assets for which objective circumstances have been identified indicating that the claim is credit-impaired.

Model-based calculation
The quantitative models which form the basis for the calculation of expected credit losses for agreements in Stage 1 and Stage 2 make use of several assumptions and assessments. One key assumption is that the quantifiable relationships between macroeconomic risk factors and risk parameters in historical data are representative of future events. The quantitative models applied are based on a history of approximately 10 years, although this history varies by product and region due to inconsistency in the availability of historical outcomes. The quantitative models have been constructed with the help of econometric models, applying the assumption that the observations are independently conditioned by the risk factors. This means that the risk parameters can be predicted without distortion. Furthermore, a selection of the most significant macroeconomic risk factors is made on the basis of the macroeconomic risk factors' ability to demonstrate to individual risk parameters. The selection of the macroeconomic risk factors and specification of the model are based on achieving a balance between simplicity, demonstrative ability and stability.

Manual and expert-based calculation
As a rule, manual calculation is used for agreements in Stage 3, with the exception of a small portfolio of homogeneous claims in Stage 3. Expert-based calculation is carried out for model outcomes on agreements in Stage 1 and Stage 2, in order to incorporate the estimated impact of factors not deemed to have been considered in the model.

During the year, the Bank applied an expert-based provision based on elevated credit risks relating to uncertainty factors which were not deemed to be fully considered in the Bank's risk models. These uncertainty factors are primarily linked to macroeconomic conditions and potentially substantial changes in demand. Given the challenges, at the end of the year, in assessing how the uncertainty factors noted above affect the credit risk at individual company level, the Bank therefore applied an expert-based stress in sectors at risk of extra sensitivity. This stress has been applied in addition to the model-based calculations and results in an additional provision requirement.

The institution's own definition of a restructured exposure used for the implementation of point (d) of Article 178(3) CRR specified by the EBA Guidelines on default in accordance with Article 178 CRR when different from the definition of forborne exposure defined in Annex V to Commission Implementing Regulation (EU) 680/2014.

Forborne exposure is defined as debt contracts to which forbearance measures have been extended. Forbearance measures are concessions towards debtors facing, or about to face, difficulties in meeting their financial commitments. Pursuant to regulations from the EBA, the Bank is required to manage credit agreements where the borrower has insufficient payment capacity at an early stage. At the stage where there are already delays to payment for a credit agreement, or where there are suspicions that payment will be delayed, the Bank must take action. If changes to credit terms and conditions, or other terms and conditions affecting the credit agreement, are made by the Bank to facilitate payment, this is to be considered forbearance. However, it is important that the granting of forbearance does not delay the implementation of any further necessary measures, such as managing credit losses. Forbearance on a credit includes both concessions in terms and conditions for existing credits and concessions through the issuance of new credit used to fully or partially repay existing credits. For the concession to be considered forbearance, all of the following conditions must be met:

- The borrower has, or is going to have, financial difficulties.
- The borrower is no longer able to fulfil existing credit terms and conditions.
- The concession gives a benefit that the borrower would have been unable to attain without having, or being about to have, financial difficulties.

When assessing forbearance measures, a simultaneous assessment is to be made as to whether payment is unlikely, in which case default should be reported.

All contractual agreements including overdrafts, credit cards, loans and loan commitments (revocable and irrevocable) are considered credit agreements, as are debt instruments, although not when these are held by the Bank for trading purposes. Loan commitments refer to agreed or contracted loan facilities. Changes to credit terms and conditions for financially stable borrowers are not normally considered forbearance.

When the following indications are identified, default is set automatically.

- If the decided forbearance measures result in the classification of the concession as material.
- If a concession is granted to a customer who has one or more other agreements that are in default, the agreement with the concession is placed in default.
- If an agreement is 30 days late and has previously been in default, the agreement is placed in default because of the delay, even if it is only a matter of 30 days.
- If a new concession is granted to a customer that already has a concession, the agreement is placed in default (this is also how it is coded).
- If the agreement is in a trial period according to the regulations for 'non-performing' agreements and the customer is granted a concession, the agreement is placed in default and classified as a distressed restructuring.

EU CQ1

Gross carrying amount of forborne exposures and the related accumulated impairment, provisions, accumulated change in fair value due to credit risk, and collateral and financial guarantees received, according to the scope of regulatory consolidation in accordance with Chapter 2 of Title II of Part One of the CRR.

Credit quality of forborne exposures 2023		**Gross carrying amount/nominal amount of exposures with forbearance measures**				**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**		**Collateral received and financial guarantees received on forborne exposures**	
			Non-performing forborne						
SEK m		**Performing forborne**		**Of which defaulted**	**Of which impaired**	**On performing forborne exposures**	**On non-performing forborne exposures**		**Of which collateral and financial guarantees received on non-performing exposures with forbearance measures**
005	Cash balances at central banks and other demand deposits								
010	Loans and advances	3 376	1 579	1 579	895	-66	-247	4 553	1 377
020	*Central banks*								
030	*General governments*								
040	*Credit institutions*								
050	*Other financial corporations*								
060	*Non-financial corporations*	2 607	752	752	417		-148	3 154	693
070	*Households*	770	828	828	478	-23	-98	1 398	684
080	Debt Securities								
090	Loan commitments given	907	10	10	3	5	0	96	5
100	***Total***	**4 283**	**1 590**	**1 590**	**898**	**-71**	**-247**	**4 649**	**1 383**

EU CQ4

Quality of non-performing exposures by geography 2023		**Gross carrying/nominal amount**						
			Of which non-performing					
SEK m				**Of which defaulted**	**Of which subject to impairment**	**Accumulated impairment**	**Provisions on off-balance-sheet commitments and financial guarantees given**	**Accumulated negative changes in fair value due to credit risk on non-performing exposures**
010	***On-balance-sheet exposures***	**2 558 458**	**5 971**	**5 799**	**2 339 037**	**-2 005**		
020	*Sweden*	1 832 405	2 990	2 857	1 631 390	-1 157		
030	*United Kingdom*	336 129	526	526	336 129	-268		
040	*Norway*	-232 440	2 480	1 998		1 965		-377
060	*Finland*	9 883	268	262	9 883	-158		
070	*the Netherlands*	96 438	9	9	96 438	-7		
080	*other countries*	516 045	-303	147	265 197	-2 380		377
090	***Off-balance-sheet exposures***	**486 475**	**180**	**180**				
100	*Sweden*	299 538	56	54				
110	*United Kingdom*	62 461	12	11				
120	*Norway*	45 771	21	21				
140	*Finland*	23 432	72	74				
150	*the Netherlands*	6 522						
160	*other countries*	48 751	20	20				
170	***Total***	**3 044 933**	**6 151**	**5 979**	**2 339 037**	**-2 005**		

EU CQ5

Credit quality of loans and advances to non-financial corporations by industry 2023		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which loans and advances subject to impairment		
SEK m				Of which defaulted			
010	Agriculture, forestry and fishing	7 553	3	3	7 553	-8	
020	Mining and quarrying	1 725	0		1 725	-1	
030	Manufacturing	21 245	51	50	21 245	-149	
040	Electricity, gas, steam and air conditioning supply	12 271	4	4	12 271	-3	
050	Water supply	1 573			1 573	-1	
060	Construction	37 488	264	264	37 488	-406	
070	Wholesale and retail trade	31 143	96	96	31 143	-74	
080	Transport and storage	6 233	5	5	6 233	-7	
090	Accommodation and food service activities	25 996	104	103	25 996	-28	
100	Information and communication	3 029	13	13	3 029	-15	
110	Real estate activities	777 442	1 065	1 011	777 442	-439	
120	Financial and insurance activities	23 682	6	4	23 682	-8	
130	Professional, scientific and technical activities	35 309	30	26	35 309	-17	
140	Administrative and support service activities	11 810	29	29	11 810	-35	
150	Public administration and defence, compulsory social security	2			2	0	
160	Education	1 542	0	0	1 542	-1	
170	Human health services and social work activities	2 233	16	16	2 233	-4	
180	Arts, entertainment and recreation	3 095	12	8	3 095	-7	
190	Other services	9 774	158	158	9 774	-52	
200	**Total**	**1 013 143**	**1 859**	**1 791**	**1 013 143**	**-1 253**	

EU CQ7

Information on the instruments that were cancelled in exchange for the collateral obtained by taking possession and on the value of the collateral obtained by taking possession.

Collateral obtained by taking possession and execution processes 2023			
SEK m		Value at initial recognition	Accumulated negative changes
010	Property, plant and equipment (PP&E)		
020	Other than PP&E	2	
030	*Residential immovable property*		
040	*Commercial Immovable property*		
050	*Movable property (auto, shipping, etc.)*	*2*	
060	*Equity and debt instruments*		
070	*Other*		
080	***Total***	**2**	

EU CR1

Gross carrying amount of performing and non-performing exposures and the related accumulated impairment, provisions, accumulated change in fair value due to credit risk, accumulated partial write-off, and collateral and financial guarantees received, according to the scope of regulatory consolidation in accordance with Chapter 2 of Title II of Part One of the CRR. Exposures in Finland are not included in this table as they have been moved to assets held for sale on the balance sheet.

Performing and non-performing exposures and related provisions 2023		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write off		
SEK m			Of which stage 2	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		On performing exposures	On non-performing exposures
005	Cash balances at central banks and other demand deposits	477 618	477 618													
010	Loans and advances	2 320 357	2 195 227	125 130	5 971	166	5 804	-1 185	-415	-770	-817	-4	-813		2 135 764	4 380
020	*Central banks*	6 282	6 282													
030	*General governments*	12 175	12 174	1				0	0	0					477	
040	*Credit institutions*	23 804	23 804					-1	-1							
050	*Other financial corporations*	34 421	34 126	295	7		7	-4	-1	-2					4 474	7
060	*Non-financial corporations*	1 011 283	917 798	93 486	1 859	64	1 796	-893	-258	-635	-359	-1	-358		914 920	1 446
070	*Of which SMEs*	694 806	640 145	54 661	1 643	57	1 586	-599	-183	-416	-226	-1	-225		683 760	1 388
080	*Households*	1 232 391	1 201 043	31 348	4 105	103	4 002	-286	-154	-132	-458	-3	-455		1 215 893	2 927
090	Debt securities	232 130	12 709					-2	-2						543	
100	*Central banks*	168 962														
110	*General governments*	26 632														
120	*Credit institutions*	36 536	12 709					-2	-2						543	
130	*Other financial corporations*															
140	*Non-financial corporations*															
150	Off-balance-sheet exposures	486 291	285 030	11 394	184	4	180	297	94	203	43	0	42		164 586	68
160	*Central banks*															
170	*General governments*	26 842	18 194	2				0	0	0					142	
180	*Credit institutions*	13 021	10 383	32				2	1	2						
190	*Other financial corporations*	22 173	16 344	52				1	1	0					5 613	
200	*Non-financial corporations*	349 753	166 652	10 282	148	2	146	254	64	190	43	0	42		105 500	58
210	*Households*	74 503	73 457	1 027	36	2	34	40	29	11	0	0	0		53 330	10
220	**Total**	**3 516 397**	**2 970 585**	**136 524**	**6 155**	**170**	**5 985**	**-1 484**	**-511**	**-973**	**-860**	**-4**	**-856**		**2 300 892**	**4 448**

EU CR1-A

Maturity of exposures 2023		Net exposure value					
SEK m		On demand	< = 1 year	> 1 year < = 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	17 935	451 940	627 325	1 306 274	10 786	2 414 259
2	Debt securities		171 250	58 905	3 134		233 289
3	**Total**	**17 935**	**623 190**	**686 230**	**1 309 408**	**10 786**	**2 647 549**

EU CR2

Changes in the stock of non-performing loans and advances 2023		
SEK m		Gross carrying amount
010	**Initial stock of non-performing loans and advances**	**6 784**
020	Inflows to non-performing portfolios	3 096
030	Outflows from non-performing portfolios	-1 796
040	Outflows due to write-offs	-1 796
050	Outflow due to other situations	
060	**Final stock of non-performing loans and advances**	**8 084**

EU CQ3

Credit quality of performing and non-performing exposures by past due days 2023		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
SEK m			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005	Cash balances at central banks and other demand deposits	477 618	477 618										
010	Loans and advances	2 320 357	2 319 443	914	5 971	3 825	576	546	546	319	64	94	5 804
020	*Central banks*	6 282	6 282										
030	*General governments*	12 175	12 175	0									
040	*Credit institutions*	23 804	23 804										
050	*Other financial corporations*	34 421	34 416	5	7	2	3	1	1				7
060	*Non-financial corporations*	1 011 283	1 011 043	241	1 859	1 122	170	178	228	107	12	42	1 796
070	*Of which SMEs*	694 806	694 608	198	1 643	1 020	163	155	207	73		25	1 586
080	*Households*	1 232 391	1 231 722	668	4 105	2 702	403	367	317	212	52	53	4 002
090	Debt securities	232 130	232 130										
100	*Central banks*	168 962	168 962										
110	*General governments*	26 632	26 632										
120	*Credit institutions*	36 536	36 536										
130	*Other financial corporations*												
140	*Non-financial corporations*												
150	Off-balance-sheet exposures	486 291			184								180
160	*Central banks*												
170	*General governments*	26 842											
180	*Credit institutions*	13 021											
190	*Other financial corporations*	22 173											
200	*Non-financial corporations*	349 753			148								146
210	*Households*	74 503			36								33
220	**Total**	**3 516 397**	**3 029 191**	**914**	**6 155**	**3 825**	**576**	**546**	**546**	**319**	**64**	**94**	**5 984**

CREDIT RISK MITIGATION TECHNIQUES

EU CRC Qualitative disclosure requirements related to CRM techniques

Article 453 (a) CRR
A description of the core the policies and processes for on- and off-balance sheet netting and an indication of the extent to which institutions make use of balance sheet netting.

The Bank does not use on- or off-balance sheet netting as a credit risk mitigation technique.

Article 453 (b) CRR
The core features of policies and processes for eligible collateral evaluation and management eligible collateral evaluation and management.

The Bank follows up and regularly updates the market value of the collateral used for credit risk mitigation purposes. A control procedure is established whereby the market value is checked at least every third year for residential properties, and at least annually for other types of property. The value is checked more frequently when there are material changes in factors affecting the property market. For properties with an exposure exceeding EUR 3 million, a new valuation by an independent assessor is made at least every third year.

Article 453 (c) CRR
A description of the main types of collateral taken by the institution to mitigate credit risk.

The Bank has real estate collateral for a large majority of its exposures and a large majority of this collateral consists of residential properties.

Article 453 (d) CRR
For guarantees and credit derivatives used as credit protection, the main types of guarantor and credit derivative counterparty and their creditworthiness used for the purposes of reducing capital requirements, excluding those used as part of synthetic securitisation structures.

Guarantees from sovereigns with very high creditworthiness represent the type of guarantee with the largest impact on capital requirements. The Bank also has guarantees from a wide range of banks and corporate guarantors which have a lesser impact on capital requirements.

Article 453 (e) CRR
Information about market or credit risk concentrations within the credit mitigation taken.

The Bank monitors the credit risk concentrations, within the credit mitigation taken, as part of its process of monitoring large exposures. The effect of financial collateral received is measured and added to the relevant client's total exposure. The effect of credit risk mitigations taken is measured regularly and has only minor impact on the Bank's credit risk concentrations.

EU CR3

The table shows secured exposures and unsecured exposures. The outstanding secured exposures are broken down by amounts secured by collateral, guarantees and credit derivatives. Relations are in line with the previous period.

CRM techniques overview: Disclosure of the use of credit risk mitigation techniques 2023			**Secured carrying amount**			
					Of which secured by financial guarantees	
SEK m		**Unsecured carrying amount**		**Of which secured by collateral**		**Of which secured by credit derivatives**
1	Loans and advances	663 802	2 140 144	2 125 873	14 271	
2	Debt securities	231 585	543		543	
3	**Total**	**895 388**	**2 140 686**	**2 125 873**	**14 813**	
4	Of which non-performing exposures	774	4 380	4 371	9	
EU-5	Of which defaulted	774	4 380	4 371	9	

CREDIT RISK STANDARDISED APPROACH

EU CRD Qualitative disclosure requirements related to standardised model

Article 444 (a) CRR

Names of the external credit assessment institutions (ECAIs) and export credit agencies (ECAs) nominated by the institution, and the reasons for any changes over the disclosure period.

When calculating risk weights according to the standardised approach, information regarding the external rating from the external rating agency Standard & Poor's is used, where applicable.

Article 444 (b) CRR

The exposure classes for which each ECAI or ECA is used.

The Bank uses external ratings from Standard & Poor's for exposures to sovereigns, institutions and corporates.

Article 444 (c) CRR

A description of the process used to transfer the issuer and issue credit ratings onto comparable assets items not included in the trading book.

Not applicable.

Article 444 (d) CRR

The association of the external rating of each nominated ECAI or ECA (as referred to in row (a)) with the risk weights that correspond with the credit quality steps as set out in Chapter 2 of Title II of Part Three CRR (except where the institution complies with the standard association published by the EBA).

The Bank complies with the standard association in accordance with Commission Implementing Regulation (EU) 2016/1799 as illustrated below.

Credit quality steps and external credit ratings from Standard & Poor's 2023		Risk Weights (%)		
	S&P	Corporates	Institutions and regional and local authorities	Central governments and central banks
Step 1	AAA to AA-	20	20	0
Step 2	A+ to A-	50	50	20
Step 3	BBB+ to BBB-	100	100	50
Step 4	BB+ to BB-	100	100	100
Step 5	B+ to B-	150	100	100
Step 6	CCC+ and below	150	150	150
unrated		100	100	100

Article 444 (e) CRR

Exposure calculated according to standardised approach broken down into credit quality steps based on external ratings 2023	Sovereign and central banks		Municipalities		Institutions		Corporate	
SEK m	Exposure	Exposure value	Exposure	Exposure value	Exposure	Exposure value	Exposure	Exposure value
Step 1	114 976	114 974	0	0	2 427	2 426	0	0
Step 2					85	83	1 068	555
Step 3					4	3	2 413	0
Step 4							2 325	536
Step 5								
Step 6					616	616	1 895	696

EU CR4

The table shows exposures before and after credit conversion factors and credit risk mitigation, and risk exposure amounts and risk weights according to the standardised approach. The amounts and risk weights are specified by exposure class. The total exposures are in line with previous year.

Standardised approach - Credit risk exposure and CRM effects 2023		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWA density	
SEK m		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWA density,%
1	Central governments or central banks	114 790	1 238	114 988	1 237		
2	Regional governments or local authorities	0	0	0			
3	Public sector entities						
4	Multilateral development banks	2 116		2 116			
5	International organisations						
6	Institutions	268	2	268	0	54	20.01%
7	Corporates	10 442	25 807	8 862	1 662	9 508	90.34%
8	Retail	13 031	12 895	11 060	2 270	9 945	74.60%
9	Secured by mortgages on immovable property	321 851	27 188	321 730	4 517	141 755	43.45%
10	Exposures in default	2 506	66	2 506	15	2 931	116.25%
11	Exposures associated with particularly high risk	1 056	380	1 056	8	1 595	150.00%
12	Covered bonds						
13	Institutions and corporates with a short-term credit assessment						
14	Collective investments undertakings						
15	Equity	6 807		6 807		16 188	237.82%
16	Other items	8 596	25	6 072	5	1 574	25.90%
17	**Total**	**481 462**	**67 601**	**475 465**	**9 715**	**183 549**	**37.83%**

EU CR5

The table below shows the EAD broken down by exposure class and risk weight. It comprises figures obtained using the standardised approach. Total EAD is in line with the previous period.

Standardised approach 2023		Risk weight																
SEK m		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1 250%	Others	Total	Of which unrated
1	Central governments or central banks	116 225															**116 225**	1 251
2	Regional government or local authorities	0															**0**	
3	Public sector entities																	
4	Multilateral development banks	2 116															**2 116**	2 116
5	International organisations																	
6	Institutions					268		0									**268**	150
7	Corporates							555			9 969						**10 525**	9 969
8	Retail exposures									13 331							**13 331**	13 331
9	Exposures secured by mortgages on immovable property						231 828	18 473		185	75 761						**326 247**	325 733
10	Exposures in default										1 701	820					**2 521**	2 521
11	Exposures associated with particularly high risk											1 063					**1 063**	1 063
12	Covered bonds																	
13	Exposures to institutions and corporates with a short-term credit assessment																	
14	Units or shares in collective investment undertakings																	
15	Equity exposures										553		6 254				**6 807**	6 807
16	Other items					5 629					448						**6 077**	6 077
17	**Total**	**118 341**				**5 897**	**231 828**	**19 029**		**13 516**	**88 432**	**1 883**	**6 254**				**485 180**	**369 017**

CREDIT RISK IRB APPROACH
EU CRE Qualitative disclosure requirements related to IRB approach

Article 452 (a) CRR
The competent authority's permission of the approach or approved transition

The Bank has had permission from the Swedish Financial Supervisory Authority to calculate the capital requirement for credit risk using the IRB approach since 2007. The permission applies to the consolidated situation, in which the parent company Svenska Handelsbanken AB (publ) is the ultimate parent, and to the companies Svenska Handelsbanken AB, Stadshypotek AB and Handelsbanken Finans AB.

Handelsbanken has seven rating systems (consolidated level): retail, large corporates, medium-sized corporates, property companies, housing co-operative associations, institutions and central and regional governments.

Handelsbanken has approval to use own estimates of PD, LGD and CCF for the rating systems retail, large corporates, medium-sized corporates, property companies, and housing co-operative associations whereas the capital requirement for the remaining rating systems is calculated without own estimates of LGD and CCF.

The Swedish Financial Supervisory Authority has also granted Handelsbanken permission to apply the standardised approach instead of the IRB approach for certain exposures in accordance with Article 150(1)(c) and 150(1)(e) of the CRR. These exceptions cover ‘insignificant size’ portfolios and ‘intra group’ exposures.

The majority of the exposures subject to sequential implementation in accordance with Article 148 of the CRR consists of exposures in Handelsbanken plc and retail exposures in the Netherland business.

Article 452 (c) CRR
The control mechanisms for rating systems at the different stages of model development, controls and changes, which shall include information on:

i) the relationship between the risk management function and the internal audit function;

Group Risk Control and the subsidiaries’ risk control units (risk management function) are responsible for developing IRB-models and for the oversight, supervision, ongoing review and alterations of IRB-models. Furthermore Group Risk Control and the subsidiaries risk control units are responsible for the estimation and application of IRB credit risk models, while Group Risk Control has the overarching responsibility for the management of changes to the Bank’s IRB approach.

Group Audit (the internal audit function) performs a general annual review of all aspects (including all rating systems) of the IRB approach to ensure compliance with the established principles and regulatory requirements. In addition, Group Audit reviews all IRB model applications. The Chief Audit Executive is appointed by the Board and reports regularly to the audit committee, orally and in writing, and also submits an annual summary report to the whole Board.

(ii) the rating system review;

Model validation forms part of the review of the rating systems. Over their lifecycles models are first subject to initial validation following model development. When the model has been approved, recurring validation is performed at least on an annual basis. The annual validation cycle consists of a planning, execution and post validation phases including recommendation follow-up. Validation is performed in accordance with predefined methods, which include a review of estimates, evaluation of the models’ risk differentiating capabilities and evaluation of representativeness in the light of the new data and other information that has become available.

(iii) procedure to ensure the independence of the function in charge of reviewing the models from the functions responsible for the development of the models;

The validation function and the unit responsible for IRB model development and calibration are divided into two different organisational units reporting separately to the same member of the senior management, the CRO.

(iv) the procedure to ensure the accountability of the functions in charge of developing and reviewing the models

Accountability of the functions in charge of developing and reviewing the models is ensured through delegation of responsibility through job descriptions. The CRO delegates responsibility to the Head of Group Credit Risk Control who in turn delegates relevant tasks to the head of the model development unit. Furthermore, the CRO delegates responsibility to the head of the validation function. Validation reports are also signed off by the head of the validation function.

Article 452 (d) CRR
The role of the functions involved in the development, approval and subsequent changes of the credit risk models;

The role of the model development unit involves the following:

To critically review decisions that affect the Bank's risk exposure and propose appropriate changes regarding relevant internal rules, processes and routines.

To ensure that the Bank's capital requirements for credit risk according to IRB are calculated based on models that are suitable for the purpose, that these models are maintained through ongoing review, that decided changes to the models used in the risk classification process are implemented, and that new models are developed based on the Bank's needs and authorities' requirements.

To be responsible for calculation of, and model development for, economic capital (EC) for credit risks.

To verify that the risk classification systems and changes in them are assessed and documented in accordance with the Bank's IRB Change instructions.

To ensure, within the unit's area of responsibility, that applicable regulations are complied with, that information requested by the Swedish FSA is prepared and submitted and also to otherwise ensure that the Bank's obligations to the Swedish FSA and other authorities are fulfilled.

To actively participate in the implementation and validation of the models used in the risk classification process.

To make sure that established rules and procedures are evaluated annually and document that the internal control within the unit is appropriate, and to ensure that necessary measures are implemented based on this together with reports from control functions.

To prepare and maintain appropriate information and reporting systems to ensure control over all significant risks in the relevant parts of the business.

The role of the model validation function is to perform initial validation of new models and validation of subsequent changes. This includes independently reviewing and assessing the main steps of model development, assessing whether models are fit for purpose and performing as intended, evaluating models against relevant regulatory requirements, assessing the implementation of models, assessing the usage of models, documenting validation results including observations and recommendations, following-up on issued recommendations and reporting validation results to relevant stakeholders.

Article 452 (e) CRR
The scope and main content of the reporting related to credit risk models;

The scope and main content of the IRB reporting is a summary of the IRB evaluation report, validation of IRB-models, new estimates and material changes to the IRB approach. The objective is to provide a general understanding of the rating systems of the institution, and the report is addressed to the Board's Risk Committee annually, and summarised to the Board.

An *IRB evaluation report* is addressed to members of senior management annually. The scope of the report is the evaluation of the Bank's rating systems performance. The main content is areas needing improvement and the status of efforts to improve previously identified deficiencies in the rating system. The latter is also presented to the Risk Committee or the IRB Committee quarterly.

The report also encompasses the rating system's results at an overall level. This entails i.a. a comparison of realised default rates, realised LGDs and realised conversion factors against expectations, migration across grades and updating of estimates.

A *Credit Risk Report* is addressed to members of senior management on a monthly basis. The scope of the report is changes in the credit risk portfolio since the previous month. The main content related to IRB is migration of PD risk class, PD risk class distribution, defaults, lending to customers with high risk and property collaterals for corporates and private individuals.

The Group risk report includes a follow-up of the Bank's risk tolerance, the CRO's assessment of the Group's material risks and an assessment of whether there are significant deficiencies in the operation to report and address. The main content of the report related to IRB is the same as for the Credit risk report with the addition of stress-test results and information on capital requirements calculation. The Group risk report is addressed to the Board, risk committee and CEO quarterly. The report is also presented to members of the senior management.

Validation of the Bank's IRB models is performed on an annual basis. The purpose of the validation is quality assurance of the models based on a number of predefined quantitative and qualitative tests. The conclusions, observations and recommendations are compiled into detailed *validation reports* which are distributed to Group Credit Risk Control and the CRO. Validation results are presented to the Board's risk committee and to members of senior management on an annual basis. Validation results are distributed in written form through the IRB report to the Board's risk committee, and through the IRB evaluation report to members of senior management, both on an annual basis.

Article 452 (f) CRR
A description of the internal ratings process by exposure class, including the number of key models used with respect to each portfolio and a brief discussion of the main differences between the models within the same portfolio, covering:

(i) the definitions, methods and data for estimation and validation of PD, which shall include information on how PDs are estimated for low default portfolios, whether there are regulatory floors and the drivers for differences observed between PD and actual default rates at least for the last three periods;

(ii) where applicable, the definitions, methods and data for estimation and validation of LGD, such as methods to calculate downturn LGD, how LGDs are estimated for low default portfolio and the time lapse between the default event and the closure of the exposure;

(iii) where applicable, the definitions, methods and data for estimation and validation of conversion factors, including assumptions employed in the derivation of those variables.

To quantify its credit risks, the Bank calculates the probability of default, PD, the exposure the Bank is expected to have if a default occurs, EAD, and the proportion of the loan that the Bank would be expected to lose in the case of default, LGD. A default shall be considered to have occurred when the obligor is unlikely to pay its credit obligation to the institution or the obligor is past due more than 90 days on any material credit obligation.

The PD value is expressed as a percentage where, for example, a PD value of 0.5% means that one borrower of 200 with the same PD value would be expected to default within one year.

For exposures to corporates and to institutions, as well as for exposures to central governments, central banks, regional governments and local authorities (sovereign exposures), the internal rating set for each counterparty is directly converted into a risk class on a scale from 1 to 10 (where risk class 10 refers to defaulted counterparties). Corporate exposures are divided into four counterparty types, based on the business evaluation template used for the counterparty. PD is calculated individually for each risk class and counterparty type.

Regional governments and local authorities share the sovereign risk class scale with central governments and central banks. However, to account for the higher risk of the former they are assigned one risk class worse than the latter, given the same internal rating. Hence, the risk class scale for regional governments and local authorities is from 2 to 10, not 1 to 10.

The models for sovereigns, institutions and large corporates are global and the ones for medium sized corporates, real estate corporates, and housing co-operative associations apply to exposures in Sweden, Norway and Finland. LGD- and CCF-models for corporates, including large corporates, also apply to exposures in Sweden, Norway and Finland.

For retail exposures, the risk class is also based on the internal rating assigned to all credit customers. The rating is, however, not translated directly into a risk class as for corporate exposures; instead, the different exposures are sorted into a number of smaller groups on the basis of certain factors. Such factors include the type of credit, the counterparty's debt-servicing record and whether there are one or more borrowers. An average default rate is calculated for each of the smaller groups, and on the basis of this, the groups are sorted into one of the 10 risk classes. Different models are used for exposures to private individuals and to small companies (that are also classified as retail exposures), and by country, Sweden, Norway and Finland, but the principle is the same.

For exposures to medium-sized corporates, property companies and housing co-operative associations as well as for retail exposures, the LGD is determined using the Bank's own loss history. For exposures to large corporates that are subject to a capital requirement using the IRB approach with own estimates of LGD and CCF, the LGD is determined on the basis of internal losses and external observations. For retail exposures secured by property in Sweden and for property exposures to medium-sized companies, property companies and housing co-operative associations, different LGD values are applied depending on the loan-to-value ratio of the collateral. For other exposures, the LGD value is determined by factors that may depend on the existence and valuation of collateral, the type of product and similar factors. For exposures that are subject to a capital requirement according to the IRB approach without own estimates of LGD and CCF, prescribed values are applied for those parameters. The prescribed value that may be used is determined by the collateral provided for each exposure.

For each exposure class, the PD is calculated for each of the risk classes that refer to non-defaulted counterparties or agreements.

The PD models for corporates are based on historical default frequencies, by risk class and by portfolio. The estimates on portfolio level are based partly on the Bank's internal data and partly on data from other sources, such as external credit rating agencies, and are based on the duration of a hypothetical business cycle in which one of five years is a downturn year and the Swedish banking crisis in the 1990s is taken into account, as required by the Swedish Financial Supervisory Authority. Significant margins of conservatism are added to the estimates at portfolio level, and these PD values are normally not expected to vary year on year. The estimates by risk class are based on the Bank's internal default data and a model that determines the relationship of PD between different risk classes. Margins are then added so that each portfolio's aggregate PD coincides with the estimate of portfolio PD. The models are recalibrated at least annually as the distribution of counterparties over risk classes varies over time. This process assures that aggregate PD does not deviate significantly from the estimated portfolio PD. This implies that the PD for each risk class may vary over time as the model is recalibrated.

An updated and recalibrated PD-model for institutions was implemented in August 2023. In the model, PD-values are estimated by mapping internal ratings to external ratings. External default rates are then used to estimate an implied internal default rate per risk class. PD values for sovereign exposures are based on default rates and PD for large corporates and expert assessments, as the Bank has no defaults at all to this type of counterparty.

The PD values for retail are based on calculations of the historical default frequencies for each risk class. The average default rates are then adjusted such that one year out of five represents a downturn year, and margins of conservatism are added. As of Q1 2023 a substantial extra margin of conservatism has been added to account for deficiencies in the model for downturn adjustments.

When establishing LGD, the risk measure shall reflect the loss rates in economically unfavourable circumstances, known as 'downturn LGD'. For collateral in property, the downturn LGD is based on observed loss rates from the property crisis in the early 1990s. For other collateral relating to retail exposures, observed LGD is adjusted for downturns by a factor which depends on the PD and type of product. For corporate exposures in the IRB approach with own estimates of LGD and CCF, the LGD is adjusted for downturns so that the Bank's observed losses in the crisis years of 1991–1996 can be explained by the risk measures with a good margin. For exposures with property collateral, in many cases LGD is estimated on the basis of the property's loan-to-value-ratio (LTV). Since the value of the property, and consequently also the LTV, usually varies with the business cycle, this means that the capital requirement will also to some extent have a cyclical dependency.

When the exposure amount, EAD, is to be calculated, certain adjustments are made to the carried exposure, e.g. regarding revolving credits. Normally this means that the credit granted is adjusted using a certain credit conversion factor (CCF) for the part of the credit that is unutilised at the time of reporting. For certain product categories, the credit conversion factors are determined by the regulatory code, while for others, the Bank uses its own calculated conversion factors. Here, it is the product referred to that mainly governs the CCF, but the utilisation level may also be relevant.

In Sweden and Norway different national regulatory floors apply. In Sweden, the average risk weight of the portfolio of mortgage loans must not be below 25%. In Norway, the LGD for mortgage loans must not be below 20% and the average risk weight must not be below 20%. Furthermore, in Norway, corporate exposures with collateral in real estate must not have a risk weight below 35%. In Sweden, the risk weight floor for corporate exposures with collateral in commercial real estate is 35% and for corporate exposures in residential real estate the risk weight floor is 25%.

The following methods are used for the validation of PD, LGD and CCF models:

Risk quantification. Assessment of the predictive ability. Primarily quantitative tests: one-sided outcome tests on observed outcomes (default rates, realised LGDs or realised CCFs) versus estimates and historical outcomes. Two-sided outcome tests on observed outcomes versus historical outcomes. For PD models binomial tests are applied, except for low default portfolios where alternative tests are used such as Jeffrey's test. For LGD and CCF models t-tests are applied, except for low default portfolios where exact tests such as the sign test are applied.

Risk differentiation. Assessment of rank order ability (AR, Somers' D, gAUC), concentration (adjusted Herfindahl index) and heterogeneity (Z-test, Welch's F-test).

Model structure tests. Qualitative and quantitative assessment of the conceptual approach, segmentation, risk factor selection and other structural components of the model.

Review of model documentation and source code. Qualitative assessment of the quality and completeness of model documentation and source code.

Data quality assessment. Assessment of the accuracy, completeness and appropriateness of data.

Population stability and representativeness. Assessment of the representativeness of data used in model development and model calibration, based on qualitative and quantitative tests (PSI).

Model implementation. Qualitative and quantitative tests to assess the integrity of the implemented model.

Migration analysis (PD models). Analysis of migrations based on qualitative and quantitative (Notches, MWB) tests.

Long-run average default rate (PD models). Assessment based on regulatory requirements concerning long-run average default rate, complemented with quantitative tests including outcome tests.

Downturn adjustment (LGD and CCF models). Validation of conditional LGDs and CCFs appropriate for an economic downturn. This includes a qualitative assessment on the identification of an economic downturn and downturn estimation method, based on relevant regulatory requirements, complemented with quantitative tests including outcome tests.

Margin of conservatism and appropriate adjustments. Qualitative assessment based on regulatory requirements, complemented with quantitative tests including outcome tests.

Comparison with external data sources. Comparison of PD, LGD and CCF estimates and outcomes with those of other comparable banks.

In general, the data used for validation consists of all available data from the model development period (including model calibration) until the date of the validation. All available data is used, meaning the time period and data series used for validation is as long as possible. In general quantitative tests are performed on the most recent available data, depending on the test and model. In many cases this means the most recent annual data. In other cases, for instance for low default portfolios, longer time periods may be used for quantitative tests (that also include the most recent data).

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The following table shows the total EAD, undrawn commitments, exposure-weighted average PD, LGD and CCF, and exposure-weighted average risk weights broken down by exposure class and obligor grade. RWA and RWA density is here calculated using the IRB approach not including risk weight floors implemented by national authorities.

IRB approach - Credit risk exposures by exposure class and PD range 2023 A-IRB SEK m	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors[1]	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
Corporates SME	0.00 to < 0.15	396 911	14 145	39.18%	402 454	0.08%	22 716	13.86%	2.0	19 559	4.86%	52	-32
Corporates SME	0.00 to < 0.10	271 151	7 821	39.41%	274 233	0.06%	16 536	9.07%	2.0	6 273	2.29%	11	-8
Corporates SME	0.10 to < 0.15	125 760	6 324	38.91%	128 221	0.13%	6 180	24.09%	2.0	13 286	10.36%	41	-24
Corporates SME	0.15 to < 0.25	56 655	430	31.36%	56 790	0.22%	4 193	5.87%	2.0	2 057	3.62%	7	0
Corporates SME	0.25 to < 0.50	77 796	4 221	39.47%	79 462	0.46%	2 985	23.67%	2.0	16 899	21.27%	86	-11
Corporates SME	0.50 to < 0.75	33 423	3 774	37.64%	34 843	0.56%	3 481	19.40%	2.0	6 926	19.88%	38	-56
Corporates SME	0.75 to < 2.50	42 531	2 681	41.32%	43 639	1.70%	4 760	23.00%	2.0	14 862	34.06%	176	-160
Corporates SME	0.75 to < 1.75	35 209	823	42.20%	35 556	1.61%	2 940	21.07%	2.0	10 674	30.02%	122	-32
Corporates SME	1.75 to < 2.5	7 322	1 857	40.93%	8 082	2.11%	1 820	31.48%	2.0	4 188	51.82%	54	-128
Corporates SME	2.50 to < 10.00	7 323	388	42.02%	7 486	5.88%	584	21.83%	2.0	3 629	48.47%	101	-37
Corporates SME	2.5 to < 5	1 179			1 179	3.87%	31	9.95%	3.0	233	19.76%	5	-1
Corporates SME	5 to < 10	6 144	388	42.02%	6 307	6.25%	553	24.05%	1.0	3 396	53.84%	97	-36
Corporates SME	10.00 to < 100.00	1 944	192	39.07%	2 019	35.30%	482	27.46%	2.0	1 999	99.01%	187	-90
Corporates SME	10 to < 20												
Corporates SME	20 to < 30	558	163	40.57%	625	20.03%	227	33.36%	2.0	734	117.56%	42	-59
Corporates SME	30.00 to < 100.00	1 385	29	30.63%	1 394	42.14%	255	24.81%	2.0	1 264	90.70%	146	-31
Corporates SME	100.00 (Default)	834	33	22.62%	841	100.00%	105	40.83%	2.0	1 472	174.97%	347	-347
Corporates SME	**Subtotal**	**617 416**	**25 864**	**39.11%**	**627 533**	**0.60%**	**39 306**	**15.50%**	**2.0**	**67 403**	**10.74%**	**995**	**-733**
Corporates Other	0.00 to < 0.15	171 693	143 875	32.72%	218 775	0.09%	1 677	30.66%	2.0	39 541	18.07%	58	-30
Corporates Other	0.00 to < 0.10	67 726	72 327	33.10%	91 663	0.04%	724	29.43%	3.0	10 681	11.65%	10	-3
Corporates Other	0.10 to < 0.15	103 967	71 548	32.35%	127 111	0.12%	953	31.55%	2.0	28 860	22.70%	48	-27
Corporates Other	0.15 to < 0.25						6						
Corporates Other	0.25 to < 0.50	59 642	30 272	32.19%	69 387	0.38%	611	32.33%	2.0	28 916	41.67%	81	-35
Corporates Other	0.50 to < 0.75						4						
Corporates Other	0.75 to < 2.50	29 685	10 115	35.16%	33 242	1.39%	454	31.16%	2.0	21 577	64.91%	138	-71
Corporates Other	0.75 to < 1.75	25 310	9 248	35.62%	28 605	1.28%	414	29.89%	2.0	16 768	58.62%	100	-57
Corporates Other	1.75 to < 2.5	4 375	867	30.31%	4 638	2.10%	40	39.00%	2.0	4 808	103.68%	38	-13
Corporates Other	2.50 to < 10.00	11 131	1 014	33.96%	11 475	5.90%	84	25.65%	2.0	10 682	93.09%	174	-40
Corporates Other	2.5 to < 5												
Corporates Other	5 to < 10	11 131	1 014	33.96%	11 475	5.90%	84	25.65%	2.0	10 682	93.09%	174	-40
Corporates Other	10.00 to < 100.00	3 844	1 916	31.14%	4 441	24.05%	78	33.01%	2.0	7 458	167.96%	310	-121
Corporates Other	10 to < 20	1 958	1 886	31.00%	2 542	12.83%	46	39.00%	2.0	4 752	186.91%	127	-107
Corporates Other	20 to < 30												
Corporates Other	30.00 to < 100.00	1 886	30	39.99%	1 898	39.09%	32	25.00%	3.0	2 706	142.58%	183	-15
Corporates Other	100.00 (Default)	21	21	25.00%	26	100.00%	4	39.00%	4.0	77	295.90%	22	-22
Corporates Other	**Subtotal**	**276 016**	**187 212**	**32.76%**	**337 345**	**0.80%**	**2 918**	**30.91%**	**2.0**	**108 250**	**32.09%**	**782**	**-319**

IRB approach - Credit risk exposures by exposure class and PD range 2023

A-IRB SEK m	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors[1]	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
Retail Secured by Immovable Property SME	0.00 to < 0.15	1 694	11	87.69%	1 704	0.08%	816	23.23%		70	4.11%	0	0
Retail Secured by Immovable Property SME	0.00 to < 0.10	1 397	2	20.00%	1 398	0.07%	659	20.00%		41	2.95%	0	0
Retail Secured by Immovable Property SME	0.10 to < 0.15	297	9	100.00%	306	0.14%	157	38.00%		29	9.42%	0	0
Retail Secured by Immovable Property SME	0.15 to < 0.25	981	246	79.00%	1 170	0.24%	1 304	22.78%		99	8.49%	1	0
Retail Secured by Immovable Property SME	0.25 to < 0.50	19	20	98.00%	39	0.44%	41	48.55%		11	28.06%	0	0
Retail Secured by Immovable Property SME	0.50 to < 0.75	2 033	147	78.73%	2 144	0.70%	1 745	22.96%		390	18.17%	3	-3
Retail Secured by Immovable Property SME	0.75 to < 2.50	1 267	239	82.30%	1 459	1.58%	1 770	32.86%		639	43.79%	8	-3
Retail Secured by Immovable Property SME	0.75 to < 1.75	470	217	82.10%	646	0.91%	1 032	32.92%		202	31.27%	2	-1
Retail Secured by Immovable Property SME	1.75 to < 2.5	797	22	84.34%	814	2.12%	738	32.82%		437	53.73%	6	-3
Retail Secured by Immovable Property SME	2.50 to < 10.00	817	80	80.65%	867	4.11%	832	31.99%		661	76.28%	11	-4
Retail Secured by Immovable Property SME	2.5 to < 5	810	76	79.69%	856	4.07%	811	31.93%		648	75.76%	11	-4
Retail Secured by Immovable Property SME	5 to < 10	7	4	100.00%	11	7.62%	21	36.19%		13	117.66%	0	0
Retail Secured by Immovable Property SME	10.00 to < 100.00	382	29	79.82%	398	16.96%	385	28.45%		495	124.52%	19	-9
Retail Secured by Immovable Property SME	10 to < 20	381	29	79.82%	397	16.93%	383	28.45%		495	124.50%	19	-9
Retail Secured by Immovable Property SME	20 to < 30	0			0	22.21%	1	35.00%		0	161.85%	0	0
Retail Secured by Immovable Property SME	30.00 to < 100.00	0			0	45.36%	1	35.00%		1	150.44%	0	0
Retail Secured by Immovable Property SME	100.00 (Default)	59	2	87.35%	60	100.00%	50	39.37%		135	223.13%	24	-24
Retail Secured by Immovable Property SME	**Subtotal**	**7 251**	**773**	**80.82%**	**7 841**	**2.63%**	**6 943**	**26.36%**		**2 500**	**31.88%**	**67**	**-44**
Retail Secured by Immovable Property Non-SME	0.00 to < 0.15	688 517	37 834	35.37%	702 089	0.08%	325 507	12.40%		19 219	2.74%	76	-28
Retail Secured by Immovable Property Non-SME	0.00 to < 0.10	402 336	27 597	20.04%	407 865	0.05%	201 369	11.04%		6 285	1.54%	21	-11
Retail Secured by Immovable Property Non-SME	0.10 to < 0.15	286 181	10 237	76.72%	294 224	0.13%	124 138	14.28%		12 934	4.40%	55	-17
Retail Secured by Immovable Property Non-SME	0.15 to < 0.25		2 111	20.00%	422	0.19%	938	18.00%		31	7.44%	0	-1
Retail Secured by Immovable Property Non-SME	0.25 to < 0.50	239 703	140	100.27%	239 843	0.30%	140 315	17.11%		23 492	9.79%	123	-23
Retail Secured by Immovable Property Non-SME	0.50 to < 0.75	67 470	177	91.00%	67 594	0.65%	55 669	18.08%		12 061	17.84%	79	-8
Retail Secured by Immovable Property Non-SME	0.75 to < 2.50	25 029	49	100.00%	25 078	1.29%	11 741	22.73%		8 565	34.16%	70	-7
Retail Secured by Immovable Property Non-SME	0.75 to < 1.75	25 029	49	100.00%	25 078	1.29%	11 741	22.73%		8 565	34.16%	70	-7
Retail Secured by Immovable Property Non-SME	1.75 to < 2.5												
Retail Secured by Immovable Property Non-SME	2.50 to < 10.00	32 098	205	96.56%	32 304	4.36%	19 264	17.28%		17 424	53.94%	231	-22
Retail Secured by Immovable Property Non-SME	2.5 to < 5	31 757	194	96.85%	31 957	4.32%	19 117	17.23%		17 104	53.52%	225	-22
Retail Secured by Immovable Property Non-SME	5 to < 10	341	10	91.00%	347	7.75%	147	21.39%		320	92.47%	6	0
Retail Secured by Immovable Property Non-SME	10.00 to < 100.00	7 222	3	97.60%	7 226	31.64%	4 984	17.19%		7 632	105.62%	402	-20
Retail Secured by Immovable Property Non-SME	10 to < 20	0			0	17.43%	1	19.00%		0	109.88%	0	
Retail Secured by Immovable Property Non-SME	20 to < 30												
Retail Secured by Immovable Property Non-SME	30.00 to < 100.00	7 222	3	97.60%	7 226	31.64%	4 983	17.19%		7 632	105.62%	402	-20
Retail Secured by Immovable Property Non-SME	100.00 (Default)	2 219	0	100.03%	2 219	100.00%	1 446	18.42%		4 178	188.25%	145	-145
Retail Secured by Immovable Property Non-SME	**Subtotal**	**1 062 257**	**40 519**	**35.43%**	**1 076 774**	**0.74%**	**559 864**	**14.24%**		**92 602**	**8.60%**	**1 126**	**-254**
Retail Other SME	0.00 to < 0.15	197	5	100.00%	202	0.07%	202	20.46%		7	3.28%	0	0
Retail Other SME	0.00 to < 0.10	197			197	0.07%	193	20.00%		6	3.11%	0	0
Retail Other SME	0.10 to < 0.15		5	100.00%	5	0.14%	9	38.00%		1	9.70%	0	0
Retail Other SME	0.15 to < 0.25	302	2 118	79.00%	1 923	0.24%	23 061	34.78%		248	12.91%	2	-1
Retail Other SME	0.25 to < 0.50	125	30	73.66%	147	0.45%	132	39.24%		31	21.44%	0	0
Retail Other SME	0.50 to < 0.75	1 332	1 265	73.12%	2 231	0.67%	11 673	34.37%		522	23.38%	5	-3
Retail Other SME	0.75 to < 2.50	1 197	1 397	78.28%	2 277	1.48%	10 953	36.45%		755	33.15%	12	-15
Retail Other SME	0.75 to < 1.75	244	1 271	79.62%	1 245	0.92%	9 112	37.32%		367	29.45%	4	-3
Retail Other SME	1.75 to < 2.5	952	126	64.73%	1 031	2.17%	1 841	35.41%		388	37.62%	8	-12
Retail Other SME	2.50 to < 10.00	570	496	79.21%	899	4.51%	5 815	35.43%		376	41.76%	14	-10

IRB approach - Credit risk exposures by exposure class and PD range 2023

A-IRB

SEK m	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors[1]	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
Retail Other SME	2.5 to < 5	510	489	79.14%	833	4.23%	5 667	35.40%		345	41.46%	12	-7
Retail Other SME	5 to < 10	60	7	83.65%	66	8.04%	148	35.75%		30	45.65%	2	-4
Retail Other SME	10.00 to < 100.00	392	136	79.28%	466	17.18%	1 771	35.13%		276	59.08%	28	-32
Retail Other SME	10 to < 20	381	135	79.36%	455	16.81%	1 734	35.14%		267	58.82%	27	-28
Retail Other SME	20 to < 30	7			7	22.21%	21	35.00%		5	65.65%	1	-2
Retail Other SME	30.00 to < 100.00	5	0	46.00%	5	45.36%	16	35.00%		4	74.56%	1	-2
Retail Other SME	100.00 (Default)	166	11	73.84%	173	100.00%	322	69.17%		239	138.25%	137	-137
Retail Other SME	**Subtotal**	**4 280**	**5 457**	**77.46%**	**8 319**	**4.18%**	**53 929**	**35.66%**		**2 453**	**29.49%**	**199**	**-199**
Retail Other Non-SME	0.00 to < 0.15	3 769	7 322	91.19%	10 367	0.12%	259 283	41.99%		1 335	12.88%	5	-2
Retail Other Non-SME	0.00 to < 0.10	960	164	102.00%	1 129	0.05%	7 826	23.55%		38	3.32%	0	0
Retail Other Non-SME	0.10 to < 0.15	2 808	7 158	90.94%	9 238	0.13%	251 457	44.25%		1 297	14.04%	5	-1
Retail Other Non-SME	0.15 to < 0.25												
Retail Other Non-SME	0.25 to < 0.50	3 061	409	101.99%	3 481	0.31%	20 138	44.90%		885	25.42%	5	-2
Retail Other Non-SME	0.50 to < 0.75	2 058	244	91.00%	2 244	0.65%	32 079	41.70%		819	36.50%	6	-2
Retail Other Non-SME	0.75 to < 2.50	1 194	20	100.00%	1 214	1.20%	8 509	43.30%		602	49.62%	6	-2
Retail Other Non-SME	0.75 to < 1.75	1 194	20	100.00%	1 214	1.20%	8 509	43.30%		602	49.62%	6	-2
Retail Other Non-SME	1.75 to < 2.5												
Retail Other Non-SME	2.50 to < 10.00	749	316	95.71%	1 022	3.18%	33 732	49.07%		740	72.39%	16	-4
Retail Other Non-SME	2.5 to < 5	692	314	95.73%	964	2.82%	33 377	49.29%		694	72.03%	13	-3
Retail Other Non-SME	5 to < 10	58	2	91.00%	58	9.15%	355	45.29%		46	78.46%	2	0
Retail Other Non-SME	10.00 to < 100.00	311	47	100.03%	356	31.98%	5 574	48.00%		469	131.84%	56	-5
Retail Other Non-SME	10 to < 20	5			5	17.43%	39	14.38%		2	32.03%	0	0
Retail Other Non-SME	20 to < 30												
Retail Other Non-SME	30.00 to < 100.00	306	47	100.03%	351	32.18%	5 535	48.45%		468	133.18%	55	-5
Retail Other Non-SME	100.00 (Default)	220	5	98.23%	225	100.00%	1 389	58.58%		567	251.85%	172	-172
Retail Other Non-SME	**Subtotal**	**11 363**	**8 363**	**91.96%**	**18 908**	**2.24%**	**360 704**	**43.27%**		**5 417**	**28.65%**	**266**	**-188**
Total	0.00 to < 0.15	1 262 782	203 193	35.78%	1 335 590		591 460		1.0	79 730	5.97%	192	-91
Total	0.00 to < 0.10	743 768	107 911	30.32%	776 485		225 275		1.0	23 324	3.00%	43	-22
Total	0.10 to < 0.15	519 014	95 281	41.96%	559 105		366 185		1.0	56 407	10.09%	149	-69
Total	0.15 to < 0.25	57 938	4 904	49.43%	60 305		29 473		2.0	2 436	4.04%	10	-3
Total	0.25 to < 0.50	380 345	35 092	34.23%	392 357		161 163		1.0	70 234	17.90%	295	-71
Total	0.50 to < 0.75	106 316	5 607	50.73%	109 057		104 350		1.0	20 717	19.00%	131	-71
Total	0.75 to < 2.50	100 903	14 500	41.54%	106 909		37 952		1.0	47 001	43.96%	410	-259
Total	0.75 to < 1.75	87 457	11 628	42.14%	92 343		33 549		1.0	37 179	40.26%	305	-102
Total	1.75 to < 2.5	13 446	2 872	39.09%	14 565		4 403		2.0	9 821	67.43%	105	-157
Total	2.50 to < 10.00	52 687	2 497	58.62%	54 052		57 509		1.0	33 511	62.00%	548	-118
Total	2.5 to < 5	34 947	1 073	87.24%	35 788		56 205			19 024	53.16%	267	-36
Total	5 to < 10	17 740	1 424	37.05%	18 263		1 304		2.0	14 486	79.32%	281	-81
Total	10.00 to < 100.00	14 094	2 323	36.70%	14 905		12 380		1.0	18 329	122.97%	1 003	-278
Total	10 to < 20	2 724	2 050	34.88%	3 399		2 168		1.0	5 516	162.26%	174	-144
Total	20 to < 30	565	163	40.57%	632		249		2.0	739	116.99%	42	-61
Total	30.00 to < 100.00	10 805	110	64.82%	10 874		9 963		1.0	12 075	111.04%	787	-74
Total	100.00 (Default)	3 518	72	38.54%	3 545		3 116			6 667	188.08%	847	-847
Total	**Subtotal**	**1 978 583**	**268 189**	**36.67%**	**2 076 720**		**997 403**		**1.0**	**278 625**	**13.42%**	**3 435**	**-1 737**

[1] The amount is based on the number of agreements rather than counterparties for retail exposures

IRB approach - Credit risk exposures by exposure class and PD range 2023 F-IRB SEK m	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors[1]	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
Central Governments and Central Banks	0.00 to < 0.15	646 189	26 054	29.16%	653 786		289	44.86%	1.0	9 124	1.40%	7	-15
Central Governments and Central Banks	0.00 to < 0.10	646 189	26 054	29.16%	653 786		289	44.86%	1.0	9 124	1.40%	7	-15
Central Governments and Central Banks	0.10 to < 0.15												
Central Governments and Central Banks	0.15 to < 0.25	165	0	52.10%	165	0.20%	13	43.68%	3.0	70	42.50%	0	0
Central Governments and Central Banks	0.25 to < 0.50												
Central Governments and Central Banks	0.50 to < 0.75												
Central Governments and Central Banks	0.75 to < 2.50	2	0	20.00%	2	1.00%	2	45.00%	3.0	2	97.86%	0	0
Central Governments and Central Banks	0.75 to < 1.75	2	0	20.00%	2	1.00%	2	45.00%	3.0	2	97.86%	0	0
Central Governments and Central Banks	1.75 to < 2.5												
Central Governments and Central Banks	2.50 to < 10.00												
Central Governments and Central Banks	2.5 to < 5												
Central Governments and Central Banks	5 to < 10												
Central Governments and Central Banks	10.00 to < 100.00												
Central Governments and Central Banks	10 to < 20												
Central Governments and Central Banks	20 to < 30												
Central Governments and Central Banks	30.00 to < 100.00												
Central Governments and Central Banks	100.00 (Default)												
Central Governments and Central Banks	**Subtotal**	**646 355**	**26 055**	**29.16%**	**653 953**	**0.00%**	**304**	**44.86%**	**1.0**	**9 196**	**1.41%**	**7**	**-15**
Institutions	0.00 to < 0.15	3 620	1 628	20.08%	3 946	0.07%	14	15.03%	3.0	447	11.33%	0	-1
Institutions	0.00 to < 0.10	3 620	1 628	20.08%	3 946	0.07%	14	15.03%	3.0	447	11.33%	0	-1
Institutions	0.10 to < 0.15												
Institutions	0.15 to < 0.25	30 933	4 131	38.18%	32 510	0.15%	40	15.20%	3.0	5 584	17.17%	7	-3
Institutions	0.25 to < 0.50	506	1 803	35.68%	1 149	0.33%	21	39.04%	3.0	714	62.12%	1	0
Institutions	0.50 to < 0.75	1	164	45.03%	74	0.72%	8	45.00%	3.0	73	98.73%	0	0
Institutions	0.75 to < 2.50	3	105	50.00%	56	1.56%	8	45.00%	3.0	79	140.72%	0	0
Institutions	0.75 to < 1.75	3	105	50.00%	56	1.56%	8	45.00%	3.0	79	140.72%	0	0
Institutions	1.75 to < 2.5												
Institutions	2.50 to < 10.00	2	30	50.00%	17	5.15%	4	45.00%	3.0	33	190.94%	0	-1
Institutions	2.5 to < 5	2	15	50.00%	10	3.41%	3	45.00%	3.0	17	171.66%	0	0
Institutions	5 to < 10		15	50.00%	8	7.42%	1	45.00%	3.0	16	216.20%	0	0
Institutions	10.00 to < 100.00		15	50.00%	8	16.18%	1	45.00%	3.0	21	275.00%	1	-1
Institutions	10 to < 20		15	50.00%	8	16.18%	1	45.00%	3.0	21	275.00%	1	-1
Institutions	20 to < 30												
Institutions	30.00 to < 100.00												
Institutions	100.00 (Default)												
Institutions	**Subtotal**	**35 065**	**7 876**	**34.23%**	**37 762**	**0.16%**	**96**	**16.03%**	**3.0**	**6 950**	**18.41%**	**11**	**-6**

IRB approach - Credit risk exposures by exposure class and PD range 2023

F-IRB

SEK m	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors[1]	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
Corporates SME	0.00 to < 0.15	3 877	2 549	70.69%	5 679	0.09%	829	22.24%	3.0	611	10.77%	1	-2
Corporates SME	0.00 to < 0.10	1 752	1 194	72.74%	2 621	0.04%	234	11.99%	3.0	83	3.15%	0	0
Corporates SME	0.10 to < 0.15	2 125	1 355	68.89%	3 059	0.14%	595	31.02%	3.0	529	17.29%	1	-2
Corporates SME	0.15 to < 0.25	32	33	73.01%	57	0.22%	8	34.73%	3.0	13	22.46%	0	0
Corporates SME	0.25 to < 0.50	834	378	74.48%	1 115	0.46%	85	33.69%	3.0	390	35.01%	2	0
Corporates SME	0.50 to < 0.75	1 300	996	69.00%	1 988	0.56%	477	31.27%	3.0	715	35.96%	3	-6
Corporates SME	0.75 to < 2.50	653	458	59.35%	925	1.89%	429	28.67%	3.0	432	46.65%	5	-15
Corporates SME	0.75 to < 1.75	372	43	72.26%	403	1.62%	57	29.73%	3.0	185	45.80%	2	0
Corporates SME	1.75 to < 2.5	281	415	58.01%	522	2.11%	372	27.85%	3.0	247	47.30%	3	-14
Corporates SME	2.50 to < 10.00	189	26	55.68%	203	6.24%	54	25.17%	3.0	109	53.37%	3	-3
Corporates SME	2.5 to < 5	80			80	3.87%	1	34.91%	3.0	52	65.25%	1	0
Corporates SME	5 to < 10	109	26	55.68%	123	7.78%	53	18.82%	3.0	56	45.63%	2	-3
Corporates SME	10.00 to < 100.00	188	65	29.50%	208	38.62%	63	32.93%	3.0	241	115.88%	26	-9
Corporates SME	10 to < 20												
Corporates SME	20 to < 30	53	25	33.90%	62	20.03%	37	32.55%	3.0	74	120.13%	4	-5
Corporates SME	30.00 to < 100.00	135	40	26.74%	146	46.45%	26	33.10%	3.0	167	114.09%	22	-5
Corporates SME	100.00 (Default)	18	17	3.46%	18	100.00%	8	42.80%	3.0			1	-34
Corporates SME	**Subtotal**	**7 092**	**4 523**	**68.57%**	**10 193**	**1.47%**	**1 953**	**26.22%**	**3.0**	**2 510**	**24.62%**	**42**	**-69**
Corporates Other	0.00 to < 0.15	13 028	77 596	67.39%	65 317	0.07%	402	39.72%	3.0	14 579	22.32%	19	-19
Corporates Other	0.00 to < 0.10	7 986	45 239	65.77%	37 741	0.04%	173	36.42%	3.0	5 522	14.63%	5	-8
Corporates Other	0.10 to < 0.15	5 042	32 357	69.64%	27 576	0.11%	229	44.24%	3.0	9 057	32.84%	14	-11
Corporates Other	0.15 to < 0.25	0	1	20.00%	0	0.15%	4	45.00%	3.0	0	53.54%	0	0
Corporates Other	0.25 to < 0.50	4 142	11 752	49.01%	9 902	0.31%	157	38.40%	3.0	4 974	50.23%	12	-11
Corporates Other	0.50 to < 0.75	2			2	0.72%	5	45.00%	3.0	2	111.45%	0	0
Corporates Other	0.75 to < 2.50	1 229	4 511	48.62%	3 422	1.21%	107	35.48%	3.0	2 656	77.61%	14	-18
Corporates Other	0.75 to < 1.75	1 168	3 831	39.93%	2 698	0.98%	91	32.99%	3.0	1 768	65.53%	7	-14
Corporates Other	1.75 to < 2.5	61	680	97.57%	725	2.10%	16	44.75%	3.0	889	122.61%	7	-4
Corporates Other	2.50 to < 10.00												
Corporates Other	2.5 to < 5												
Corporates Other	5 to < 10												
Corporates Other	10.00 to < 100.00	206	655	53.00%	553	20.49%	18	44.68%	3.0	1 321	238.98%	51	-47
Corporates Other	10 to < 20	45	553	48.98%	316	12.83%	14	44.74%	3.0	701	222.19%	18	-25
Corporates Other	20 to < 30												
Corporates Other	30.00 to < 100.00	161	102	74.86%	237	30.68%	4	44.60%	3.0	620	261.32%	32	-22
Corporates Other	100.00 (Default)	11	2	75.00%	13	100.00%	2	45.00%	3.0			6	
Corporates Other	**Subtotal**	**18 617**	**94 518**	**64.11%**	**79 208**	**0.31%**	**695**	**39.41%**	**3.0**	**23 532**	**29.71%**	**101**	**-96**

IRB approach - Credit risk exposures by exposure class and PD range 2023 **F-IRB** SEK m	**PD range**	**On-balance sheet exposures**	**Off-balance-sheet exposures pre-CCF**	**Exposure weighted average CCF**	**Exposure post CCF and post CRM**	**Exposure weighted average PD (%)**	**Number of obligors[1]**	**Exposure weighted average LGD (%)**	**Exposure weighted average maturity (years)**	**Risk weighted exposure amount after supporting factors**	**Density of risk weighted exposure amount**	**Expected loss amount**	**Value adjust-ments and provisions**
Total	0.00 to < 0.15	666 714	107 827	57.51%	728 729		1 534		1.0	24 760	3.40%	28	-37
Total	0.00 to < 0.10	659 546	74 115	52.01%	698 094		710		1.0	15 175	2.17%	13	-24
Total	0.10 to < 0.15	7 167	33 712	69.61%	30 635		824		3.0	9 586	31.29%	15	-13
Total	0.15 to < 0.25	31 130	4 166	38.45%	32 732		65		3.0	5 667	17.31%	8	-3
Total	0.25 to < 0.50	5 481	13 933	47.98%	12 166		263		3.0	6 078	49.96%	15	-12
Total	0.50 to < 0.75	1 303	1 160	65.61%	2 064		490		3.0	790	38.29%	4	-6
Total	0.75 to < 2.50	1 888	5 075	49.62%	4 406		546		3.0	3 169	71.92%	19	-33
Total	0.75 to < 1.75	1 546	3 979	40.54%	3 159		158		3.0	2 033	64.36%	9	-14
Total	1.75 to < 2.5	342	1 096	82.57%	1 247		388		3.0	1 135	91.07%	10	-18
Total	2.50 to < 10.00	191	56	52.64%	221		58		3.0	142	64.17%	3	-3
Total	2.5 to < 5	83	15	50.00%	90		4		3.0	69	76.86%	1	0
Total	5 to < 10	109	41	53.61%	131		54		3.0	72	55.43%	2	-3
Total	10.00 to < 100.00	394	735	50.86%	768		82		3.0	1 582	206.06%	78	-57
Total	10 to < 20	45	568	49.01%	323		15		3.0	722	223.42%	19	-26
Total	20 to < 30	53	25	33.90%	62		37		3.0	74	120.13%	4	-5
Total	30.00 to < 100.00	297	142	61.30%	383		30		3.0	787	205.21%	55	-26
Total	100.00 (Default)	29	19	10.24%	31		10		3.0			6	-34
Total	**Subtotal**	**707 130**	**132 971**	**55.64%**	**781 116**		**3 048**		**1.0**	**42 189**	**5.40%**	**161**	**-185**
Total	**(all exposures classes)**	**2 685 713**	**401 160**	**42.96%**	**2 857 837**	**0.28%**	**1 000 451**	**12.27%**	**1.0**	**320 814**	**11.23%**	**3 595**	**-1 922**

[1] The amount is based on the number of agreements rather than counterparties for retail exposures

EU CR6-A

Scope of the use of IRB and SA approaches 2023 SEK m		Exposure value as defined in Article 166 CRR for exposures subject to IRB approach	Total exposure value for exposures subject to the Standardised approach and to the IRB approach	Percentage of total exposure value subject to the permanent partial use of the SA (%)	Percentage of total exposure value subject to IRB approach (%)	Percentage of total exposure value subject to a roll-out plan (%)
1	Central governments or central banks	624 631	742 796	15.90%	0.00%	84.10%
1.1	*Of which Regional governments or local authorities*		15 770	0.00%		100.00%
1.2	*Of which Public sector entities*					
2	Institutions	54 843	58 148	5.60%	0.10%	94.30%
3	Corporates	1 291 425	1 576 383	0.70%	17.40%	81.90%
3.1	*Of which Corporates - Specialised lending, excluding slotting approach*					
3.2	*Of which Corporates - Specialised lending under slotting approach*					
4	Retail	1 140 270	1 279 975	1.50%	9.40%	89.10%
4.1	*of which Retail – Secured by real estate SMEs*		8 730	0.90%	7.20%	91.90%
4.2	*of which Retail – Secured by real estate non-SMEs*		1 214 916	0.40%	8.80%	90.80%
4.3	*of which Retail – Qualifying revolving*					
4.4	*of which Retail – Other SMEs*		11 080	1.00%	11.10%	87.90%
4.5	*of which Retail – Other non-SMEs*		44 865	29.80%	26.30%	44.00%
5	Equity	605	7 412	91.80%		8.20%
6	Other non-credit obligation assets	11 615	11 615			100.00%
7	**Total**	**3 123 389**	**3 676 329**	**4.30%**	**10.70%**	**85.00%**

EU CR7

The table shows gross risk exposure amount and net risk exposure amount after taking into account the impact of netting agreements and collateral posting. Handelsbanken's risk exposure amount is not affected by credit derivatives.

IRB approach - Effect on the RWEAs of credit derivatives used as CRM techniques 2023 SEK m		Pre-credit derivatives risk weighted exposure amount	Actual risk weighted Exposure amount
1	**Exposures under F-IRB**		**42 189**
2	Central governments and central banks		9 196
3	Institutions		6 950
4	Corporates		26 042
4.1	*of which Corporates – SMEs*		2 510
4.2	*of which Corporates - Specialised lending*		
5	**Exposures under A-IRB**		**278 625**
6	Central governments and central banks		
7	Institutions		
8	Corporates		175 653
8.1	*of which Corporates – SMEs*		67 403
8.2	*of which Corporates - Specialised lending*		
9	Retail		102 972
9.1	*of which Retail – SMEs - Secured by immovable property collateral*		2 500
9.2	*of which Retail – non-SMEs - Secured by immovable property collateral*		92 602
9.3	*of which Retail – Qualifying revolving*		
9.4	*of which Retail – SMEs – Other*		2 453
9.5	*of which Retail – Non-SMEs- Other*		5 417
10	**TOTAL (including F-IRB exposures and A-IRB exposures)**		**320 814**

EU CR7-A

IRB approach - Disclosure of the extent of the use of CRM techniques 2023		**Credit risk Mitigation techniques**												**Credit risk Mitigation methods in the calculation of RWEAs**	
			Funded credit Protection (FCP)									**Unfunded credit Protection (UFCP)**			
A-IRB SEK m		**Total exposures**	**Part of exposures covered by Financial Collaterals (%)**	**Part of exposures covered by Other eligible collaterals (%)**	**Part of exposures covered by Immovable property Collaterals (%)**	**Part of exposures covered by Receivables (%)**	**Part of exposures covered by Other physical collateral (%)**	**Part of exposures covered by Other funded credit protection (%)**	**Part of exposures covered by Cash on deposit (%)**	**Part of exposures covered by Life insurance policies (%)**	**Part of exposures covered by Instruments held by a third party**	**Part of exposures covered by Guarantees (%)**	**Part of exposures covered by Credit Derivatives (%)**	**RWEA without substitution effects (reduction effects only)**	**RWEA with substitution effects (both reduction and substitution effects)**
1	Central governments and central banks														
2	Institutions														
3	Corporates	964 878		82.58%	81.62%		0.96%							213 359	175 653
3.1	*Of which Corporates - SMEs*	*627 533*		*97.53%*	*96.08%*		*1.45%*							*99 238*	*67 403*
3.2	*Of which Corporats Specialised lending*														
3.3	*Of which Corporats Other*	*337 345*		*54.77%*	*54.72%*		*0.05%*							*114 122*	*108 250*
4	Retail	1 111 842	0.18%	97.99%	97.55%		0.44%	0.05%	0.05%					276 025	102 972
4.1	*Of which Retail - Immovable property SMEs*	*7 841*	*0.01%*	*101.92%*	*100.00%*		*1.92%*	*0.00%*	*0.00%*					*2 210*	*2 500*
4.2	*Of which retail - Immovable property non-SMEs*	*1 076 774*	*0.01%*	*100.00%*	*100.00%*		*0.00%*	*0.00%*	*0.00%*					*265 945*	*92 602*
4.3	*Of which retail - Qualifying revolving*														
4.4	*Of which retail - Other SMEs*	*8 319*	*1.53%*	*43.01%*			*43.01%*	*0.40%*	*0.40%*					*2 453*	*2 453*
4.4	*Of which retail - Other non-SMEs*	*18 908*	*9.52%*	*6.18%*			*6.18%*	*1.12%*	*1.12%*					*5 417*	*5 417*
5	**Total**	**2 076 720**	**0.10%**	**90.83%**	**90.15%**		**0.68%**	**0.01%**	**0.01%**					**489 385**	**278 625**

IRB approach - Disclosure of the extent of the use of CRM techniques 2023		**Credit risk Mitigation techniques**												**Credit risk Mitigation methods in the calculation of RWEAs**	
			Funded credit Protection (FCP)									**Unfunded credit Protection (UFCP)**			
F-IRB SEK m		**Total exposures**	**Part of exposures covered by Financial Collaterals (%)**	**Part of exposures covered by Other eligible collaterals (%)**	**Part of exposures covered by Immovable property Collaterals (%)**	**Part of exposures covered by Receivables (%)**	**Part of exposures covered by Other physical collateral (%)**	**Part of exposures covered by Other funded credit protection (%)**	**Part of exposures covered by Cash on deposit (%)**	**Part of exposures covered by Life insurance policies (%)**	**Part of exposures covered by Instruments held by a third party**	**Part of exposures covered by Guarantees (%)**	**Part of exposures covered by Credit Derivatives (%)**	**RWEA without substitution effects (reduction effects only)**	**RWEA with substitution effects (both reduction and substitution effects)**
1	Central governments and central banks	653 953		1.39%	1.37%		0.02%					0.06%		7 003	9 196
2	Institutions	37 762						0.00%	0.00%			5.33%		7 047	6 950
3	Corporates	89 402	15.14%	2.95%	2.83%		0.12%	0.93%	0.93%			10.61%		25 359	26 042
3.1	*Of which Corporates - SMEs*	*10 193*	*39.11%*	*11.84%*	*11.84%*			*5.50%*	*5.50%*			*14.78%*		*2 438*	*2 510*
3.2	*Of which Corporats Specialised lending*														
3.3	*Of which Corporats Other*	*79 208*	*12.06%*	*1.81%*	*1.67%*		*0.13%*	*0.31%*	*0.31%*			*10.07%*		*22 921*	*23 532*
4	**Total**	**781 116**	**1.73%**	**1.50%**	**1.47%**		**0.03%**	**0.13%**	**0.13%**			**1.52%**		**39 408**	**42 189**

EU CR8

The following table shows the change for risk exposure amount for credit risk calculated by the IRB approach. It further specifies the capital requirement. The change of risk exposure amount is broken down by type of driver. The risk exposure amount has increased compared to the previous Period.

RWEA flow statements of credit risk exposures under the IRB approach 2023 SEK m		Risk weighted exposure amount
1	**RWAs as at the end of the previous reporting period**	**571 998**
2	Asset size	-7 078
3	Asset quality	3 063
4	Model updates	-5 250
5	Methodology and policy	
6	Acquisitions and disposals	
7	Foreign exchange movements	-5 750
8	Other	-5 183
9	**Risk weighted exposure amount as at the end of the reporting period**	**551 801**

EU CR9

IRB approach – Back-testing of PD per exposure class (fixed PD scale) A- IRB 2023 Exposure class	PD range	Number of obligors at the end of the previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
Corporate exposures: SMEs	0.00 to <0.15	23 750	6	0.03%	0.08%	0.08%	0.02%
Corporate exposures: SMEs	0.00 to <0.10	16 973	1	0.01%	0.06%	0.06%	0.00%
Corporate exposures: SMEs	0.10 to <0.15	6 777	5	0.07%	0.13%	0.14%	0.05%
Corporate exposures: SMEs	0.15 to <0.25	4 027			0.22%	0.21%	0.03%
Corporate exposures: SMEs	0.25 to <0.50	2 868	2	0.07%	0.46%	0.47%	0.03%
Corporate exposures: SMEs	0.50 to <0.75	3 046	4	0.13%	0.56%	0.55%	0.14%
Corporate exposures: SMEs	0.75 to <2.50	4 480	21	0.47%	1.70%	1.83%	0.46%
Corporate exposures: SMEs	0.75 to <1.75	2 544	8	0.31%	1.61%	1.63%	0.35%
Corporate exposures: SMEs	1.75 to <2.5	1 936	13	0.67%	2.11%	2.08%	0.60%
Corporate exposures: SMEs	2.50 to <10.00	468	14	2.99%	5.88%	7.13%	2.06%
Corporate exposures: SMEs	2.5 to <5	18	1	5.56%	3.87%	3.75%	2.78%
Corporate exposures: SMEs	5 to <10	450	13	2.89%	6.25%	7.27%	2.05%
Corporate exposures: SMEs	10.00 to <100.00	469	31	6.61%	35.30%	30.73%	6.63%
Corporate exposures: SMEs	10 to <20	228	8	3.51%		19.82%	3.40%
Corporate exposures: SMEs	20 to <30				20.03%		5.25%
Corporate exposures: SMEs	30.00 to <100.00	241	23	9.54%	42.14%	41.05%	9.60%
Corporate exposures: SMEs	100.00 (Default)	100	8	8.00%	100.00%	100.00%	7.80%
Corporates Other	0.00 to <0.15	1 757	3	0.17%	0.09%	0.09%	0.04%
Corporates Other	0.00 to <0.10	738			0.04%	0.04%	
Corporates Other	0.10 to <0.15	1 019	3	0.29%	0.12%	0.12%	0.08%
Corporates Other	0.15 to <0.25						
Corporates Other	0.25 to <0.50	599	1	0.17%	0.38%	0.35%	0.03%
Corporates Other	0.50 to <0.75						
Corporates Other	0.75 to <2.50	315			1.39%	1.23%	0.27%
Corporates Other	0.75 to <1.75	254			1.28%	1.00%	0.11%
Corporates Other	1.75 to <2.5	61			2.10%	2.18%	0.29%
Corporates Other	2.50 to <10.00	14			5.90%	5.99%	0.80%
Corporates Other	2.5 to <5						
Corporates Other	5 to <10	14			5.90%	5.99%	0.80%
Corporates Other	10.00 to <100.00	45			24.05%	23.54%	4.05%
Corporates Other	10 to <20	29			12.83%	14.63%	0.85%
Corporates Other	20 to <30						1.45%
Corporates Other	30.00 to <100.00	16			39.09%	39.69%	9.25%
Corporates Other	100.00 (Default)	10			100.00%	100.00%	7.64%
Retail Secured by real estate property: SME	0.00 to <0.15	900			0.08%	0.08%	0.06%
Retail Secured by real estate property: SME	0.00 to <0.10	719			0.07%	0.06%	0.05%
Retail Secured by real estate property: SME	0.10 to <0.15	181			0.14%	0.14%	0.09%
Retail Secured by real estate property: SME	0.15 to <0.25	1 380			0.24%	0.17%	0.03%
Retail Secured by real estate property: SME	0.25 to <0.50	2 047	7	0.34%	0.44%	0.43%	0.35%
Retail Secured by real estate property: SME	0.50 to <0.75	975	3	0.31%	0.70%	0.64%	0.20%
Retail Secured by real estate property: SME	0.75 to <2.50	1 660	12	0.72%	1.58%	1.68%	0.54%
Retail Secured by real estate property: SME	0.75 to <1.75	1 024	8	0.78%	0.91%	1.27%	0.34%
Retail Secured by real estate property: SME	1.75 to <2.5	636	4	0.63%	2.12%	2.35%	0.98%
Retail Secured by real estate property: SME	2.50 to <10.00	622	12	1.93%	4.11%	6.78%	3.14%
Retail Secured by real estate property: SME	2.5 to <5	257	1	0.39%	4.07%	3.51%	1.18%
Retail Secured by real estate property: SME	5 to <10	365	11	3.01%	7.62%	9.08%	3.65%
Retail Secured by real estate property: SME	10.00 to <100.00	47	2	4.26%	16.96%	17.14%	5.32%
Retail Secured by real estate property: SME	10 to <20	47	2	4.26%	16.93%	17.14%	5.26%
Retail Secured by real estate property: SME	20 to <30				22.21%		
Retail Secured by real estate property: SME	30.00 to <100.00				45.36%		4.98%
Retail Secured by real estate property: SME	100.00 (Default)	57	2	3.51%	100.00%	100.00%	15.89%
Retail Secured by real estate property: Other Non-SME	0.00 to <0.15	459 926	325	0.07%	0.08%	0.07%	0.07%

IRB approach – Back-testing of PD per exposure class (fixed PD scale) A- IRB 2023		Number of obligors at the end of the previous year					
Exposure class	PD range		Of which number of obligors which defaulted in the year	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
Retail Secured by real estate property: Other Non-SME	0.00 to <0.10	338 019	128	0.04%	0.05%	0.05%	0.04%
Retail Secured by real estate property: Other Non-SME	0.10 to <0.15	121 907	197	0.16%	0.13%	0.14%	0.14%
Retail Secured by real estate property: Other Non-SME	0.15 to <0.25	22 575	21	0.09%	0.19%	0.17%	0.07%
Retail Secured by real estate property: Other Non-SME	0.25 to <0.50	61 425	215	0.35%	0.30%	0.30%	0.31%
Retail Secured by real estate property: Other Non-SME	0.50 to <0.75	4 517	14	0.31%	0.65%	0.63%	0.29%
Retail Secured by real estate property: Other Non-SME	0.75 to <2.50	17 215	270	1.57%	1.29%	1.83%	1.31%
Retail Secured by real estate property: Other Non-SME	0.75 to <1.75	4 857	39	0.80%	1.29%	1.38%	0.75%
Retail Secured by real estate property: Other Non-SME	1.75 to <2.5	12 358	231	1.87%		2.01%	1.67%
Retail Secured by real estate property: Other Non-SME	2.50 to <10.00	184	7	3.80%	4.36%	3.08%	2.94%
Retail Secured by real estate property: Other Non-SME	2.5 to <5	184	7	3.80%	4.32%	3.08%	2.85%
Retail Secured by real estate property: Other Non-SME	5 to <10				7.75%		7.04%
Retail Secured by real estate property: Other Non-SME	10.00 to <100.00	4 348	429	9.87%	31.64%	11.69%	9.81%
Retail Secured by real estate property: Other Non-SME	10 to <20	4 348	429	9.87%	17.43%	11.69%	9.81%
Retail Secured by real estate property: Other Non-SME	20 to <30						
Retail Secured by real estate property: Other Non-SME	30.00 to <100.00				31.64%		14.29%
Retail Secured by real estate property: Other Non-SME	100.00 (Default)	1 087	57	5.24%	100.00%	100.00%	20.79%
Retail Other SME	0.00 to <0.15	191			0.07%	0.06%	
Retail Other SME	0.00 to <0.10	185			0.07%	0.06%	
Retail Other SME	0.10 to <0.15	6			0.14%	0.14%	
Retail Other SME	0.15 to <0.25	23 592	21	0.09%	0.24%	0.17%	0.08%
Retail Other SME	0.25 to <0.50	13 240	29	0.22%	0.45%	0.43%	0.19%
Retail Other SME	0.50 to <0.75	10 020	75	0.75%	0.67%	0.64%	0.62%
Retail Other SME	0.75 to <2.50	7 561	101	1.34%	1.48%	2.08%	1.18%
Retail Other SME	0.75 to <1.75	2 509	24	0.96%	0.92%	1.44%	0.75%
Retail Other SME	1.75 to <2.5	5 052	77	1.52%	2.17%	2.40%	1.42%
Retail Other SME	2.50 to <10.00	2 891	174	6.02%	4.51%	6.91%	4.58%
Retail Other SME	2.5 to <5	1 030	32	3.11%	4.23%	3.13%	2.75%
Retail Other SME	5 to <10	1 861	142	7.63%	8.04%	9.00%	5.49%
Retail Other SME	10.00 to <100.00	96	10	10.42%	17.18%	19.07%	11.03%
Retail Other SME	10 to <20	75	6	8.00%	16.81%	15.73%	8.81%
Retail Other SME	20 to <30				22.21%		
Retail Other SME	30.00 to <100.00	21	4	19.05%	45.36%	30.99%	15.59%
Retail Other SME	100.00 (Default)	320	13	4.06%	100.00%	100.00%	9.19%
Retail Other Non-SME	0.00 to <0.15	275 696	165	0.06%	0.12%	0.07%	0.06%
Retail Other Non-SME	0.00 to <0.10	266 534	149	0.06%	0.05%	0.07%	0.06%
Retail Other Non-SME	0.10 to <0.15	9 162	16	0.17%	0.13%	0.14%	0.15%
Retail Other Non-SME	0.15 to <0.25	238 778	619	0.26%		0.17%	0.18%
Retail Other Non-SME	0.25 to <0.50	129 019	392	0.30%	0.31%	0.37%	0.34%
Retail Other Non-SME	0.50 to <0.75	10 346	75	0.72%	0.65%	0.52%	0.67%
Retail Other Non-SME	0.75 to <2.50	93 938	1 265	1.35%	1.20%	1.39%	1.26%
Retail Other Non-SME	0.75 to <1.75	57 570	630	1.09%	1.20%	1.02%	1.06%
Retail Other Non-SME	1.75 to <2.5	36 368	635	1.75%		1.98%	1.95%
Retail Other Non-SME	2.50 to <10.00	37 511	1 453	3.87%	3.18%	5.61%	4.63%
Retail Other Non-SME	2.5 to <5	326	16	4.91%	2.82%	3.01%	5.57%
Retail Other Non-SME	5 to <10	37 185	1 437	3.86%	9.15%	5.63%	4.36%
Retail Other Non-SME	10.00 to <100.00	27 701	4 743	17.12%	31.98%	25.80%	15.74%
Retail Other Non-SME	10 to <20	16 304	1 392	8.54%	17.43%	14.28%	10.06%
Retail Other Non-SME	20 to <30						
Retail Other Non-SME	30.00 to <100.00	11 397	3 351	29.40%	32.18%	42.28%	30.55%
Retail Other Non-SME	100.00 (Default)	10 873	150	1.38%	100.00%	100.00%	8.11%
Total A-IRB	0.00 to <0.15	744 584	485	0.07%		0.07%	0.06%
Total A-IRB	0.00 to <0.10	606 162	267	0.04%		0.06%	0.05%
Total A-IRB	0.10 to <0.15	138 422	218	0.16%		0.14%	0.14%
Total A-IRB	0.15 to <0.25	287 783	654	0.23%		0.17%	0.15%
Total A-IRB	0.25 to <0.50	208 762	642	0.31%		0.35%	0.32%
Total A-IRB	0.50 to <0.75	28 835	171	0.59%		0.58%	0.52%
Total A-IRB	0.75 to <2.50	123 407	1 651	1.34%		1.52%	1.23%
Total A-IRB	0.75 to <1.75	67 093	694	1.03%		1.08%	0.98%
Total A-IRB	1.75 to <2.5	56 314	957	1.70%		2.03%	1.65%
Total A-IRB	2.50 to <10.00	41 644	1 658	3.98%		5.72%	4.35%
Total A-IRB	2.5 to <5	1 805	57	3.16%		3.16%	3.23%
Total A-IRB	5 to <10	39 839	1 601	4.02%		5.83%	4.50%
Total A-IRB	10.00 to <100.00	31 900	5 124	16.06%		24.25%	14.62%
Total A-IRB	10 to <20	20 225	1 746	8.63%		13.87%	9.79%
Total A-IRB	20 to <30						4.70%
Total A-IRB	30.00 to <100.00	11 675	3 378	28.93%		42.23%	25.76%
Total A-IRB	100.00 (Default)	12 252	220	1.80%		100.00%	9.03%

IRB approach – Back-testing of PD per exposure class (fixed PD scale)

F- IRB 2023

Exposure class	PD range	Number of obligors at the end of the previous year	Of which number of obligors which defaulted in the year	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
Central governments or central banks	0.00 to <0.15	308				0.01%	
Central governments or central banks	0.00 to <0.10	308				0.01%	
Central governments or central banks	0.10 to <0.15						
Central governments or central banks	0.15 to <0.25	13			0.20%	0.20%	
Central governments or central banks	0.25 to <0.50						
Central governments or central banks	0.50 to <0.75						
Central governments or central banks	0.75 to <2.50	2			1.00%	1.00%	
Central governments or central banks	0.75 to <1.75	2			1.00%	1.00%	
Central governments or central banks	1.75 to <2.5						
Central governments or central banks	2.50 to <10.00						
Central governments or central banks	2.5 to <5						
Central governments or central banks	5 to <10						
Central governments or central banks	10.00 to <100.00	1				20.00%	
Central governments or central banks	10 to <20						
Central governments or central banks	20 to <30	1				20.00%	
Central governments or central banks	30.00 to <100.00						
Central governments or central banks	100.00 (Default)						
Corporates SME	0.00 to <0.15	946	2	0.21%	0.09%	0.11%	0.06%
Corporates SME	0.00 to <0.10	270			0.04%	0.04%	
Corporates SME	0.10 to <0.15	676	2	0.30%	0.14%	0.14%	0.09%
Corporates SME	0.15 to <0.25	16			0.22%	0.21%	0.02%
Corporates SME	0.25 to <0.50	74			0.46%	0.47%	0.04%
Corporates SME	0.50 to <0.75	466			0.56%	0.55%	0.10%
Corporates SME	0.75 to <2.50	466	4	0.86%	1.89%	2.03%	0.65%
Corporates SME	0.75 to <1.75	49			1.62%	1.64%	0.44%
Corporates SME	1.75 to <2.5	417	4	0.96%	2.11%	2.08%	0.67%
Corporates SME	2.50 to <10.00	55	2	3.64%	6.24%	7.74%	2.43%
Corporates SME	2.5 to <5				3.87%		
Corporates SME	5 to <10	55	2	3.64%	7.78%	7.74%	2.43%
Corporates SME	10.00 to <100.00	60	3	5.00%	38.62%	26.55%	5.67%
Corporates SME	10 to <20	38	2	5.26%		19.82%	2.55%
Corporates SME	20 to <30				20.03%		5.72%
Corporates SME	30.00 to <100.00	22	1	4.55%	46.45%	38.17%	8.86%
Corporates SME	100.00 (Default)	11	4	36.36%	100.00%	100.00%	14.51%
Corporates Other	0.00 to <0.15	447	2	0.45%	0.07%	0.08%	0.11%
Corporates Other	0.00 to <0.10	203			0.04%	0.04%	
Corporates Other	0.10 to <0.15	244	2	0.82%	0.11%	0.12%	0.21%
Corporates Other	0.15 to <0.25	4			0.15%	0.21%	
Corporates Other	0.25 to <0.50	161	1	0.62%	0.31%	0.31%	0.32%
Corporates Other	0.50 to <0.75	2			0.72%	0.56%	
Corporates Other	0.75 to <2.50	114			1.21%	1.08%	0.10%
Corporates Other	0.75 to <1.75	93			0.98%	0.84%	0.14%
Corporates Other	1.75 to <2.5	21			2.10%	2.17%	
Corporates Other	2.50 to <10.00						
Corporates Other	2.5 to <5						
Corporates Other	5 to <10						
Corporates Other	10.00 to <100.00	20	2	10.00%	20.49%	24.55%	3.05%
Corporates Other	10 to <20	11	1	9.09%	12.83%	14.63%	5.93%
Corporates Other	20 to <30						
Corporates Other	30.00 to <100.00	9	1	11.11%	30.68%	36.67%	2.78%
Corporates Other	100.00 (Default)	3			100.00%	100.00%	11.67%
Special lending	0.00 to <0.15						
Special lending	0.00 to <0.10						
Special lending	0.10 to <0.15						
Special lending	0.15 to <0.25						
Special lending	0.25 to <0.50						
Special lending	0.50 to <0.75						
Special lending	0.75 to <2.50						
Special lending	0.75 to <1.75						
Special lending	1.75 to <2.5						
Special lending	2.50 to <10.00						
Special lending	2.5 to <5						
Special lending	5 to <10						
Special lending	10.00 to <100.00						
Special lending	10 to <20						
Special lending	20 to <30						
Special lending	30.00 to <100.00						
Special lending	100.00 (Default)						

IRB approach – Back-testing of PD per exposure class (fixed PD scale) F- IRB 2023		Number of obligors at the end of the previous year					
Exposure class	PD range		Of which number of obligors which defaulted in the year	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
Total F-IRB	0.00 to <0.15	1 701	4	0.24%		0.09%	0.07%
Total F-IRB	0.00 to <0.10	781				0.03%	
Total F-IRB	0.10 to <0.15	920	4	0.43%		0.14%	0.13%
Total F-IRB	0.15 to <0.25	33				0.21%	0.02%
Total F-IRB	0.25 to <0.50	235	1	0.43%		0.36%	0.18%
Total F-IRB	0.50 to <0.75	468				0.55%	0.09%
Total F-IRB	0.75 to <2.50	582	4	0.69%		1.84%	0.55%
Total F-IRB	0.75 to <1.75	144				1.11%	0.28%
Total F-IRB	1.75 to <2.5	438	4	0.91%		2.09%	0.64%
Total F-IRB	2.50 to <10.00	55	2	3.64%		7.74%	2.41%
Total F-IRB	2.5 to <5						
Total F-IRB	5 to <10	55	2	3.64%		7.74%	2.41%
Total F-IRB	10.00 to <100.00	81	5	6.17%		25.97%	5.49%
Total F-IRB	10 to <20	49	3	6.12%		18.65%	4.35%
Total F-IRB	20 to <30	1				20.00%	2.97%
Total F-IRB	30.00 to <100.00	31	2	6.45%		37.73%	8.44%
Total F-IRB	100.00 (Default)	14	4	28.57%		100.00%	14.25%

EU CR9.1

IRB approach – Back-testing of PD per exposure class (only for PD estimates according to point (f) of Article 180(1) CRR) F-IRB 2023			Number of obligors at the end of the previous year				
Exposure class	PD range	External rating equivalent		Of which number of obligors which defaulted in the year	Observed average default rate (%)	Average PD (%)	Average historical annual default rate (%)
Institutions	0,00% to < 0,10%	Aaa,Aa	18			0.06%	
Institutions	0,10% to < 0,20%	Aa,A	38			0.12%	
Institutions	0,20% to < 0,50%	A,Baa	20			0.21%	
Institutions	0,50% to < 1,00%	Baa	7			0.56%	
Institutions	1,00% to < 2,00%	Baa,Ba	10			1.04%	
Institutions	2,00% to < 5,00%	Ba	4			2.05%	
Institutions	5,00% to < 25,00%	B	1			10.00%	
Institutions	25,00% to < 35,00%	B,Caa	1			30.00%	
Institutions	35,00% to < 100,00%	Caa,C					

SPECIALISED LENDING

EU CR10

The following table shows carrying values, exposure amounts, risk-weighted assets and capital requirements for specialised lending and equity exposures. Risk-weighted assets are calculated using the simple risk-weighted approach. Risk-weighted assets are in line with last year

Equity exposures under the simple risk-weighted approach 2023 SEK m	On-balance-sheet exposure	Off-balance-sheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
Private equity exposures			190%			
Exchange-traded equity exposures			290%			
Other equity exposures	605		370%	605	2 240	15
Total	**605**			**605**	**2 240**	**15**

COUNTERPARTY CREDIT RISK

EU CCRA Qualitative disclosure related to CCR

Article 439 (a) CRR

Description of the methodology used to assign internal capital and credit limits for counterparty credit exposures, including the methods to assign those limits to exposures to central counterparties.

The value fluctuation risk for transactions longer than spot (foreign exchange risk, equity risk, commodity risk and interest rate risks) is included in the Bank's credit limit for the client. For limitation purposes, the exposure for counterparty credit risk is calculated as the current mark-to-market value (MTM) plus an Add-on to cover future changes in the MTM value.

The Bank assigns limits to central counterparties for value fluctuation risk in terms of the replacement cost should the central counterparty default, and for the risk of the central counterparty needing to utilise the Bank's funds to cover losses as a result of other members defaulting.

Article 439 (b) CRR

Description of policies related to guarantees and other credit risk mitigants, such as the policies for securing collateral and establishing credit reserves.

The counterparty credit risk in derivatives is reduced through close-out netting agreements, which involve offsetting positive values against negative values in all derivative transactions with the same counterparty. Netting agreements are supplemented with credit support annex (CSA) agreements, for issuing collateral for the net exposure, which further reduces the counterparty credit risk. The collateral for these transactions is mainly cash, but government instruments and covered bonds are also used. Due to the high proportion of cash, the concentration risks in the collateral are limited.

Article 439 (c) CRR

Description of policies with respect to Wrong-Way risk as defined in Article 291 of the CRR.

The Bank has very limited exposure to wrong-way risk, as derivative transactions are generally client driven with the purpose of hedging the clients' business from market risk exposures (i.e. the opposite of wrong-way risk). In order to formalise the evaluation of specific wrong-way risk to ensure no customer deviates from the general assessment of correlation, a formal evaluation will be integrated into the customer onboarding process.

Article 431 (3) and (4) CRR

Any other risk management objectives and relevant policies related to CCR.

The credit policy describes the Bank's risk tolerance for counterparty credit risk. The risk tolerance concerning counterparty credit risk is expressed in terms of a level derived from a forward-looking stress test for CVA. Limits based on the stress test result are monitored daily and distributed to the business unit responsible for managing the counterparty credit risk in the Bank.

Counterparty credit risk is reported to the Board periodically via the Group risk report. Counterparty credit risk is also reported through the Bank's risk committee. The risk tolerance is monitored and reported daily within the risk control function and the business unit responsible for managing the counterparty credit risk in the Bank.

Article 439 (d) CRR

The amount of collateral the institution would have to provide if its credit rating was downgraded.

A small number of the collateral agreements entered into by the Bank include terms and conditions concerning ratings-based threshold amounts for Handelsbanken. These conditions mean that the Bank must provide further collateral for the counterparty in question, in the event of external parties lowering the Bank's rating. At year-end, a downgrading from AA/Aa2 to AA-/Aa3 would have meant the Bank having to provide additional collateral of SEK 60m (0).

EU CCR1

The table shows the approach used to calculate credit counterparty risk (CCR) exposure and REA and the main parameters used within each approach.

Analysis of CCR exposure by approach 2023 SEK m		**Replacement cost (RC)**	**Potential future exposure (PFE)**	**EEPE**	**Alpha used for computing regulatory exposure value**	**Exposure value pre-CRM**	**Exposure value post-CRM**	**Exposure value**	**RWEA**
EU-1	EU - Original Exposure Method (for derivatives)				1.4				
EU-2	EU - Simplified SA-CCR (for derivatives)				1.4				
1	SA-CCR (for derivatives)	4 034	11 622		1.4	58 838	21 865	21 799	**8 507**
2	IMM (for derivatives and SFTs)								
2a	Of which securities financing transactions netting sets								
2b	Of which derivatives and long settlement transactions netting sets								
2c	Of which from contractual cross-product netting sets								
3	Financial collateral simple method (for SFTs)								
4	Financial collateral comprehensive method (for SFTs)					7 646		3 847	**531**
5	VaR for SFTs								
6	**Total**					**66 483**	**21 865**	**25 646**	**9 038**

EU CCR2

The table shows exposure value and risk-weighted assets for credit value adjustment (CVA) broken down by approach. Risk-weighted assets have decreased

Transactions subject to own funds requirements for CVA risk 2023 SEK m		**Exposure value**	**RWEA**
1	Total transactions subject to the Advanced method		
2	(i) VaR component (including the 3× multiplier)		
3	(ii) stressed VaR component (including the 3× multiplier)		
4	Transactions subject to the Standardised method	9 593	2 463
EU-4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)		
5	**Total transactions subject to own funds requirements for CVA risk**	**9 593**	**2 463**

EU CCR3

The table shows EAD for credit counterparty risk (CCR) according to the standardised approach. Amounts are broken down by exposure class and risk weight. The regulatory capital requirement has increased compared to the previous year.

Standardised approach – CCR exposures by regulatory portfolio and risk 2023		**Risk weight**											
SEK m		**0%**	**2%**	**4%**	**10%**	**20%**	**50%**	**70%**	**75%**	**100%**	**150%**	**Others**	**Total exposure value**
1	Central governments or central banks												
2	Regional governments or local authorities												
3	Public sector entities												
4	Multilateral development banks	22											22
5	International organisations												
6	Institutions		3 001			34							3 035
7	Corporates									5			5
8	Retail								16				16
9	Institutions and corporates with a short-term credit assessment												
10	Other items									0		0	1
11	**Total exposure value**	**22**	**3 001**			**34**			**16**	**6**		**0**	**3 078**

EU CCR4

The table shows credit counterparty risk (CCR) exposures and risk-weighted assets subject to the IRB approach. Amounts are broken down by exposure class and obligor grade. The table further specifies average PD, average LGD and resulting risk weights. The total exposure has decreased compared to the previous period.

IRB approach – CCR exposures by exposure class and PD scale 2023 SEK m		PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amounts
1	Central Governments and Central Banks	0.00 to < 0.15	5 117		40	45.00%	2.00	137	2.67%
2	Central Governments and Central Banks	0.15 to < 0.25							
3	Central Governments and Central Banks	0.25 to < 0.50							
4	Central Governments and Central Banks	0.50 to < 0.75							
5	Central Governments and Central Banks	0.75 to < 2.50							
6	Central Governments and Central Banks	2.50 to < 10.00							
7	Central Governments and Central Banks	10.00 to < 100.00							
8	Central Governments and Central Banks	100.00 (Default)							
9	**Central Governments and Central Banks**	**Subtotal (exposure class)**	**5 117**		**40**	**45.00%**	**2.00**	**137**	**2.67%**
10	Institutions	0.00 to < 0.15	1 034	0.07%	12	45.00%	2.00	314	30.36%
11	Institutions	0.15 to < 0.25	7 644	0.15%	29	44.74%	2.00	3 844	50.29%
12	Institutions	0.25 to < 0.50	1 056	0.33%	8	45.00%	2.00	795	75.31%
13	Institutions	0.50 to < 0.75	109	0.72%	5	45.00%	2.00	118	108.45%
14	Institutions	0.75 to < 2.50							
15	Institutions	2.50 to < 10.00							
16	Institutions	10.00 to < 100.00							
17	Institutions	100.00 (Default)							
18	**Institutions**	**Subtotal (exposure class)**	**9 842**	**0.17%**	**54**	**44.80%**	**2.00**	**5 071**	**51.52%**
37	Corporates other	0.00 to < 0.15	7 805	0.07%	698	46.50%	2.00	1 955	25.05%
38	Corporates other	0.15 to < 0.25	839	0.15%	38	44.27%	2.00	420	50.12%
39	Corporates other	0.25 to < 0.50	1 555	0.39%	195	42.09%	3.00	827	53.21%
40	Corporates other	0.50 to < 0.75	146	0.63%	70	44.49%	3.00	113	77.19%
41	Corporates other	0.75 to < 2.50	280	1.52%	104	41.93%	2.00	266	94.81%
42	Corporates other	2.50 to < 10.00	27	6.74%	18	44.89%	3.00	38	140.17%
43	Corporates other	10.00 to < 100.00	120	18.85%	15	40.49%	3.00	246	205.07%
44	Corporates other	100.00 (Default)							
45	**Corporates other**	**Subtotal (exposure class)**	**10 773**	**0.39%**	**1 138**	**45.48%**	**2.00**	**3 866**	**35.88%**
54	**Total**	**Total (all exposures classes)**	**25 732**	**0.23%**	**1 232**	**45.12%**	**2.00**	**9 073**	**35.26%**

EU CCR5

The table shows collateral posted or received to support or reduce counterparty credit risk (CCR) exposures related to derivative transactions and securities finance transactions, including transactions cleared through a CCP.

	Composition of collateral for CCR exposures 2023	**Collateral used in derivative transactions**				**Collateral used in SFTs**			
		Fair value of collateral received		**Fair value of posted collateral**		**Fair value of collateral received**		**Fair value of posted collateral**	
	SEK m	**Segregated**	**Unsegregated**	**Segregated**	**Unsegregated**	**Segregated**	**Unsegregated**	**Segregated**	**Unsegregated**
1	Cash – domestic currency		6 730		1 681		4 885		8 824
2	Cash – other currencies		26 009		21 081		743		22 955
3	Domestic sovereign debt				3 056		8 619		4 738
4	Other sovereign debt						22 429		
5	Government agency debt								
6	Corporate bonds		0	9 312	328	152		3	207
7	Equity securities					676	7 533	11	12 214
8	Other collateral	1 185		1 431					
9	**Total**	**1 185**	**32 739**	**10 743**	**26 145**	**827**	**44 208**	**14**	**48 938**

EU CCR6

The table shows exposures to credit derivative transactions broken down to derivatives bought or sold as well as notional amounts and fair value. Total fair value have increased compared to the previous year.

	Credit derivative exposures 2023 SEK m	**Protection bought**	**Protection sold**
	Notionals		
1	Single-name credit default swaps	673	1 618
2	Index credit default swaps		72
3	Total return swaps		
4	Credit options		
5	Other credit derivatives		
6	**Total notionals**	**673**	**1 689**
	Fair values		
7	Positive fair value (asset)	**34**	**159**
8	Negative fair value (liability)	**-2**	**-80**

EU CCR8

The table shows exposures to QCCPs. The total exposure has increased compared to the previous year.

	Exposures to CCPs 2023 SEK m	**Exposure value**	**RWEA**
1	**Exposures to QCCPs (total)**		**268**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	3 001	60
3	(i) OTC derivatives	2 673	53
4	(ii) Exchange-traded derivatives	258	5
5	(iii) SFTs	70	1
6	(iv) Netting sets where cross-product netting has been approved		
7	Segregated initial margin	9 312	
8	Non-segregated initial margin	322	
9	Prefunded default fund contributions	527	208
10	Unfunded default fund contributions	946	
11	**Exposures to non-QCCPs (total)**		
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which		
13	(i) OTC derivatives		
14	(ii) Exchange-traded derivatives		
15	(iii) SFTs		
16	(iv) Netting sets where cross-product netting has been approved		
17	Segregated initial margin		
18	Non-segregated initial margin		
19	Prefunded default fund contributions		
20	Unfunded default fund contributions		

Operational risk

EU ORA Qualitative information on operational risk

Points (a), (b), (c) and (d) Article 435(1) CRR
Disclosure of the risk management objectives and policies.

Operational risk refers to the risk of loss due to inadequate or failed internal processes, human error, erroneous systems or external events. The definition includes legal risk as well as IT risks and information security risks (ICT risks).

The Board establishes the Handelsbanken Group's tolerance for operational risk. Handelsbanken has a low tolerance for operational risk, although this risk is an inevitable component in all operations. As far as possible, Handelsbanken must endeavour to prevent this risks. Operational losses must be low. An operational risk which could have serious adverse consequences for the Bank, the Bank´s customers, or the financial system in the event of an incident must be reduced to a lower risk level. Risk mitigation measures must be taken so that the risk is made acceptable. Losses resulting from an operational risk event can be covered by insurance or other solutions. Risk assessments are conducted by assessing the impact and probability of events occurring, based on a scale from 1 to 5. The assessed impact, coupled with the assessed probability of the event, will determine the scope of the risk limitation measures required. If an action plan is missing or if Risk Control considers that the work is taking too long or not progressing according to plan, the risk is outside of the Bank's risk tolerance. Handelsbanken's operational losses during 2023, which comprise expected and recognised operational losses above SEK 25 000 and any recoveries, totalled SEK 115m (58). It is not unusual that the amount referring to operational losses is adjusted over time due to recoveries, or that additional losses are added which are related to a previously reported incident. This may affect the comparative figures for previously reported losses. Operational risks and incidents which have occurred are reported continuously by branches and units throughout the Handelsbanken Group to Group Risk Control, where they are subsequently monitored. In turn, Group Risk Control reports operational risks and incidents which have occurred to the CEO, the risk committee and the Central Board.

Organisational Structure
The responsibility for identifying, assessing and managing operational risk is an integral part of managerial responsibility at all levels in the Handelsbanken Group. The Bank's decentralised way of working and cost-consciousness promote good management of operational risk, which leads to vigilance against potential loss risks in daily procedures and events.

Methods For Identifying, Assessing And Managing Operational Risk
The business operations are responsible for owning and managing risks associated with day-to-day operational activities by gathering relevant risk facts within their units. The Bank monitors the development of operational risk according to the following categories:

- execution, delivery and process management
- business disruptions and system failures
- clients, products and business practices
- external crime
- damage to physical assets
- employment practices and workplace safety
- internal fraud

The Group-wide methods for identifying, assessing and managing operational risk are incident reporting, risk indicators and operational risk self-assessments.

Incident reporting: Reporting of operational risk incidents which have resulted in direct financial losses in excess of SEK 25 000 is mandatory. Other incidents illustrating operational risk must also be reported, and risk facts must be collected.

Risk indicators: Risk indicators are monitored in order to warn of heightened operational risk. If a threshold for a risk indicator is exceeded, a risk assessment must be carried out to serve as a basis for assessing any risk management measures to be taken. For some risk indicators, thresholds are set by the CEO.

Self-assessment OPRA Risk Analysis: OPRA Risk Analysis is a method and self-assessment procedure to assess, document and report operational risks, and it is carried out regularly by all units. OPRA Risk Analysis can also be event driven and shall be performed in case of serious incident, threshold breaches or serious external events.

Change Management
The change management area covers new or materially changed products, services, markets, processes and IT systems, or when there are material changes in the Group's operations or organisational structure. The activities and actors involved in the process are described in the Bank's instructions and approval process for change management, which also describe how and when to involve the control functions. The process also includes requirements that risk analyses are carried out and that these consider, for example, areas such as financial crime, sustainability, information security and data quality. Decisions related to changes must also be documented.

Continuity Planning And Crisis Management
The CEO's guidelines for continuity planning and crisis management as well as supplementary instructions state that consequence analyses are to be performed each year, in order to ascertain which operations and IT systems are of such critical importance that they require continuity plans. The continuity plans include planning the maintenance of operations during the disruption and recovery to normal operations. For essential processes, the plans must include the longest permitted duration of a stoppage. There is a Central Crisis Team for the entire Group. In addition, the CEO has specified that certain units require a designated crisis function. Work in the crisis functions is to be undertaken according to special crisis manuals. Continuity plans and crisis manuals must be revised on an annual basis at a minimum. The plans must be tested each year, at the least, and crisis drills are carried out by the units required to have crisis functions. The work is evaluated annually and reported to the Board, which is also informed of the Bank's strategy for continuity management.

Article 446 CRR
Disclosure of the approaches for the assessment of minimum own funds requirements.

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.
At the end of 2023, the total capital requirement for operational risk for the consolidated situation was SEK 6,017m (5,732).

Article 446 CRR
Description of the AMA methodology approach used (if applicable)
Not applicable.

Article 454 CRR
Disclose the use of insurance for risk mitigation in the Advanced Measurement Approach (if applicable).
Not applicable.

EU OR1

Operational risk own funds requirements and risk-weighted exposure amounts 2023		Relevant indicator				
SEK m		Year-3	Year-2	Last year	Own funds requirements	Risk weighted exposure amount
1	Banking activities subject to basic indicator approach (BIA)					
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	42 594	45 393	49 725	6 017	75 216
3	*Subject to TSA:*	42 594	45 393	49 725		
4	*Subject to ASA:*					
5	Banking activities subject to advanced measurement approaches AMA					

Remuneration policy

The Bank's principles for remuneration to employees are long established. In general, Handelsbanken has low tolerance of risk and holds the opinion that fixed remuneration contributes to healthy and sustainable operations. Performance-based variable remuneration is applied with great caution and to a very limited extent. Performance-based variable remuneration is not given to qualitative risktakers.

EU REMA Remuneration policy
Institutions shall describe the main elements of their remuneration policies and how they implement these policies. In particular, the following elements, where relevant, shall be described:

Information relating to the bodies that oversee remuneration
Name, composition and mandate of the main body (management body or remuneration committee where established) overseeing the remuneration policy and the number of meetings held by that main body during the financial year.

Management body; CEO and the Central Board ("the Board").
Remuneration Committee; Chairman of the Board and two Board members.
Mandate; The Board's remuneration committee evaluates the employment conditions for the Bank's executive officers in the light of prevailing market terms. The committee's tasks include preparing the Board's proposals to the AGM concerning guidelines for remuneration to executive officers, monitoring and evaluating the application of these guidelines, and preparing the Board's decisions on remuneration and other terms of employment for executive officers, as well as for the Chief Audit Executive. The committee also makes an assessment of Handelsbanken's remuneration policy and remuneration system.
Number of meetings: 11

External consultants whose advice has been sought, the body by which they were commissioned, and in which areas of the remuneration framework.

No advice has been sought.

A description of the scope of the institution's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to subsidiaries and branches located in third countries.

The remuneration policy applies throughout the Handelsbanken Group. The Group policy is implemented within our subsidiaries and branches. If there are obstacles to this policy being applied, due to binding regulations in a country where Handelsbanken pursues its operations, or due to regulations that are binding upon subsidiaries, adapted rules are to be formulated for these operations.

A description of the staff or categories of staff whose professional activities have a material impact on institutions' risk profile).

The following categories have been identified as risk-takers at Handelsbanken:

a) Members of the Board of the parent company and the Boards of material subsidiaries
b) Heads of units or staff functions at Central Head Office
c) Heads of business areas
d) Chief executive officers of material subsidiaries
e) Country General Managers for Sweden, Finland, Norway and the UK, as well as the Head of Business Support who reports to the Chief Executive Officer
f) County Managers and District Heads
g) The Heads of Group Compliance, Group Risk Control and Group Audit
h) Managers who report to the heads specified in points b-g above
i) The Country General Manager of the Bank's operations in a country of operations not specified in e) above
j) The Head of Central Treasury and managers who report to the Head of Central Treasury
k) Members of the risk committee and the capital committee
l) Persons taking decisions on new products
m) Any person with total earned remuneration equal to or exceeding the average remuneration paid to members of the parent company's Board, as well as employees who are part of executive management and have total earned remuneration equal to or exceeding EUR 500,000 and work in an essential business unit, where their position has a significant impact on the risk profile of the unit concerned.
n) Any person who is among the 0.3% of employees at Handelsbanken with the highest remuneration, or who has a total earned remuneration equal to or exceeding EUR 750,000
o) Any person who is not covered by points a-n above, but who is considered to have a material impact on the Bank's risk profile.

Information relating to the design and structure of the remuneration system for identified staff
An overview of the key features and objectives of remuneration policy, and information about the decision-making process used for determining the remuneration policy and the role of the relevant stakeholders.

The Bank's principles for remuneration to employees are long established. In general, Handelsbanken has a low tolerance of risk and holds the opinion that fixed remuneration contributes to healthy and sustainable operations. This is, therefore, the main principle. Performance-based variable remuneration is applied with great caution and to a very limited extent. It is only offered to employees in the Capital Markets business area and in mutual fund and asset management operations. The profit-sharing system covers all employees in the Handelsbanken Group. The provision is classified as variable remuneration and is based on profitability metrics linked to Handelsbanken's corporate goals being met, in combination with the Board's overall assessment regarding the Bank's performance.

At Handelsbanken, the Board decides on the remuneration policy. The AGM decides on guidelines for remuneration to executive officers.

Information on the criteria used for performance measurement and ex ante and ex post risk adjustment.

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

Performance-based variable remuneration is based on Handelsbanken's factors for setting salaries and it must be designed so that it does not encourage unhealthy risk-taking. The financial results of business areas with performance-based variable remuneration are adjusted for risk and charged with the actual cost of the capital and liquidity required by the operations.

Whether the management body or the remuneration committee, where established, reviewed the institution's remuneration policy during the past year, and if so, an overview of any changes that were made, the reasons for those changes and their impact on remuneration.

The remuneration policy was reviewed by the remuneration committee during the past year. Only editorial changes were made, and the policy was adapted to changes in the organisational structure.

Information of how the institution ensures that staff in internal control functions are remunerated independently of the businesses they oversee.

No performance-related variable remuneration is provided at internal control functions. Internal control functions only participate in the profit-sharing scheme. For employees within the Bank's control functions, the contribution is based on criteria adapted to the control function's assignment, independent of profitability. Fixed remuneration is determined independently of the business areas the control functions are assigned to control.

Policies and criteria applied for the award of guaranteed variable remuneration and severance payments.

Guaranteed variable remuneration is not permitted according to the remuneration policy.
Termination benefits can only be paid when an employment contract is terminated by means of mutual agreement on the remuneration, taking into account laws, collective bargaining agreements and the prevailing practices in the labour market; they must not encourage failure or negligence.

Description of the ways in which current and future risks are taken into account in the remuneration processes.
Disclosures shall include an overview of the key risks, their measurement and how these measures affect remuneration.

The Bank's principles for remuneration to employees are long established. In general, Handelsbanken has a low tolerance of risk and holds the opinion that fixed remuneration contributes to healthy operations. This is, therefore, the main principle.

Performance-based variable remuneration:
An assessment of performance, which forms the basis for the allocation and transfer of performance-based variable remuneration, must be primarily based on risk-adjusted profit metrics. Both current and future risks are to be taken into consideration. The performance assessment must be based on a perspective of several years, to take into account the underlying business cycle and any business risks, and on long-term sustainable profits. The assessment must also take into account the operations' cost of capital and liquidity. In the assessment, it must be possible to take into account the employee and the unit's contribution to Handelsbanken's total business operations, even if these cannot be quantified. Proposals for the allocation and transfer of performance-based variable remuneration must include thorough documentation of performance and risks.

In addition to the stipulations above regarding performance assessments, the results that form the basis for performance-based variable remuneration must be based on results achieved without incurring credit, market, or liquidity risk for Handelsbanken. The assessment must also include how well the unit has been able to attract, recruit, retain and develop competent employees, thus being able to maintain high quality in its operations, in order to contribute to the achievement of Handelsbanken's corporate goal in the long term. The individual performance-based variable remuneration must also reflect a sustainable, risk-adjusted performance, with the Bank's salary-setting factors being taken into account.

Profit-sharing scheme:
Assessments that form the basis for the allocation to the profit-sharing scheme are to be based on Handelsbanken's corporate goals, calculated as return on equity (ROE) compared with peer competitors in the home markets, and on the Board's overall assessment of the Bank's performance.

The performance assessment must be risk adjusted, and based on a perspective over several years, to take into account the underlying business cycle and any business risks, and on long-term sustainable profits. The assessment must also take into account the Bank's cost of capital and liquidity.

The ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) CRD.
No employee may receive performance-based variable remuneration equivalent to more than 100% of their fixed remuneration. According to the rules of the profit-sharing scheme, the amount per employee is limited to maximum of SEK 100,000 per year. The total amount allocated for performance-based variable remuneration for one year for Handelsbanken employees must not exceed 0.4% of the Bank's common equity tier 1 capital.

For 2023, the allocation for performance-based variable remuneration corresponds to approximately 0.5% of total salaries and approximately 0.03% of the Bank's common equity tier 1 capital.

Description of the ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration.
An overview of main performance criteria and metrics for institution, business lines and individuals.

Fixed remuneration:
The level of fixed remuneration is based on salary factors known in advance: the nature and level of difficulty of the work, competency and skills, work performance and results achieved, leadership, and being a cultural ambassador for the Bank.

Profit-sharing scheme:
Assessment that forms the basis for allocation to the profit-sharing scheme shall be based on Handelsbanken's corporate objectives, measured as return on equity (ROE) compared with peer competitors in the home markets, and the Board's overall assessment of the Bank's performance. The performance assessment must be risk-adjusted and made with a multi-year perspective to take into account the underlying business cycle and any business risks and on long-term sustainable results. The assessment must also take into account the Bank's costs for capital and liquidity.

In order to receive an allocation from the profit-sharing scheme, it is required that the employee does not act in violation of Handelsbanken's internal policies and guidelines. This is followed up based on issued written warnings or local equivalent.

The quantitative criterion is based on the employee's contribution to the Group's financial performance. For employees within those of the Bank's control functions which are covered by the scheme, the allocation is instead based on criteria adapted to the control function's assignment, independent of profitability considerations. This is followed up within the annual review process.

Performance-based variable remuneration:
The performance assessment must be based on a perspective over several years, to take into account the underlying business cycle and any business risks, and on long-term sustainable profits. The assessment must also take into account the operations' cost of capital and liquidity. In the assessment, it must be possible to take into account the employee's and the unit's contributions to Handelsbanken's total business operations. In addition, the results that form the basis for performance-based variable remuneration must be based on results achieved without incurring credit, market, or liquidity risk for Handelsbanken. The assessment must also include how well the unit has been able to attract, recruit, retain and develop competent employees, thus being able to maintain high quality in its operations, in order to contribute to the achievement of Handelsbanken's corporate goal in the long term.

Evaluation takes place in an evaluation tool, which is based on the Bank's salary-based factors: The nature and degree of difficulty of the work, Performance ability and achieved work results, Competence, Leadership, Culture bearer including Compliance & Risk and the Market. Through the evaluation, the Bank considers that excessive risk-taking on the part of the employee is counteracted.

The manager evaluates employees where specific issues under each salary-based factor have been formulated by business unit managers for their respective operations. There are different sets of questions based on whether the employee is a manager or employee. In units where there are several different roles, questions have been adapted based on the role of the employee. The individual evaluations per salary-based factor are documented in a separate system support and form the basis for the award of performance-based variable remuneration.

An overview of how amounts of individual variable remuneration are linked to institution-wide and individual performance.

Profit-sharing scheme
The assessment that forms the basis for allocation to the profit-sharing scheme shall be based on Handelsbanken's corporate goals, measured as return on equity (ROE) compared with peer banks in the Bank's home markets and the Board's overall assessment of the Bank's development. The assessment must also take into account the Bank's costs for capital and liquidity.

The allocated amount is based on working hours and the fulfilment of individual qualitative and quantitative criteria.

Performance-based variable remuneration
The performance assessment must be based on a perspective over several years, to take into account the underlying business cycle and any business risks, and on long-term sustainable profits. The assessment must also take into account the operations' cost of capital and liquidity. In the assessment, it must be possible to take into account the employee's and the unit's contributions to Handelsbanken's total business operations. In addition, the results that form the basis for performance-based variable remuneration must be based on results achieved without incurring credit, market, or liquidity risk for Handelsbanken. The assessment must also include how well the unit has been able to attract, recruit, retain and develop competent employees, thus being able to maintain high quality in its operations, in order to contribute to the achievement of Handelsbanken's corporate goal in the long term.

The individual allocation is based on the Bank's salary base factors.

Information on the criteria used to determine the balance between different types of instruments awarded including shares, equivalent ownership interest, options and other instruments.

Only mutual funds are used as instruments as regards performance-based variable remuneration within subsidiaries where required.

Information of the measures the institution will implement to adjust variable remuneration in the event that performance metrics are weak, including the institution's criteria for determining "weak" performance metrics.

Profit-sharing scheme
The allocation to the profit-sharing scheme is adjusted based on an evaluation of Handelsbanken's corporate goals, calculated as return on equity (ROE) compared with peer competitors in the home markets, and on the Board's overall assessment of the Bank's performance, as well as evaluation of the individual criteria.

Performance-based variable remuneration
The allocation is adjusted based on the unit's contribution to Handelsbanken's total business operations.

The following criteria are considered:

a) whether Handelsbanken's financial position or ability to fund its operations is materially weakened, or whether the Bank is subject to specific regulations under the legislation on state support to credit institutions or similar, in order to continue pursuing its operations
b) whether unknown risks or losses materialise in the remuneration-setting profit figures/data at the unit or individual level
c) whether there has been exposure to long-term illiquid assets, whose value has declined materially since the decision on allocation of variable remuneration and has thus incurred significant losses for Handelsbanken
d) whether there has been exposure to assets which, following the decision on allocation of performance-based variable remuneration, have declined in value without the employee taking appropriate precautionary measures to minimise the risk of loss
e) whether the allocation of performance-based variable remuneration was based on clearly erroneous grounds, of which the employee was aware, and
f) the employee's compliance with internal and external regulations and instructions.

Description of the ways in which the institution seeks to adjust remuneration to take account of long-term performance.
An overview of the institution's policy on deferral, pay out in instrument, retention periods and vesting of variable remuneration including where it is different among staff or categories of staff.

The main rule for performance-based variable remuneration is that at least 40% is to be deferred for at least four years. For particularly large amounts of performance-based variable remuneration, 60% is deferred. Payment and the right of ownership to the variable remuneration do not accrue to the person with the entitlement until the expiry of the deferment period. Deferred variable remuneration can be removed or reduced if losses, increased risks, or increased expenses arise during the deferment period, or if payment is deemed to be unjustifiable in view of the Bank's financial situation. No employee may receive performance-based variable remuneration equivalent to more than 100% of their fixed remuneration.

Variable remuneration may consist solely of cash remuneration, or partly of cash remuneration and partly of financial instruments including mutual fund units, or solely of mutual fund units if the prevailing rules or the subsidiary's remuneration rules so specify.

Performance-based variable remuneration is applied with great caution and to a very limited extent. It is only offered to employees in the Capital Markets business area and in mutual fund and asset management operations. In these operations, performance-based variable remuneration may only be paid to employees at units whose profits derive from commissions or intermediary transactions that take place without the Bank being subject to credit risk, market risk or liquidity risk. Approximately 1% of the Group's employees are eligible to receive performance-based variable remuneration.

Information of the institution' criteria for ex post adjustments (malus during deferral and clawback after vesting, if permitted by national law).

The following criteria are considered:

a) whether Handelsbanken's financial position or ability to fund its operations is materially weakened, or whether the Bank is subject to specific regulations under the legislation on state support to credit institutions or similar, in order to continue pursuing its operations
b) whether unknown risks or losses materialise in the remuneration-setting profit figures/data at the unit or individual level
c) whether there has been exposure to long-term illiquid assets, whose value has declined materially since the decision on allocation of variable remuneration and has thus incurred significant losses for Handelsbanken
d) whether there has been exposure to assets which, following the decision on allocation of performance-based variable remuneration, have declined in value without the employee taking appropriate precautionary measures to minimise the risk of loss
e) whether the allocation of performance-based variable remuneration was based on clearly erroneous grounds, of which the employee was aware, and
f) the employee's compliance with internal and external regulations and instructions.

Where applicable, shareholding requirements that may be imposed on identified staff.
Not applicable.

The description of the main parameters and rationale for any variable components scheme and any other non-cash benefit in accordance with point (f) of Article 450(1) CRR.
Information on the specific performance indicators used to determine the variable components of remuneration and the criteria used to determine the balance between different types of instruments awarded, including shares, equivalent ownership interests, share-linked instruments, equivalent non cash-instruments, options and other instruments.

Allocations under the profit-sharing scheme are distributed in cash, and performance-based variable remuneration is distributed in cash to employees that are not identified as risk-takers, and in mutual funds to risk-takers, where required.

Upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management.
Not applicable.

Information on whether the institution benefits from a derogation laid down in Article 94(3) CRD in accordance with point (k) of Article 450(1) CRR.
For the purposes of this point, institutions that benefit from such a derogation shall indicate whether this is on the basis of point (a) and/or point (b) of Article 94(3) CRD. They shall also indicate which of the remuneration principles they apply the derogation(s), the number of staff members that benefit from the derogation(s) and their total remuneration, split into fixed and variable remuneration.

Employees whose professional activities have a material impact on the Bank's risk profile are not eligible for performance-based variable remuneration.

The profit-sharing scheme covers all employees in the Handelsbanken Group. The amount per employee is limited according to the rules of the profit-sharing scheme (maximum SEK 100,000 per year), and article 94(3) b) CRD has been applied.

Large institutions shall disclose the quantitative information on the remuneration of their collective management body, differentiating between executive and non-executive members in accordance with Article 450(2) CRR.
The total remuneration to the executive member of the management body amounts to SEK 20.2m and the total remuneration to the non-executive members of the management body amounts to SEK 19.5m.

EU REM1

Remuneration awarded for the financial year 2023			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	9	1	30	729
2		Total fixed remuneration	20	20	138	1 342
3		Of which: cash-based	20	20	138	1 342
EU-4a		Of which: shares or equivalent ownership interests				
5		Of which: share-linked instruments or equivalent non-cash instruments				
EU-5x		Of which: other instruments				
7		Of which: other forms				
9	Variable remuneration	Number of identified staff		1	22	722
10		Total variable remuneration		0	1	25
11		Of which: cash-based		0	1	24
12		Of which: deferred				
EU-13a		Of which: shares or equivalent ownership interests				
EU-14a		Of which: deferred				
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments				
EU-14b		Of which: deferred				
EU-14x		Of which: other instruments				1
EU-14y		Of which: deferred				1
15		Of which: other forms				
16		Of which: deferred				
17	**Total remuneration (2 + 10)**		**20**	**20**	**139**	**1 367**

EU REM2

	Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff) 2023 SEK m	**MB Supervisory function**	**MB Management function**	**Other senior management**	**Other identified staff**
	Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards - Number of identified staff				
2	Guaranteed variable remuneration awards -Total amount				
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap				
	Severance payments awarded in previous periods, that have been paid out during the financial year				
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff				3
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount				9
	Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year - Number of identified staff				4
7	Severance payments awarded during the financial year - Total amount				4
8	Of which paid during the financial year				2
9	Of which deferred				
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap				
11	Of which highest payment that has been awarded to a single person				1

EU REM3

	Deferred and retained remuneration 2023 SEK m	**Total amount of deferred remuneration awarded for previous performance periods**	**Of which due to vest in the financial year**	**Of which vesting in subsequent financial years**	**Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year**	**Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years**	**Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e.changes of value of deferred remuneration due to the changes of prices of instruments)**	**Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year**	**Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods**
1	MB Supervisory function								
2	Cash-based								
3	Shares or equivalent ownership interests								
4	Share-linked instruments or equivalent non-cash instruments								
5	Other instruments								
6	Other forms								
7	MB Management function								
8	Cash-based								
9	Shares or equivalent ownership interests								
10	Share-linked instruments or equivalent non-cash instruments								
11	Other instruments								
12	Other forms								
13	Other senior management								
14	Cash-based								
15	Shares or equivalent ownership interests								
16	Share-linked instruments or equivalent non-cash instruments								
17	Other instruments								
18	Other forms								
19	Other identified staff	1		1					
20	Cash-based								
21	Shares or equivalent ownership interests								
22	Share-linked instruments or equivalent non-cash instruments								
23	Other instruments	1		1					
24	Other forms								
25	Total amount	1		1					

EU REM4

	Remuneration of 1 million EUR or more per year 2023 EUR	Identified staff that are high earners as set out in Article 450(i) CRR
1	1 000 000 to below 1 500 000	1
2	1 500 000 to below 2 000 000	1
3	2 000 000 to below 2 500 000	
4	2 500 000 to below 3 000 000	
5	3 000 000 to below 3 500 000	
6	3 500 000 to below 4 000 000	
7	4 000 000 to below 4 500 000	
8	4 500 000 to below 5 000 000	
9	5 000 000 to below 6 000 000	
10	6 000 000 to below 7 000 000	
11	7 000 000 to below 8 000 000	

EU REM5

Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff) 2023	Management body remuneration			Business areas						
	MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
Total number of identified staff										769
Of which: members of the MB	9	1	10							
Of which: other senior management				2	7	4	16	1		
Of which: other identified staff				22	591	6	79	31		
Total remuneration of identified staff	20	20	40	105	1 008	40	282	71		
Of which: variable remuneration		0	0	1	19	1	2	3		
Of which: fixed remuneration	20	20	40	104	989	39	280	68		

ESG Prudential disclosures

This section describes the integration of ESG risks in Handelsbanken's business strategy and processes, governance and risk management, in accordance with Article 449a in conjunction with Article 435 CRR. Sustainability risk for Handelsbanken is the risk that the Bank fails to identify and manage risks related to the environment and climate, social conditions, and corporate governance in accordance with the policies, guidelines and positions in the area, which could ultimately have negative financial consequences for the Bank, or damage the Bank's reputation. Also included is the risk that the Bank overlooks sustainability risks in its operations that fall outside the framework of existing policies and guidelines. The disclosure consists of three qualitative sections to define Environmental, Social and Governance risks, and twelve quantitative tables covering climate change related transition and physical risks.

QUALITATIVE INFORMATION ON ENVIRONMENTAL RISK

Environmental risk - Business strategy and processes

Sustainability is integrated into Handelsbanken's corporate culture and working methods, permeating the Group's operations in all markets. For Handelsbanken, the customer meeting is at the centre of all we do and the starting point for the Bank's business operations. Through a decentralised way of working, stable finances, accountability regarding sustainability issues and a low risk tolerance, Handelsbanken builds long-term customer relationships. By developing and offering sustainable products within the Bank's core operations of financing, investment and advisory services, the Bank can work to maximise positive impact, minimise negative impact and, by doing so, promote a more sustainable society. The essence of Handelsbanken's business model has remained unchanged for a long time, which has created the right conditions to apply the principles mentioned above.

To mitigate and reduce environmental risks, Handelsbanken has policies and guidelines which apply to and affect both new and existing counterparties. Handelsbanken's Policy for sustainability sets the direction for the Bank's sustainability activities, in terms of Handelsbanken's approach to material topics relating to customers, the Bank's actions as an employer and part of society, and the relationship with owners and investors. The policy includes the environment, human rights and working conditions, anti-corruption, money laundering and taxes. Handelsbanken has guidelines established by the CEO for business decisions related to the environment and climate change. These state that Handelsbanken must be aware of, and act upon, the risks linked to climate change and environmental damage faced by the companies the Bank does business with. The guidelines are complemented with further guidance in the form of a sector framework, detailing the specific criteria under which Handelsbanken considers a fossil energy company to be aligned with the 1.5°C target and thereby potentially eligible for financing.

Handelsbanken has several Group-wide sustainability targets established by the CEO, including an overarching climate goal to achieve net-zero emissions of greenhouse gases as soon as possible but no later than 2040. The climate goal refers to the entire Group and covers lending, leasing and investments, as well as direct emissions from Handelsbanken's own operations, such as energy consumption and business travel. To ensure that the net-zero target and interim targets are in line with science, the Bank has committed to set emission reduction targets in accordance with the methods from the Science Based Targets initiative (SBTi). During 2023 the Bank sought validation from the SBTi for the interim targets and validation is expected early in 2024. The targets have been set on the basis of the three business areas on which the Bank's Transition Plan is based, i.e. own operations, lending and investments.

In addition to the general climate goal, the Bank has set a target that, by 2025, 20 per cent of the Bank's financing volume shall consist of green financing, social financing or financing that contributes to the borrower's measurable, sustainable transition. To achieve these goals, Handelsbanken has developed a climate strategy. This strategy is founded on four pillars: Scientific targets, Measure and report, Support Handelsbanken's customers and Responsibility and collaboration. The climate goal and accompanying target regarding financing volume will primarily be achieved by supporting customers via products and advisory services that lead to reduced emissions and greater energy efficiency. During the year, the Bank launched an updated transition plan (Our Transition Plan – Towards net zero 2040) which describes at a general level how the Bank is developing its business in order to achieve the climate goals.

Identifying, and assessing climate risks is an integral part of the Bank's credit process. At Handelsbanken, the credit process is based on a conviction that a decentralised way of working with a local presence ensures a high quality in credit decisions. The Bank's overall credit risk profile is that credit risks, in which environmental aspects are integrated, are to be kept low.

With Handelsbanken's decentralised way of working, each branch has full credit responsibility. Identifying and assessing a company's climate-related risks is part of the Bank's credit risk assessment of its customers. This means assessing whether, and if so to what extent, climate change affects the risk of financial strain and the credit risk that could arise accordingly. In addition to the decentralised structure, the Chief Credit Officer reports to the CEO and is a member of the credit committee established by the Board. The Chief Credit Officer also reports to the Board on losses and risk in the credit portfolio.

Handelsbanken's framework for green bonds is aligned with the Green Bond Principles 2021, which are guidelines developed by the International Capital Market Association (ICMA), and has been developed to, more broadly, comply with the technical screening criteria assuring substantial contribution to at least one of the first two environmental objectives “climate change mitigation” and “climate change adaptation” under the EU Taxonomy. An independent evaluation has been made by CICERO Shades of Green. The framework gives the Bank greater opportunities to assess and finance projects that lead to climate change adaptation and greater energy efficiency.

In line with the Non-financial reporting directive (NFRD), Handelsbanken reports in accordance with the EU Taxonomy Regulation (EU) 2020/852. The definition of different asset classes in taxonomy reporting is based on the delegated act (EU) 2021/4987 and the financial reporting framework (EU) 2021/451.

Environmental risk – Governance

Handelsbanken's Board has overall responsibility for the Bank's risk management and establishes internal rules for this. The Board has established a risk committee, an audit committee and a remuneration committee, which prepare matters to be decided by the Board. The members of the risk committee, audit committee and remuneration committee are comprised entirely of Board members. In addition, the CEO has instituted the Risk and Compliance Committee, which aims to highlight and comment on the Bank's most material risks, including ESG risks, in order to ensure that they are managed effectively. The Risk and Compliance Committee is thus also a forum for preparing the CEO on matters to be discussed by the Board or risk committee. The work of the Board is undertaken at strategy meetings, usually twice per year, and at regular Board meetings, with sustainability a recurring topic at both of these. The Board receives regular updates on the operation's progress towards the fulfilment of the Bank's sustainability goals.

The Board has adopted an overarching Policy for sustainability, which sets out the direction for the Group's sustainability work. The direction of the sustainability work is that Handelsbanken aims to integrate financial, social and environmental sustainability into all the Bank's operations, which means that the Bank is to run financially sound, sustainable operations and to encourage and contribute to sustainable development. This way, risks and costs can be reduced, while new business opportunities can be identified, employees stay motivated, and confidence in Handelsbanken is maintained. The CEO also establishes guidelines describing how various risks should be managed and reported including the Guidelines on Environment and Climate change.

The Bank's central sustainability department, Group Sustainability, has the task of co-ordinating, supporting and acting as a driving force behind its sustainability work. This includes the responsibility of developing proposed improvements to the Bank's sustainability strategy, as well as compiling and communicating the work externally. The work is led by Handelsbanken's Chief Sustainability and Climate Officer, who reports directly to the CEO. The Chief Sustainability and Climate Officer is part of the senior management team which means that sustainability-related matters are factored into the ongoing executive work and strategic decisions.

The Chief Sustainability and Climate Officer is also the Chair of Handelsbanken's Sustainability Committee which convenes at least three times per year, or more often if necessary. The Sustainability Committee analyses the sustainability work undertaken by the Bank and, where necessary, takes on a co-ordinating role. Potential problems and business opportunities are highlighted, and pre-emptive plans of action are established. Decision-makers from both the business operations and central departments make up the Sustainability Committee. Several of the members are also part of the Bank's senior management.

In order to ensure that Handelsbanken makes the best use of its capability for innovation, and that work is undertaken collectively across all parts of the Bank, there are additional working groups with a remit relating to sustainability. One example is the Green Finance Committee (GFC), which is responsible for determining technical criteria for green/sustainability related loans and products, and for approving assets for inclusion in Handelsbanken's portfolio of green assets. GFC is a Group-wide committee where the Group's in-depth sustainability expertise is represented. The committee evaluates the overall ESG benefits according to a standardised process that includes qualifications such as life cycle considerations, potential rebound effects, resilience, scientific targets and possible significant harm to other sustainability objectives. Technical criteria for green loans are approved by a majority vote by the GFC, where the Bank's Chief Sustainability and Climate Officer holds a veto.

The work to realise the Bank's Transition Plan – Towards net zero 2040 is aligned with the Bank's overall corporate structure, comprising four home markets. Each home market established steering committees during the year composed of sustainability experts, relevant decision-makers and the respective Country Manager as chairman. These have developed and decided on national action plans for how the operations will be aligned with the Bank's climate goals and ambitions. The process of developing the action plans is based on the Bank's Transition Plan coordinated by the Group-wide specialist function headed by Handelsbanken's Chief Sustainability and Climate Officer.

Handelsbanken has a programme to meet the growing reporting and transparency requirements relating to ESG data. The programme supports the business operations and enables the Bank to follow up and communicate on the sustainability goals, as well as report according to regulations, requirements from public authorities and external obligations.

Performance-based variable remuneration is applied with great prudence and to a very limited extent. Remuneration must also be structured in a manner that promotes a healthy and efficient management of ESG risks. For more information about remuneration, see Pillar 3, chapter Remuneration Policy.

Environmental risk - Risk management

In accordance with the Policy for Sustainability, environmental risks must be identified and be an integral part of risk assessment in the Bank's general risk areas, such as credit risk, liquidity risk, market risk, operational risk and compliance risk. ESG risks must be managed in line with Handelsbanken's generally low risk tolerance and comply with risk tolerance for the types of risk in which ESG risks is an integral part of the risk assessment. Handelsbanken is selective in its choice of customers, which means that the Bank seeks customers with high creditworthiness. The quality requirement is never neglected in favour of higher credit volumes or to achieve higher returns. The Bank can abstain from granting a credit if the ESG risks are considered too high. Furthermore, business activities for achieving the Bank's sustainability goals must comply with the Bank's generally low risk tolerance.

Since Handelsbanken has a significant exposure to the real estate sector, climate risks are important. Physical climate risks can cause damage to properties, which reduces the value of collateral, but also results in reduced income if the properties are used in, for example, production or for rental. Similarly, transition risks, such as stricter energy efficiency requirements for buildings, can induce costs affecting the repayment capacity, as well as affecting the value of collateral.

Handelsbanken supports the EU's action plan for financing sustainable growth and works actively to incorporate the various parts of the action plan, including the EU taxonomy, into the Bank's business operations. The Bank's reporting of key figures linked to the EU taxonomy will, over time, become increasingly important as a metric of business opportunities linked to climate change mitigation as well as for identification and management of environmental risks.

Climate change is a global problem requiring global solutions and co-operation. Handelsbanken advocates co-operation and supports international initiatives aimed at reinforcing global efforts to ensure a reduced environmental impact and to counteract climate change. These initiatives form an important basis for Handelsbanken's sustainability activities. Therefore, Handelsbanken has endorsed the Principles for Responsible Banking (PRB), and the Bank continues to support other international initiatives for sustainable business: the 2030 Agenda for Sustainable Development and the Sustainable Development Goals, the UN Global Compact and the Principles for Responsible Investment (PRI), to name a few. Handelsbanken has also joined the UN's Net-Zero Banking Alliance (NZBA) as one of the founding signatories. The objective of the alliance is to recalibrate the financial system to achieve net-zero emissions of greenhouse gases globally. By joining the NZBA, Handelsbanken commits to setting targets that, at the very least, align with the temperature goals of the Paris Agreement and support the transition towards a net-zero economy.

Handelsbanken does not take part in lobbying activities aimed at weakening international climate-related activities, and we expect the same approach to be taken by the companies with which the Bank has business relationships. Initiatives and guidelines have become increasingly important for identification and management of environmental and climate-related risks. The following initiatives and guidelines can be mentioned as examples that the Bank stands behind:

- Business Ambition for 1.5°C
- CDP
- The Equator Principles
- The UN Global Compact
- The UN Environmental Programme Finance Initiative (UNEP FI)
- The UN Principles for Responsible Banking (PRB)
- The UN Principles for Responsible Investment (PRI)
- The UN Guiding Principles on Business and Human Rights
- International Finance Corporation's Performance Standards
- Montreal Carbon Pledge
- Net Zero Asset Managers Initiative (NZAM)
- Net-Zero Banking Alliance (NZBA)
- OECD Guidelines for Multinational Enterprises
- Partnership for Carbon Accounting Financials (PCAF)
- Science Based Target Initiative (SBTi)

An analysis of the customer's business must always be carried out before credit is granted. ESG risks are integrated into Handelsbanken's analysis of the customer's repayment capacity. The credit policy states that the Bank's lending must be responsible and meet high ethical standards. The CEO's Guidelines on Environment and climate change state for example, that the Bank will not enter into new business relationships with, or finance, companies that operate within coal mining. Handelsbanken also excludes financing for new oil or gas extraction, or the expansion of existing oil or gas extraction, or any infrastructure directly linked thereto. The Bank can abstain from granting a credit if the ESG risks are considered too high, and if, for example, a company does not adhere to the above-mentioned guidelines.

To identify potential ESG risks, the credit-granting process for companies must consider environmental, social and governance factors and the associated risks – particularly environmental factors and the impact of climate change. The Bank's limit processing is integrated into the standard credit process, whereby the Bank sets limits at the counterparty level, based on, among other things, a credit risk assessment including an assessment of the customer's repayment capacity, in which ESG risks are factored in. Since the assessment is integrated into the Bank's standard credit process, the regular monitoring of the impact of ESG risks on credit risk is also carried out in this process. The Bank's assessment creates an understanding of the customer's need for transition, and how Handelsbanken can support their work to reduce the risks in their business. Handelsbanken's work to support its real estate customers' energy efficiency enhancements is an example of how the Bank works in a concrete way to minimize the risks relating to the future EU minimum requirements for energy efficiency.

The actions Handelsbanken has taken to mitigate the environmental and climate-related risks are:

- Continuous development and improvement of Handelsbanken's capacity to identify, measure, manage and report risks associated with both physical climate-related risks and transition risks in the investment and credit processes, as well as the Bank's process for risk control and reporting. This involves developing existing procedures and processes in relevant areas, with the aim of being able to more effectively identify, value and stress test assets exposed to climate-related risks.
- Checklists in the credit risk assessment process, supported by the guidance of sector specific ESG risks established by external experts, documentation requirements and systems support
- Periodic screening of companies Handelsbanken invests in
- Supplier Code of Conduct
- Policy documents and instructions for responsible investment and responsible credits
- Reporting in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.
- Mandatory training for employees

In regards to addressing climate risks, the Bank has intensified its efforts in assessing and understanding potential risks within its lending portfolio. The primary focus of these efforts has been on evaluating physical climate risks, particularly those associated with mean sea level rises and flooding from major rivers and streams in Sweden.

To address mean sea level rises, an extensive analysis was conducted, covering two separate aspects: property-specific risk from mean sea level rise on a coastal nationwide level in Sweden, and a property-specific analysis of flooding risk in Stockholm, Sweden in a more severe scenario combining both mean sea level rise and extreme weather. This analysis was based on externally calculated climate scenarios provided by the Swedish meteorological and hydrological institute (SMHI).

The coastal nationwide analysis evaluated the effects of chronic flooding due to a mean sea level rise of 1 meter, aligning with current estimations until the year 2100 in the future climate scenario RCP 8.5. The findings from the analysis indicated that 0.3 per cent of the Bank's exposure to Swedish collateral in real estate would be chronically flooded. This demonstrates that a sea level rise of 1 meter would have a limited effect on the Bank.

For the Stockholm area, an analysis of extreme sea level rise was conducted which combined mean sea level rise and extreme weather, based on an RCP 8.5 scenario until the year 2100. This analysis of flooding risk showed that 1.5 per cent of the exposure value in the Stockholm area would be flooded in the evaluated scenario.

Continuing in 2023, the Bank further deepened its understanding of flooding risks by conducting a comprehensive analysis specifically targeting properties in Sweden situated near major rivers and streams. Geographical data for these properties were sourced from Valueguard's housing register, and the risk of flooding for these positions was based on the Swedish Civil Contingencies Agency's (MSB) flooding portal.

The risk analysis encompassed 78 rivers and streams and evaluated the severity and likelihood of flooding. The intensity of the floods was assessed based on the most severe flood statistically expected, in future climate adjusted scenarios, within three distinct timeframes: 100, 200, and 10,000 years. The analysis indicated that less than 0.2 per cent of the total exposure value was susceptible to flooding in the 100-year flow scenario. This percentage remained roughly the same in the 200-year flow scenario and experienced only a marginal increase to 0.8 per cent in the 10,000-year flow scenario. It is noteworthy that these scenarios represent a probability density, suggesting that while the floods are statistically anticipated once within the specified timeframes, they can potentially occur more frequently but with lower probabilities.

It is important to note that the definition of flooding in both the mean sea level rises and the flooding from rivers and streams scenarios has a binary classification, considering only whether it occurs or not. No consideration is given to the gravity of the damage to the collateral or any potential preventive measures. Therefore, these numbers can be viewed as worst-case scenarios, and the Bank's exposure to flooding-related climate risk is assessed to be both minor and manageable.

To meet the many new requirements for ESG-related data, the Bank has identified its needs and worked on solutions to obtain this data and make it available. Implementation is in progress, and the data requirements will gradually be fulfilled through existing data, purchased data, and data obtained from the customer. Access to data is currently limited, but this is expected to improve in the next few years, as customers/companies expand their reporting.

Handelsbanken's view is that responsible actions are essential to long-term value creation. The climate-related risks and environmental risks are primarily linked to increased credit losses and capital costs that would arise from a deterioration of customers' financial positions. They are also linked to non-compliance, which could eventually lead to legal consequences in the form of fines or other sanctions, risk of impaired reputation and decreased customer satisfaction.

QUALITATIVE INFORMATION ON SOCIAL RISK

Social risk - Business strategy and processes

Sustainability is integrated into Handelsbanken's corporate culture and working methods, permeating the Group's operations in all markets. For Handelsbanken, the customer meeting is at the centre of all we do and the starting point for the Bank's business operations. Through a decentralised way of working, stable finances, accountability regarding sustainability issues and a low risk tolerance, Handelsbanken builds long-term customer relationships. By developing and offering sustainable products within the Bank's core operations of financing, investment and advisory services, we can work to maximise positive impact, minimise negative impact and, by doing so, promote a more sustainable society. The essence of Handelsbanken's business model has remained unchanged for a long time, which has created the right conditions to apply the principles mentioned above.

Handelsbanken's values and strong corporate culture are vital to the Bank's success. The concept of how to run a successful bank is based on trust and respect for the individual – applying to both customers and employees. The Bank's decentralised way of working generates commitment and gives every employee both responsibility and the opportunity to make an impact on the Bank's operations.

In line with the Bank's sustainability goals, by 2025, 20 per cent of the Bank's financing volume shall consist of social financing, green financing, or financing that contributes to the borrower's measurable sustainable transition. Handelsbanken expects the area of social financing to develop in the financial industry in the coming years.

Handelsbanken's Sustainability Committee has analysed the 17 Sustainable Development Goals and their 169 targets to determine the focus of the operations, and how the Bank can integrate them into operations within the framework of the Bank's material topics. The analysis was based on the degree of influence, both indirect and direct, identified risks and opportunities, and the Bank's most material sustainability topics. Consequently, in the next few years Handelsbanken will focus on the following goals regarding the social aspects of sustainability:

- Gender equality
- Decent work and economic growth
- Industry, innovation and infrastructure
- Sustainable cities and communities
- Peace, justice and strong institutions

To mitigate and reduce social risks, Handelsbanken has policies and guidelines which apply to and affect both new and existing counterparties. Handelsbanken's Policy for sustainability sets the direction for the Bank's sustainability activities, in terms of Handelsbanken's approach to material topics relating to customers, the Bank's actions as an employer and part of society, and the relationship with owners and investors. The policy covers issues such as the environment, human rights and working conditions, anti-corruption, money laundering and taxes. The Bank has clear guidelines for its business relations regarding, among other things, human rights and working conditions. Handelsbanken's CEO guidelines for human rights and working conditions state that Handelsbanken stands behind the UN's Guiding Principles on Business and Human Rights. Handelsbanken aims to avoid causing or contributing to any negative impact on human rights in its own operations, through business relationships and in the supply chain. This also includes working to ensure no discrimination, child labour, slave labour or human trafficking occurs in the supply chain.

Handelsbanken does not accept any form of child labour, slave labour or human trafficking. The Bank works to prevent the occurrence of these in the Group's supply chain and in other companies with which Handelsbanken has business relations. The UK Modern Slavery Act 2015 requires that certain organisations annually state the actions that they have taken to ensure that modern slavery and human trafficking do not occur in their supply chains or in their operations. Internal instructions and procedures are in place so that employees know what to do if they are faced with or suspect a case of modern slavery or human trafficking.

Employees of the Bank must conduct themselves in a manner that upholds confidence in Handelsbanken. All operations in the Bank must be characterised by high ethical standards. Financial advice must be based on the customer's requirements. Conflicts of interest must be identified and handled correctly vis à vis all parties involved. In the case of doubt as to what is ethically acceptable, the matter must be discussed with the employee's immediate superior. There must be no discrimination on grounds such as gender or religion. The Policy for ethical standards also describes how employees who suspect internal fraud or other irregularities should act, for example with the aid of Handelsbanken's separate whistleblowing system provided by an external supplier.

Social risk – Governance

Handelsbanken's Board has overall responsibility for the Bank's risk management and establishes internal rules for this. The Board has established a risk committee, an audit committee and a remuneration committee, which prepare matters to be decided by the Board. The members of the risk committee, audit committee and remuneration committee are comprised entirely of Board members. In addition, the CEO has instituted the Risk and Compliance Committee, which aims to highlight and comment on the Bank's most material risks, including ESG risks, in order to ensure that they are managed effectively. The Risk and Compliance Committee is thus also a forum for preparing the CEO on matters to be discussed by the Board or risk committee. The work of the Board is undertaken at strategy meetings, usually twice per year, and at regular Board meetings, with sustainability a recurring topic at both of these meetings. The Board receives regular updates on the operation's progress towards the fulfilment of the Bank's sustainability goals.

The Board has adopted an overarching Policy for sustainability, which sets out the direction for the Group's sustainability work. The direction of the sustainability work is that Handelsbanken aims to integrate financial, social and environmental sustainability into all of the Bank's operations, which means that the Bank is to run financially sound, sustainable operations and to encourage and contribute to sustainable development. This way, risks and costs can be reduced, while new business opportunities can be identified, employees stay motivated, and confidence in Handelsbanken is maintained. The CEO also establishes guidelines describing how various risks should be managed and reported.

Handelsbanken's sustainability is coordinated by a Group-wide specialist function headed by Handelsbanken's Chief Sustainability and Climate Officer, who reports directly to the CEO. The Chief Sustainability and Climate Officer is part of the executive management team which means that sustainability-related matters are factored into the ongoing executive work and strategic decisions.

The Chief Sustainability and Climate Officer is also the Chair of Handelsbanken's Sustainability Committee which convenes at least three times per year, or more often if necessary. The Sustainability Committee analyses the sustainability work undertaken by the Bank and, where necessary, takes on a co-ordinating role. Potential problems and business opportunities are highlighted, and pre-emptive plans of action are established. Decision-makers from both the business operations and central departments make up the Sustainability Committee. Several of the members are also part of the Bank's executive management.

In order to ensure that Handelsbanken makes the best use of the Bank's capability for innovation, and works together across all parts of the Bank, there are additional working groups with a remit relating to sustainability. One example is the Green Finance Committee (GFC), which is responsible for determining technical criteria for green/sustainability related loans and products. GFC is a Group-wide committee where the Group's in-depth sustainability expertise is represented. The committee evaluates the overall ESG benefits according to a standardised process that includes qualifications such as life cycle considerations, potential rebound effects, resilience, scientific targets and possible significant harm to other sustainability objectives. Technical criteria for green loans are approved by a majority vote by the GFC, where the Bank's Chief Sustainability and Climate Officer holds a veto.

To meet the many new requirements for ESG-related data, the Bank has identified its needs and worked on solutions to obtain this data and make it available. Implementation is in progress, and the data requirements will gradually be fulfilled through existing data, purchased data, and data obtained from the customer. Access to data is currently limited, but this is expected to improve in the next few years, as customers/companies expand their reporting.

Performance-based variable remuneration is applied with great prudence and to a very limited extent. Remuneration must also be structured in a manner that promotes a healthy and efficient management of ESG risks. For more information about remuneration, see Pillar 3, chapter Remuneration Policy.

Social risk - Risk management

According to Handelsbanken's Policy for sustainability, social risks must be identified and be an integral part of risk assessment in the Bank's general risk areas, such as credit risk, liquidity risk, market risk, operational risk and compliance risk. ESG risks must be managed in line with Handelsbanken's generally low risk tolerance and comply with the specific risk tolerance for the types of risk in which ESG risks are an integral part of the risk assessment.

The 2030 Agenda and the Sustainable Development Goals provide a clear direction and objectives as regards human rights, good working conditions and gender equality. As an important provider of financial services, Handelsbanken has a role to play in the realisation of the 2030 Agenda and the transition to a sustainable economy. Handelsbanken stands behind the UN's Guiding Principles on Business and Human Rights and undertakes to act in accordance with national plans of action regarding these principles in the countries where the Group operates. Handelsbanken advocates co-operation and supports international initiatives aimed at reinforcing global efforts to ensure sustainable development. Initiatives and guidelines to encourage and facilitate corporate sustainability and sustainable development are an important basis for Handelsbanken's sustainability work. Regarding human rights and working conditions, the following international initiatives, guidelines and conventions can be mentioned:

- The UN Convention on the Rights of the Child (developed by the United Nations Global Compact, UNICEF and Save the Children)
- The Equator Principles
- The UN Global Compact
- The UN Principles of Responsible Investment (PRI)
- The UN Principles for Responsible Banking (PRB)
- The UN Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- Modern Slavery Act 2015
- The UN Universal Declaration of Human Rights
- The International Labour Organisation's core conventions

The Bank's overarching Policy for sustainability applies across the Group and states that the Bank must integrate financial, social and environmental sustainability into all its business operations. In the credit-granting process, the corporate customer's operations must be conducted in line with the Bank's guidelines as these apply to business relationships within certain sectors. As regards the Bank's credit process, this is partly dictated by the Bank's credit policy and partly by Group-wide instructions which clearly stipulate how credit risks are to be assessed.

Handelsbanken can abstain from granting a credit if the ESG risks are considered too high, and if, for example, a company does not adhere to such guidelines. To identify potential ESG risks, the credit-granting process must consider environmental, social and governance factors and the associated risks.

One requirement in the process is that the Bank's lending must be responsible and meet high demands for sound ethical standards. Moreover, it is also made clear that the Bank must respect human rights and fundamental principles for working conditions and supporting anti-corruption measures. The policy and instructions also clarify the Bank's method for assessing credit risks, and specify which risks are of relevance when making a credit decision.

The Bank's instructions for assessing ESG risks include a checklist, which can be used to support and document the credit assessment. The checklist includes several questions about whether the company has policies regarding different sustainability topics, such as a policy for human rights or a policy for working conditions. In addition, an internal project is under way at the Bank aiming to create improved support for the analysis and documentation of relevant ESG risks within the credit process.

A key part of the Bank's credit risk assessment is assessing the customer's repayment capacity, in order to ensure that the customer can meet its obligations to the Bank. The assessment includes an analysis of the customer's financial position, as well as the risks to which the customer is exposed which could affect the stability of the customer's financial position over time. The Bank's instructions provide guidance on how input from an ESG research and rating firm can be used in the Bank's internal assessment of repayment capacity of a counterparty.

One of the steps in analysing the repayment capacity is determining which sector the customer belongs to. Handelsbanken has to understand the challenges and the risks that are specific to the sector in question before the Bank can analyse the individual customer. This leads up to the risk analysis where the Bank assesses how the customer is affected by ESG risks, including social risks.

In addition to the Bank's internal instructions, credit analysts also review external sources to support their assessments of how ESG risks affect customers. The primary source is the information received directly from the customer. This is comprised of both the information made publicly available by the customer in the form of its sustainability reporting and steering documents for sustainability, as well as information obtained through direct dialogue with the customer. A further source of information is if the customer is monitored by external credit rating agencies – one example being Moody's, whose analysis includes the effects of ESG risks. If the customer is monitored by an ESG research and rating firm, such as Sustainalytics, this also serves as a source of information. The latter two external sources do not, however, monitor all customers. They are mainly used in analyses of publicly listed companies. The information is obtained from the ESG research and rating firm on the basis of a contractual agreement. Under the terms of the contract, the Bank gains access to the ESG research and rating firm's services, including their ESG ratings of customers, with the Bank able to authorise credit analysts to access the ESG research and rating firm's database.

The Bank's management of social risks is undertaken at the level of individual customer, and a description of the risks in the area, if any are identified, is provided in the relevant credit case.

The actions Handelsbanken has taken to mitigate social risks are the following:

- Mandatory training for employees
- Supplier Code of Conduct and supplier audits
- The revision and strengthening of related processes connected with the Bank's operations and its range of products and services
- Periodic screening of companies Handelsbanken invests in
- Checklists in the credit assessment process, support with the guidance of sector-specific ESG risks established by external experts, documentation requirements and systems support
- Policy documents for responsible investment and responsible credits.

Social risks, such as human rights, social conditions and working conditions, are also inherent to other risks. The potential risk impact stemming from these risks on Handelsbanken is primarily linked to increased credit losses and capital costs that would arise from a deterioration of customers' financial positions. These risks can also lead to reputational damage and weaker financial position and non-compliance, which could lead to legal consequences in the form of fines or other sanctions.

QUALITATIVE INFORMATION ON GOVERNANCE RISK

Governance risk – Governance

The Bank's overarching Policy for sustainability applies across the Group and states that the Bank must integrate financial, social and environmental sustainability into all its business operations. Moreover, it is also made clear that the Bank must respect human rights and fundamental principles for working conditions and environmental considerations, as well as supporting anti-corruption measures. The Bank also supports international initiatives and guidelines with the common aim of encouraging and facilitating corporate sustainability.

As regards the Bank's credit process, this is partly dictated by the Bank's credit policy and partly by Group-wide instructions which clearly stipulate how credit risks are to be assessed. One requirement in the process is that the Bank's lending must be responsible and meet high demands for sound ethical standards. The policy and instructions also clarify the Bank's method for assessing credit risks, and specify which risks are of relevance when making a credit decision.

Governance risk - Risk management

According to Handelsbanken's Policy for sustainability, ESG risks must be identified and be an integral part of risk assessment in the Bank's general risk areas, such as credit risk, liquidity risk, market risk, operational risk and compliance risk. ESG risks must be managed in line with Handelsbanken's generally low risk tolerance and comply with the specific risk tolerance for the types of risk in which ESG risks are an integral part of the risk assessment.

In the credit risk assessment, the Bank must consider whether the customer's operations involve risks relating to the field of sustainability, and the extent to which these might lead to financial strain for the customer. The business evaluation must take into account whether the Bank wishes to be associated with the customer's operations, the approach to and work undertaken in the field of sustainability. The assessment of the customer's repayment capacity is also a key part of the Bank's credit risk assessment. This allows the credit analysts to ensure that the customer can meet its obligations to the Bank. The assessment includes an analysis of the customer's financial position, as well as the risks to which the customer is exposed, which could affect the stability of the customer's financial position over time. Part of the risk analysis is the Bank's assessment of how the customer is affected by ESG risks. Handelsbanken has to understand the challenges and the risks that are specific to the sector in question before the Bank can analyse the individual customer.

The Bank's instructions for assessing ESG risks include a checklist, which can be used to support and document credit assessments. The Bank's instructions on corporate governance risks are formulated to apply at a more general level, the purpose of these being to discover which policies a customer has, how these are followed up, and whether the customer has signed up to any relevant international initiatives. Handelsbanken's objective is to gain an understanding of the overall situation based on published external information and dialogue with the customer. The Bank does not apply any internationally listed indicators within these areas.

In addition to Handelsbanken's internal instructions, credit analysts also review external sources to support their assessments of how ESG risks affect customers. The primary source is the information received directly from the customer. This is comprised of both the information made publicly available by the customer in the form of its sustainability reporting and steering documents for sustainability, as well as information obtained through direct dialogue with the customer. A further source of information is if the customer is monitored by external credit rating agencies – one example being Moody's, whose analysis includes the effects of ESG risks. If the customer is monitored by an ESG rating agency, such as Sustainalytics, this can also serve as a source of information. The latter two external sources do not, however, monitor all customers. They are mainly used in analyses of large publicly listed companies. The information is obtained from the ESG research and rating firm on the basis of a contractual agreement. Under the terms of the contract, the Bank gains access to the ESG research and rating firm's services, including their ESG ratings of customers, with the Bank able to authorise credit analysts to access the ESG research and rating firm's database.

The Bank's management of corporate governance risks is undertaken at the level of individual customer, and a description of the risks in the area, if any are identified, is provided in the relevant credit case.

ESG 1

The template includes assets in the banking book representing loans and advances, debt securities and equity exposures to non-financial counterparties in all countries, excluding assets held for trading and assets held for sale.
In recent years, we have seen a reduction in exposures to high emitting sectors, in line with our pathway, policies and strategies to reduce financed emissions. Our aim is to reduce our financed emissions both through financing the transition of our customers and through strict policies on new credits to sectors such as oil and gas. It has proven to be beneficial for the reputation of the Bank and is perceived to be a tool to reduce risk in the face of future impact of climate change.
The identification of exposures to counterparties excluded from EU Paris-aligned benchmarks in accordance with Article 12.1 (d to g), while Article 12.2 (column b) is made using external data from Moody's. Company NACE codes are collected from external official sources.
Reporting of financed emissions (Scope 1 to 3) is voluntary until June 2024. Handelsbanken calculates financed emissions as part of our membership in PCAF, where the methods and scope are evolving rapidly. Work is underway to align methods with ESG Pillar 3 definitions and to increase the scope to include the entire portfolio. At this time, Scope 1 and 2 financed emissions for exposures collateralised by immovable property, as considered in capital adequacy, are presented in the template.

Banking book- Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity 2023	**Gross carrying amount (SEK m)**					**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**			**GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)**		**GHG emissions gross carrying amount percentage of the portfolio derived from company-specific reporting**					
SEK m		**Of which exposures towards companies excluded from EU ****	**Of which environmentally sustainable (CCM)**	**Of which stage 2 exposures**	**Of which non-performing exposures**		**Of which Stage 2 exposures**	**Of which non-performing exposures**		**Of which Scope 3 financed emissions**		**<= 5 years**	**> 5 year <= 10 years**	**> 10 year <= 20 years**	**> 20 years**	**Average weighted maturity**
Exposures towards sectors that highly contribute to climate change*	**924 032**	**609**	**1 226**	**89 338**	**1 595**	**-1 118**	**-616**	**-285**	**446 305**			**851 985**	**41 465**	**9 021**	**21 561**	**3**
A - Agriculture, forestry and fishing	7 553		2	441	3	-8	-3	-2	3 434			7 267	243	43	0	2
B - Mining and quarrying	1 725		0	12	0	-1	0	0	530			1 403	46	276	0	3
B.05 - Mining of coal and lignite																
B.06 - Extraction of crude petroleum and natural gas	0											0	0	0	0	
B.07 - Mining of metal ores	0					0						0	0	0	0	4
B.08 - Other mining and quarrying	522			3	0	0	0	0	276			476	46	0	0	2
B.09 - Mining support service activities	1 202		0	10		0	0		254			926	0	276	0	3
C - Manufacturing	21 302	0	111	4 075	51	-149	-104	-26	15 691			20 881	403	6	12	2
C.10 - Manufacture of food products	3 393		0	568	6	-35	-27	-5	1 926			3 371	22	0	0	1
C.11 - Manufacture of beverages	568		0	292	0	-3	-3	0	682			561	6	0	0	2
C.12 - Manufacture of tobacco products	0			0		0	0					0	0	0	0	1
C.13 - Manufacture of textiles	153			6	1	-1	0	-1	72			123	30	0	0	3
C.14 - Manufacture of wearing apparel	6			2		0	0		53			6	0	0	0	1
C.15 - Manufacture of leather and related products	13			0		0	0		13			13	0	0	0	2
C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	1 139		0	193	1	-18	-16	-1	4 628			1 117	18	2	3	1
C.17 - Manufacture of pulp, paper and paperboard	64		0	4		0	0		137			62	2	0	0	2
C.18 - Printing and service activities related to printing	82			4	2	-2	0	-2	72			74	7	0	2	4
C.19 - Manufacture of coke oven products	64			63		0	0	0				64	0	0	0	3
C.20 - Production of chemicals	860		0	2		-5	0		751			799	61	0	0	3
C.21 - Manufacture of pharmaceutical preparations	804	0	0	263		-2	-1		35			804	0	0	0	3
C.22 - Manufacture of rubber products	3 908		0	27	2	-2	-1	0	849			3 896	10	0	2	1
C.23 - Manufacture of other non-metallic mineral products	468	0	1	139	0	-5	-4	-1	272			444	25	0	0	2
C.24 - Manufacture of basic metals	494	0	2	6		0	0		146			471	23	0	0	2
C.25 - Manufacture of fabricated metal products, except machinery and equipment	2 511		0	155	2	-9	-6	0	2 032			2 382	125	0	3	2
C.26 - Manufacture of computer, electronic and optical products	102		0	38	2	-2	-1	-1	22			101	2	0	0	2
C.27 - Manufacture of electrical equipment	1 647		75	64	2	-5	-2	-2	132			1 647	0	0	0	4
C.28 - Manufacture of machinery and equipment n.e.c.	1 081		33	141	2	-12	-11	-1	1 977			1 038	41	2	0	1
C.29 - Manufacture of motor vehicles, trailers and semi-trailers	369		0	45	15	-9	-1	-8	738			363	5	1	0	2
C.30 - Manufacture of other transport equipment	85		0	11	0	0	0	0	114			85	0	0	0	1
C.31 - Manufacture of furniture	2 050		0	1 992	5	-16	-14	-2	267			2 044	6	0	0	2
C.32 - Other manufacturing	1 310		0	8	12	-6	-1	-4	550			1 296	15	0	0	2
C.33 - Repair and installation of machinery and equipment	130		0	54	0	-17	-16	0	223			124	5	0	1	2
D - Electricity, gas, steam and air conditioning supply	12 271	0	206	10	4	-3	0	-1	544			11 926	342	0	3	1

The template includes assets in the banking book representing loans and advances, debt securities and equity exposures to non-financial counterparties in all countries, excluding assets held for trading and assets held for sale.
In recent years, we have seen a reduction in exposures to high emitting sectors, in line with our pathway, policies and strategies to reduce financed emissions. Our aim is to reduce our financed emissions both through financing the transition of our customers and through strict policies on new credits to sectors such as oil and gas. It has proven to be beneficial for the reputation of the Bank and is perceived to be a tool to reduce risk in the face of future impact of climate change.
The identification of exposures to counterparties excluded from EU Paris-aligned benchmarks in accordance with Article 12.1 (d to g), while Article 12.2 (column b) is made using external data from Moody's. Company NACE codes are collected from external official sources.
Reporting of financed emissions (Scope 1 to 3) is voluntary until June 2024. Handelsbanken calculates financed emissions as part of our membership in PCAF, where the methods and scope are evolving rapidly. Work is underway to align methods with ESG Pillar 3 definitions and to increase the scope to include the entire portfolio. At this time, Scope 1 and 2 financed emissions for exposures collateralised by immovable property, as considered in capital adequacy, are presented in the template.

Banking book- Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity 2023	**Gross carrying amount (SEK m)**					**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**			**GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)**		**GHG emissions gross carrying amount percentage of the portfolio derived from company-specific reporting**					
SEK m		**Of which exposures towards companies excluded from EU ****	**Of which environmentally sustainable (CCM)**	**Of which stage 2 exposures**	**Of which non-performing exposures**		**Of which Stage 2 exposures**	**Of which non-performing exposures**		**Of which Scope 3 financed emissions**		**<= 5 years**	**> 5 year <= 10 years**	**> 10 year <= 20 years**	**> 20 years**	**Average weighted maturity**
D35.1 - Electric power generation, transmission and distribution	2 426			1		0	0		71			2 425	1	0	0	2
D35.11 - Production of electricity	8 634	0	206	4	1	-2	0	-1	460			8 289	341	0	3	1
D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	0					0						0	0	0	0	1
D35.3 - Steam and air conditioning supply	1 212			5	3	-1	0	0	14			1 212	0	0	0	3
E - Water supply; sewerage, waste management and remediation activities	1 573		0	15		-1	0		1 072			945	622	6	0	4
F - Construction	37 490		74	5 442	264	-407	-265	-80	19 465			35 285	1 267	780	158	2
F.41 - Construction of buildings	31 125		60	4 403	178	-299	-205	-53	15 169			29 320	890	768	148	2
F.42 - Civil engineering	666		14	274	2	-14	-11	-1	334			564	98	0	4	3
F.43 - Specialised construction activities	5 699		0	765	85	-94	-49	-27	3 961			5 402	279	12	6	2
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	31 205		2	775	96	-75	-10	-52	8 332			31 027	145	30	3	1
H - Transportation and storage	6 233	609	0	149	5	-7	-1	-3	2 346			5 500	719	14	0	3
H.49 - Land transport and transport via pipelines	2 732			99	4	-6	-1	-3	969			2 086	646	0	0	3
H.50 - Water transport	863	609	0	1	0	0	0	0	6			861	2	0	0	2
H.51 - Air transport	23			1	1	0	0	0	0			23	0	0	0	1
H.52 - Warehousing and support activities for transportation	2 569		0	48		-1	0		1 371			2 486	69	14	0	3
H.53 - Postal and courier activities	46					0	0					44	1	0	0	2
I - Accommodation and food service activities	27 013		113	6 100	104	-29	-16	-6	8 485			26 868	82	36	28	2
L - Real estate activities	777 667		718	72 319	1 065	-439	-217	-115	386 405			710 883	37 597	7 830	21 358	3
Exposures towards sectors other than those that highly contribute to climate change*	**89 354**		**1 864**	**4 215**	**265**	**-136**	**-21**	**-75**				**78 539**	**6 620**	**3 280**	**916**	**3**
K - Financial and insurance activities	24 035		88	986	6	-8	-2	-2				21 034	2 976	25	0	2
Exposures to other sectors (NACE codes J, M - U)	65 319		1 775	3 229	259	-129	-19	-73				57 505	3 644	3 255	916	4
Total	**1 013 386**	**609**	**3 089**	**93 553**	**1 859**	**-1 254**	**-637**	**-361**	**446 305**			**930 524**	**48 084**	**12 300**	**22 477**	**3**

* In accordance with the Commission delegated regulation EU) 2020/1818 supplementing regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks - Climate Benchmark Standards Regulation - Recital 6:
Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006.
** Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation

ESG 2

The availability of EPC labels for the real estate portfolio is limited due to the fact that energy declarations are not compulsory, and are generally required only when selling or letting properties. The source of information is public registries in each market and internal data originating from bilateral information from clients. EPC labels are defined according to national rules. The methods prescribed by PCAF for estimating energy efficiency scores are utilised for the part of the portfolio lacking EPC data. All credit agreements collaterised in some part by immovable property are included. Non-EU exposures are largely comprised of the real estate portfolios in the UK and Norway. The location of the collateral is used to determine the country.

Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral 2023	Total gross carrying amount															
		Level of energy efficiency (EP score in kWh/m² of collateral)						Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral	
SEK m		0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G		Of which level of energy efficiency (EP score in kWh/m² of collateral) estimated
Total EU area	**1 572 016**	**396 728**	**1 026 081**	**145 673**	**2 582**	**845**	**106**	**20 961**	**68 053**	**160 018**	**225 231**	**290 049**	**142 671**	**43 830**	**621 204**	**100%**
Of which Loans collateralised by commercial immovable property	240 222	48 452	65 535	124 402	1 118	642	73	8 734	14 243	24 372	25 275	19 530	13 574	5 942	128 553	100%
Of which Loans collateralised by residential immovable property	1 331 795	348 277	960 547	21 271	1 465	202	33	12 227	53 810	135 646	199 957	270 519	129 097	37 888	492 651	100%
Of which Collateral obtained by taking possession: residential and commercial immovable properties	0															
Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	660 751	12 814	524 688	122 063	585	602									621 204	100%
Total non-EU area	**510 604**	**34 825**	**363 126**	**98 835**	**12 133**	**1 685**		**11 181**	**38 902**	**82 489**	**81 685**	**54 056**	**30 129**	**29 762**	**182 400**	**100%**
Of which Loans collateralised by commercial immovable property	208 251	20 857	121 455	52 152	12 105	1 682		8 942	18 980	37 064	33 517	20 179	8 814	3 875	76 881	100%
Of which Loans collateralised by residential immovable property	302 353	13 968	241 671	46 683	28	3		2 239	19 922	45 425	48 169	33 877	21 315	25 887	105 520	100%
Of which Collateral obtained by taking possession: residential and commercial immovable properties	0															
Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	510 604	34 825	363 126	98 835	12 133	1 685									182 400	100%

ESG 4

The list of top carbon-emitting companies is sourced from the Carbon Majors database from the Climate Accountability Institute ("Top Twenty 2018 IATP Apr20", a non-cumulative global list).
No materiality restrictions have been applied to exposures. All loans and advances, debt securities and equity instrument exposures in the banking book to the identified corporations have been included, regardless of purpose, line of business or economic activity. It should therefore be considered that the purpose of the credit may be to aid transition or to instigate mitigation, and that the financed economic activity may even be included in the taxonomy.

Banking book - Climate change transition risk: Exposures to top 20 carbon-intensive firms 2023 SEK m	Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
	4	0.0%	0	1.5	1

*For counterparties among the top 20 carbon emitting companies in the world

ESG 5

The gross carrying amount (GCA) column includes all exposures to non-financial counterparties in the sector regardless of physical risk for all countries and regions of the Bank. Subsequent columns include only the gross carrying amount linked to collateral and counterparties exposed to high physical risk. Additional sectors are included where the physical risk of the sector is estimated to exceed 10 per cent of the gross carrying amount due to high risk of chronic and acute climate change events.

The primary source for physical risk data is from Moody's Climate Risk Assessment application and covers several aspects of chronic and acute physical risks as listed in Appendix A of the delegated climate act, 2021/2139 (EU). The scenario used is RCP 8.5 (the worst- case scenario of business as usual with no climate mitigating actions) and the time horizon is the year 2040. Supplementary data for physical risk due to flooding is added from the Swedish Civil Contingencies Agency (MSB) and the Norwegian Water Resources and Energy Directorate (NVE).

Moody's solution encompasses physical risk due to flooding, hurricanes and wildfires (acute climate change events) and sea level rise, heat stress and water stress (chronic climate change events). The outcome is risk scores per physical risk dimension and region (NUTS3 level). In addition to the regional climate model assessment, large counterparties are individually assessed for the same physical risks. Moody's solution provides a classification of the risk score for each physical risk dimension. Regions and counterparties classified as 'High' and/or 'Red flag' are defined to be exposed to physical risk in this template. However, the risk assessment for Sweden and Norway is not fully in line with the current view of the Bank. Supplementary data from MSB and NVE is therefore used to assess how property collateral in Sweden and Norway is exposed to physical risk due to flooding. The MSB scenario used is a 1-100 year river flooding scenario adapted to expected climate changes at the end of the century. The NVE scenario used is a similar scenario but with a 1-200 year horizon. Work is underway to increase the granularity and sensitivity of the physical risk data used for reporting, credit risk assessment and valuation purposes.
Exposures sensitive to the impact of climate change events are reported in gross amounts, i.e. before mitigating actions such as insurance, mitigating actions taken by counterparties, local governments or other parties (such as flooding or sea erosion barriers, sewage upgrades), etc. It is expected that the effects of physical risk to the Bank's portfolio are significantly decreased by such mitigating factors.

Banking book - Climate change physical risk: Exposures subject to physical risk 2023	**Gross carrying amount**													
		of which exposures sensitive to impact from climate change physical events												
		Breakdown by maturity bucket										**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**		
SEK m		**<= 5 years**	**> 5 year <= 10 years**	**> 10 year <= 20 years**	**> 20 years**	**Average weighted maturity**	**of which exposures sensitive to impact from chronic climate change events**	**of which exposures sensitive to impact from acute climate change events**	**of which exposures sensitive to impact both from chronic and acute climate change events**	**Of which Stage 2 exposures**	**Of which non-performing exposures**		**of which Stage 2 exposures**	**Of which non-performing exposures**
A - Agriculture, forestry and fishing	7 553	219	62	0	0	3	15	93	173	29	0	0	0	0
B - Mining and quarrying	1 725	298	0	196		6	487	6	0	7	0	0	0	0
C - Manufacturing	21 302	1 660	0	0	0	2	70	94	1 497	25	0	-2	0	0
D - Electricity, gas, steam and air conditioning supply	12 271	850	0		0	0	108	1	741	0	0	0	0	0
E - Water supply; sewerage, waste management and remediation activities	1 573	23	3	0		3	9	0	17	0		0	0	
F - Construction	37 490	2 805	388	1	0	2	1 253	1 536	404	295	8	-17	0	-2
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	31 205	3 851	2	2	0	1	175	133	3 548	3	0	-1	0	0
H - Transportation and storage	6 233	129	0	0		2	19	16	94	9	0	0	0	0
L - Real estate activities	777 667	33 372	4 390	290	560	3	16 302	18 453	3 857	3 866	105	-28	0	-11
Loans collateralised by residential immovable property	359 868	31 042	4 829	342	11	3	12 196	19 444	4 583	3 714	101	-32		-8
Loans collateralised by commercial immovable property	509 074	14 510	2 181	185	550	4	6 952	8 448	2 026	1 139	55	-16		-5
Repossessed collaterals														
Other relevant sectors (breakdown below where relevant)														
J - Information and communication	3 030	508	0	2	0	1	27	3	480	0	0	0	0	0
K - Financial and insurance activities	24 035	6 566	1 437	0	0	3	169	5 816	2 018	67	0	0	0	0

ESG 5 SE

Sweden Banking book - Climate change physical risk: Exposures subject to physical risk 2023	Gross carrying amount													
		of which exposures sensitive to impact from climate change physical events												
		Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
SEK m		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity							of which Stage 2 exposures	Of which non-performing exposures
A - Agriculture, forestry and fishing	5 619	20	0		0	1	0	20	0	6	0	0	0	0
B - Mining and quarrying	146	0	0				0	0	0	0	0	0	0	0
C - Manufacturing	15 425	1 180	0	0	0	2	0	8	1 172	8	0	-1	0	0
D - Electricity, gas, steam and air conditioning supply	8 685	849	0		0	0	108	0	741	0	0	0	0	0
E - Water supply; sewerage, waste management and remediation activities	1 126	0	0				0	0	0	0		0	0	
F - Construction	9 876	210	0	0	0	1	0	5	205	0	0	0	0	0
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	23 422	3 410	0	0	0	1	0	9	3 401	1	0	-1	0	0
H - Transportation and storage	4 292	94	0	0		1	0	1	93	0	0	0	0	0
L - Real estate activities	490 580	3 514	51	0	0	1	0	3 409	157	230	0	0	0	0
Loans collateralised by residential immovable property	127 950	575	0	0	0	1	0	576	0	59	0	-1		0
Loans collateralised by commercial immovable property	387 779	2 883	51	0	0	2	0	2 934	0	158	0	0		0
Repossessed collaterals														
Other relevant sectors (breakdown below where relevant)														
J - Information and communication	2 355	480	0	0	0	1	0	0	480	0	0	0	0	0

ESG 5 UK

United Kingdom Banking book - Climate change physical risk: Exposures subject to physical risk 2023	Gross carrying amount													
		of which exposures sensitive to impact from climate change physical events												
		Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
SEK m		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity							of which Stage 2 exposures	Of which non-performing exposures
A - Agriculture, forestry and fishing	1 589	193	62			3	9	73	173	24	0	0	0	0
B - Mining and quarrying	61	6				1	0	6	0			0	0	
C - Manufacturing	1 494	148	0			3	41	85	23	3	0	0	0	0
D - Electricity, gas, steam and air conditioning supply	36	1				2	0	1	0			0		
E - Water supply; sewerage, waste management and remediation activities	266	23	3			3	9	0	17			0		
F - Construction	8 097	517	6			2	163	309	51	55	0	-2	0	0
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	2 319	280	0			2	22	112	146	2	0	0	0	0
H - Transportation and storage	471	26	0			3	10	15	1			0	0	
L - Real estate activities	118 533	10 728	405	15	0	3	7 999	2 729	421	699	79	-14	0	0
Loans collateralised by residential immovable property	77 406	5 772	345	14	0	3	3 185	2 335	612	284	76	-8		0
Loans collateralised by commercial immovable property	64 714	6 730	158	15	0	3	5 332	1 409	163	524	43	-9		0
Repossessed collaterals														

ESG 5 NO

Norway Banking book - Climate change physical risk: Exposures subject to physical risk 2023 SEK m	Gross carrying amount													
		of which exposures sensitive to impact from climate change physical events												
		Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity							of which Stage 2 exposures	Of which non-performing exposures
A - Agriculture, forestry and fishing	345	6	0	0		0	6	0	0	0		0	0	
B - Mining and quarrying	1 518	291		196		6	487	0	0	7		0		
C - Manufacturing	2 713	319	0			2	29	0	290	2	0	-1	0	0
D - Electricity, gas, steam and air conditioning supply	3 550	0	0				0	0	0			0		
E - Water supply; sewerage, waste management and remediation activities	70	0		0			0	0	0			0		
F - Construction	17 173	1 089	0	1	0	1	1 090	0	0	222	8	-15	0	-2
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	4 699	155	2	2		1	153	7	0	0	0	0	0	0
H - Transportation and storage	1 009	9	0	0		0	9	0	0	9		0	0	
L - Real estate activities	143 790	7 395	65	275	559	3	7 818	300	177	469	26	-13	0	-11
Loans collateralised by residential immovable property	122 085	8 432	23	328	11	1	8 574	220	0	689	25	-22		-8
Loans collateralised by commercial immovable property	47 356	736	44	170	550	13	1 413	87	0	61	12	-7		-5
Repossessed collaterals														

ESG 5 NL

Netherlands **Banking book - Climate change physical risk: Exposures subject to physical risk 2023**	**Gross carrying amount**													
		of which exposures sensitive to impact from climate change physical events												
		Breakdown by maturity bucket										**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**		
SEK m		**<= 5 years**	**> 5 year <= 10 years**	**> 10 year <= 20 years**	**> 20 years**	**Average weighted maturity**	**of which exposures sensitive to impact from chronic climate change events**	**of which exposures sensitive to impact from acute climate change events**	**of which exposures sensitive to impact both from chronic and acute climate change events**	**Of which Stage 2 exposures**	**Of which non-performing exposures**		**of which Stage 2 exposures**	**Of which non-performing exposures**
A - Agriculture, forestry and fishing														
B - Mining and quarrying														
C - Manufacturing	1	0					0	0	0			0		
D - Electricity, gas, steam and air conditioning supply														
E - Water supply; sewerage, waste management and remediation activities	111	0					0	0	0			0		
F - Construction	2 339	989	381			3	0	1 222	148	17		0	0	
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	8	5				3	0	5	0			0	0	
H - Transportation and storage	461	0	0				0	0	0			0		
L - Real estate activities	24 493	11 734	3 869			4	485	12 016	3 103	2 468		0	0	
Loans collateralised by residential immovable property	32 428	16 263	4 461			4	438	16 314	3 972	2 682		-1		
Loans collateralised by commercial immovable property	9 225	4 161	1 928			4	207	4 018	1 863	396		0		
Repossessed collaterals														
Other relevant sectors (breakdown below where relevant)														
K - Financial and insurance activities	11 746	6 480	1 437			3	132	5 770	2 015	63		0	0	
M - Professional, scientific and technical activities	2 713	955	650			4	21	1 155	428	530		0	0	

ESG 6

The calculation of the green asset ratio (GAR) for Pillar 3 differs slightly from the key performance indicators (KPIs) calculated for taxonomy disclosure according to Article 8 of (EU) 2021/2178 due to differences in the regulations. The main differences being that GAR in Pillar 3 is disclosed and calculated only once using turnover KPIs for non-financial counterparties, and a simplified approach for alignment of household exposures is used. Household exposures are not evaluated for physical risk in line with the do no significant harm criteria (DNSH) in the Pillar 3 GAR disclosure. Minor impacts on the green asset ratio can also be expected due to differences in classification of exposures in the two regulations. The disclosure and calculation of GAR for Pillar 3 of the Bank adheres to instructions from EBA in (EU) 2022/2453.

Summary of key performance indicators (KPIs) on the Taxonomy-aligned exposures 2023	**KPI**			
	Climate change mitigation	**Climate change adaptation**	**Total (Climate change mitigation + Climate change adaptation)**	**% coverage (over total assets)***
GAR stock	2.20	0.00	2.20	39.60
GAR flow	1.70	0.00	1.70	37.90

* % of assets covered by the KPI over banks´ total assets

ESG 7

Gross carrying amount for assets in the balance sheet for the calculation of the green asset ratio KPIs, including the monetary value of eligible and aligned assets according to the taxonomy regulation (EU) 2020/852.

	Mitigating actions: Assets for the calculation of GAR 2023	**Disclosure reference date T**															
			Climate Change Mitigation (CCM)					**Climate Change Adaptation (CCA)**					**TOTAL (CCM + CCA)**				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					**Of which towards taxonomy relevant sectors (Taxonomy-eligible)**					**Of which towards taxonomy relevant sectors (Taxonomy-eligible)**				
				Of which environmentally sustainable (Taxonomy-aligned)					**Of which environmentally sustainable (Taxonomy-aligned)**					**Of which environmentally sustainable (Taxonomy-aligned)**			
	SEK m	**Total gross carrying amount**			**Of which specialised lending**	**Of which transitional**	**Of which enabling**			**Of which specialised lending**	**Of which adaptation**	**Of which enabling**			**Of which specialised lending**	**Of which transitional/ adaptation**	**Of which enabling**
	GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1 302 491	1 226 616	56 030		2	871	233	12			12	1 243 218	56 262		2	883
2	**Financial corporations**	**32 802**	**642**	**1**		**0**	**1**	**2**					**15 370**	**1**		**0**	**1**
3	Credit institutions	31 165						2					14 649			0	0
4	Loans and advances	4 192						2					1 194			0	0
5	Debt securities, including UoP	26 943											13 440				
6	Equity instruments	31											16				
7	Other financial corporations	1 637	642	1		0	1						720	1		0	1
8	of which investment firms	834	372	0		0	0						372	0		0	0
9	Loans and advances	834	372	0		0	0						372	0		0	0
10	Debt securities, including UoP																
11	Equity instruments	0															
12	of which management companies																
13	Loans and advances																
14	Debt securities, including UoP																
15	Equity instruments																
16	of which insurance undertakings	240											79				
17	Loans and advances	240											79				
18	Debt securities, including UoP																
19	Equity instruments																
20	**Non-financial corporations (subject to NFRD disclosure obligations)**	**59 864**	**16 149**	**3 089**		**2**	**869**	**230**	**12**			**12**	**18 023**	**3 322**		**2**	**882**
21	Loans and advances	59 864	16 149	3 089		2	869	230	12			12	18 023	3 322		2	882
22	Debt securities, including UoP																
23	Equity instruments																
24	**Households**	**1 209 825**	**1 209 825**	**52 939**									**1 209 825**	**52 939**			
25	of which loans collateralised by residential immovable property	1 209 620	1 209 620	52 939									1 209 620	52 939			
26	of which building renovation loans																
27	of which motor vehicle loans	205	205										205				
28	**Local governments financing**																
29	Housing financing																
30	Other local governments financing																
31	Collateral obtained by taking possession: residential and commercial immovable properties																
32	**Total GAR assets**	**1 302 491**	**1 226 616**	**56 030**		**2**	**871**	**233**	**12**			**12**	**1 243 218**	**56 262**		**2**	**883**

	Mitigating actions: Assets for the calculation of GAR 2023	Disclosure reference date T															
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
	SEK m	Total gross carrying amount			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/ adaptation	Of which enabling
	Assets excluded from the numerator for GAR calculation (covered in the denominator)																
33	**EU Non-financial corporations (not subject to NFRD disclosure obligations)**	**611 303**															
34	Loans and advances	611 254															
35	Debt securities																
36	Equity instruments	48															
37	**Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)**	**342 080**															
38	Loans and advances	342 080															
39	Debt securities																
40	Equity instruments	0															
41	Derivatives	16 492															
42	On demand interbank loans	1 228															
43	Cash and cash-related assets	10															
44	Other assets (e.g. Goodwill, commodities etc.)	256 861															
45	**Total assets in the denominator (GAR)**	**2 530 464**															
	Other assets excluded from both the numerator and denominator for GAR calculation																
46	Sovereigns	43 497															
47	Central banks exposure	677 325															
48	Trading book	37 697															
49	**Total assets excluded from numerator and denominator**	**758 519**															
50	**Total assets**	**3 288 983**	**1 226 616**	**56 030**		**2**	**871**	**233**	**12**			**12**	**1 243 218**	**56 262**		**2**	**883**

ESG 8

The Bank's green asset ratio is calculated by looking at the proportion of eligible and aligned assets, in the stock as per 31 Dec 2023, and of new assets originated in the disclosure period (flow), compared to covered assets. New assets for the calculation of flow are defined based on the origination date of the exposures and refers to all new assets during the year 2023 still on the books at the end of the year.

	GAR (%) 2023	Disclosure reference date T: KPIs on stock																Disclosure reference date T: KPIs on flows															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)						Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of total assets covered	Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of total new assets covered
			Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable						Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable			
	% (compared to total covered assets in the denominator)			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/ adaptation	Of which enabling				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/ adaptation	Of which enabling	
1	**GAR**	48.5	2.2		0.0	0.0	0.0	0.0			0.0	49.1	2.2		0.0	0.0	39.6	27.4	1.7		0.0	0.1	0.0	0.0			0.0	29.8	1.7		0.0	0.1	37.9
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	94.2	4.3		0.0	0.1	0.0	0.0			0.0	95.4	4.3		0.0	0.1	39.6	72.4	4.5		0.0	0.3	0.1	0.0			0.0	78.6	4.6		0.0	0.4	37.9
3	Financial corporations	2.0	0.0		0.0	0.0	0.0					46.9	0.0		0.0	0.0	1.0	0.6	0.0			0.0						49.9	0.0		0.0	0.0	4.2
4	Credit institutions						0.0					47.0			0.0	0.0	0.9																
5	Other financial corporations	39.2	0.1		0.0	0.1						44.0	0.1		0.0	0.1	0.0	0.6	0.0			0.0						49.9	0.0		0.0	0.0	4.2
6	of which investment firms	44.6	0.0		0.0	0.0						44.6	0.0		0.0	0.0	0.0																
7	of which management companies																																
8	of which insurance undertakings											33.0					0.0																
9	Non-financial corporations subject to NFRD disclosure obligations	27.0	5.2		0.0	1.5	0.4	0.0			0.0	30.1	5.5		0.0	1.5	1.8	13.9	2.9		0.0	1.8	0.5	0.0			0.0	17.8	3.4		0.0	1.8	7.3
10	Households	100.0	4.4									100.0	4.4				36.8	100.0	5.6									100.0	5.6				26.4
11	of which loans collateralised by residential immovable property	100.0	4.4									100.0	4.4				36.8	100.0	5.6									100.0	5.6				26.4
12	of which building renovation loans																																
13	of which motor vehicle loans	100.0										100.0					0.0	100.0										100.0					0.0
14	Local government financing																																
15	Housing financing																																
16	Other local governments financing																																
17	Collateral obtained by taking possession: residential and commercial immovable properties																																

ESG 10

Assets covering other climate mitigating actions in the template, include green or sustainability-linked loans and advances and bonds in the banking book. Bonds, loans and advances reported in this template includes only those which are not included in the numerator of the green asset ratio (GAR). This includes loans to financial and non-financial corporations in line with Handelsbanken's Green Bond Framework or otherwise approved by Handelsbanken Green Finance Committee Bonds. Exposures may well be taxonomy aligned but as the process for collecting bilateral information is under development, assets may not be included as aligned in the GAR calculation. For instance, sustainable exposures to non-financial counterparties not subject to NFRD reporting requirements, such as loans to housing associations or real estate corporations, are included here. Exposures financing buildings with Energy label A and B and/or environmentally certified buildings are considered energy efficient and therefore leads to greenhouse gas emissions savings. Household loans included are green energy loans, which are eligible but for which determination of alignment is not possible due to lack of data. Motor vehicle loans financing electric or hybrid cars originated before 2022 are also included here, but not in the numerator in the calculation of GAR.

The determination of green or sustainability-linked exposures is based on information in source systems and on information in the Green registry. The Green registry is an internal database which holds information on exposures in line with Handelsbanken's Green Bond Framework or otherwise approved by Handelsbanken Green Finance Committee.

The assessment of whether exposures mitigate transition and physical risk is mainly qualitative and is based on product definitions and information in the Green registry.

Other Climate change mitigating actions that are not covered in the EU Taxonomy 2023

Type of financial instrument	Type of counterparty	Gross carrying amount (SEK m)	Type of risk mitigated (Climate change transition risk)	Type of risk mitigated (Climate change physical risk)	Qualitative information on the nature of the mitigating actions
Bonds (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	883	Yes	No	Bonds classified as green by Bloomberg. Net proceeds of the fixed income instrument will be applied toward green projects or activities that promote climate change mitigation or adaptation, or other environmental sustainability purposes.
	Non-financial corporations				
	Of which Loans collateralised by commercial immovable property				
	Other counterparties	53	Yes	No	Bonds classified as green by Bloomberg. Net proceeds of the fixed income instrument will be applied toward green projects or activities that promote climate change mitigation or adaptation, or other environmental sustainability purposes.
Loans (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	364	Yes	No	Buildings with Energy label A and B are considered to be energy efficient and therefore loans towards this type of buildings leads to greenhouse gas emissions savings. Loans towards low carbon vehicles (electric and hybrid cars with CO2 emissions below 50 g/km) reduces greenhouse gas emissions compared to fossil driven cars (ICE).
	Non-financial corporations	84 223	Yes	No	Buildings with Energy label A and B and/or environmental certified buildings are considered to be energy efficient and therefore loans towards this type of buildings leads to greenhouse gas emissions savings. Loans towards low carbon vehicles (electric and hybrid cars with CO2 emissions below 50 g/km) reduces greenhouse gas emissions compared to fossil driven cars (ICE). Loans that are in line with Handelsbanken Green Bond Framework or otherwise approved by Handelsbanken Green Finance Committee.
	Of which Loans collateralised by commercial immovable property	44 709	Yes	No	
	Households	42 307	Yes	No	Buildings with Energy label A and B are considered to be energy efficient and therefore loans towards this type of buildings leads to greenhouse gas emissions savings. Loans towards low carbon vehicles (electric and hybrid cars with CO2 emissions below 50 g/km) reduces greenhouse gas emissions compared to fossil driven cars (ICE). Green loans for improving energy efficiency in buildings through solar panels, geothermal heating and improvements in heating, insulation etc. leading to renewable energy production or energy savings contributing to greenhouse gas emissions savings.
	Of which Loans collateralised by residential immovable property	39 137	Yes	No	
	Of which building renovation loans				
	Other counterparties	388	Yes	No	Loans towards low carbon vehicles (electric and hybrid cars with CO2 emissions below 50 g/km) reduces greenhouse gas emissions compared to fossil driven cars (ICE). Loans that are in line with Handelsbanken Green Bond Framework or otherwise approved by Handelsbanken Green Finance Committee.

Definitions and explanations

ADDITIONAL TIER 1 CAPITAL
Additional tier 1 capital comprises perpetual subordinated loans which meet the requirements stated in Regulation (EU) No 575/2013 and can therefore be included in the tier 1 capital.

AFR
Available financial resources (AFR) is the Bank's equity with the addition of other financial values on and off the balance sheet, available to cover losses with a one-year time horizon.

BUFFER REQUIREMENT FOR SYSTEMICALLY IMPORTANT INSTITUTIONS
The buffer requirement for banks considered especially important to the financial system. For institutions that are systemically important on a global scale, the requirement can be up to 3.5. For other systemically important institutions, it can be up to 2.

CAPITAL CONSERVATION BUFFER
The purpose of this buffer requirement of 2.5 is to ensure that all banks maintain buffer capital exceeding the minimum capital requirements.

CAPITAL REQUIREMENT
The statutory capital requirement means that an institution which is subject to CRR must have a common equity tier 1 ratio of at least 4.5, a tier 1 ratio of at least 6 and a total capital ratio of at least 8. This means that own funds must be at least the percentage of the risk exposure amount specified for each ratio. For definitions of each of the own funds amounts, see Common equity tier 1 capital, Tier 1 capital, and Total capital. In addition to the general requirements, the supervisory authority may add institution-specific requirements in accordance with pillar 2 of the regulations.

COMBINED BUFFER REQUIREMENT
The sum of the capital conservation buffer, the countercyclical buffer, and the buffer requirement which is the higher of the requirement for systemically important institutions or the systemic risk buffer.

COMMON EQUITY TIER 1 CAPITAL
Common equity tier 1 capital is one of the components of own funds and mainly comprises equity. Deductions are made for dividends generated, goodwill, and other intangible assets as well as the difference between an expected loss and provisions made for probable loan losses.

COMMON EQUITY TIER 1 RATIO
Common equity tier 1 capital in relation to total risk exposure amount.

COUNTERCYCLICAL BUFFER
A buffer requirement that varies over the business cycle to counteract excessively high credit growth. The level is set by the Swedish Financial Supervisory Authority and can be between 0 and 2.5.

CRD IV
The EU Credit Institutions Directive: Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.

CREDIT CONVERSION FACTOR (CCF)
A percentage value by which off-balance sheet exposures are multiplied to calculate the exposure amount. The credit conversion factor corresponds to the expected utilisation level of the exposure in the event of default.

CREDIT RISK PROTECTION
Risk-mitigation factors and measures.

CREDITS IN DEFAULT
Impaired exposures that are also classified as 'defaulted' under Article 178 of CRR.

CRR
Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

CVA
The credit valuation adjustment (CVA) risk means the risk that the market value of a derivative will decrease, owing to deterioration of the creditworthiness of the counterparty. The CVA is a component in the regulations for the valuation of derivatives. An exposure to a counterparty with weaker creditworthiness must have a lower carrying amount than the equivalent exposure to a counterparty with better creditworthiness. In this context, credit risk means that if a given counterparty's creditworthiness weakens, the balance sheet values of all derivative transactions with this counterparty with a positive market value decrease – and thus the Bank's equity decreases.

DEFAULT
A default shall be considered to have occurred with regard to a particular obligor when either or both of the following have taken place:

(a) the institution considers that the obligor is unlikely to pay its credit obligations to the institution, the parent undertaking or any of its subsidiaries in full, without recourse by the institution to actions such as realising security;

(b) the obligor is more than 90 days past due on any material credit obligation to the institution, the parent undertaking or any of its subsidiaries.

ECONOMIC CAPITAL (EC)
Economic capital is a model for calculating economic capital which, in one measurement, identifies the Group's overall risks and indicates the capital that, with very high probability, will cover unexpected losses or decreases in value.

EXPECTED LOSS (EL)
Expected loss or EL means the ratio of the amount expected to be lost on an exposure from a potential default of a counterparty or dilution over a one-year period to the amount outstanding at default.

ELIGIBLE LIABILITIES AND OWN FUNDS
The sum of qualified eligible senior liabilities according to the definition in Swedish Resolution Act (SFS 2015:1016) and own funds.

EXPOSURE AMOUNT
Exposure amount (exposure at default) is the amount which is subject to capital adequacy requirements. For off-balance-sheet items, the amounts are recalculated using the credit conversion factor (CCF). For derivatives, the exposure value is calculated according to the standardised approach for counterparty credit risk (SA-CCR).

EXPOSURE VALUE
Exposure value is the same as exposure amount. The exposure value concept is used in the standardised approach for credit risk.

FORBEARANCE MEASURE
Forbearance measure is a concession by an institution towards an obligor that is experiencing or is likely to experience difficulties in meeting its financial commitments.

IRB
Internal Ratings Based approach.

IRB APPROACH
The Internal Ratings Based approach or the IRB approach is the approach provided for in Chapter 3 of regulation (EU) No 575/2013 to calculate the risk-weighted exposure amounts for the purposes of points (a) and (f) of Article 92(3).

LEVERAGE RATIO
Tier 1 capital in relation to total assets, including certain off-balance-sheet items recalculated with conversion factors defined in the standardised approach and regulatory adjustments from own funds.

LOSS GIVEN DEFAULT (LGD)
Loss given default or LGD means the ratio of the loss on an exposure due to the default of a counterparty to the amount outstanding at default.

LIQUIDITY COVERAGE RATIO (LCR)
High-quality liquid assets in relation to an estimated net outflow of liquidity over a period of 30 days.

LOAN LOSS RATIO
Loan losses and changes in value of repossessed property in relation to loans to the public and credit institutions (excluding banks), and also repossessed property and credit guarantees at the beginning of the year.

MREL REQUIREMENT
Minimum requirement for eligible liabilities and own funds. Requirement is determined annually by the SNDO, the resolution authority, in accordance with the Swedish resolution Act (SFS 2015:1016).

NET STABLE FUNDING RATIO (NSFR)
The structural liquidity measure that is the ratio between available stable funding and the stable funding required.

NPL NON-PERFORMING LOANS/NPE NON-PERFORMING EXPOSURES
Non-performing loans/exposures are defined as defaulted exposures plus forborne exposures. A default shall be considered to have occurred when the obligor is unlikely to pay its credit obligation to the institution or the obligor is past due more than 90 days on any material credit obligation.

OWN FUNDS/TOTAL CAPITAL
Own funds are the sum of tier 1 and tier 2 capital.

PD
Probability of default or PD means the probability of default of a counterparty over a one-year period.

PERFORMING CREDITS
Credits that are neither impaired nor defaulted.

PILLAR 2 GUIDANCE
According to the Pillar 2 framework, the regulatory authority may inform the Bank of the assessed appropriate level of capital to be held in excess of the minimum- and buffer requirements to cover risks and future financial stress.

PILLAR 2 REQUIREMENT
The requirement consists of an additional minimum requirement based on a formal decision from the regulatory authorities within the Pillar 2 framework and concerns risks that a bank is or could be exposed to that are not covered by the general minimum requirements.

RISK EXPOSURE AMOUNT
The capital requirement in accordance with CRR, multiplied by 12.5. The risk exposure amount is used in conjunction with market risk and operational risk.

RISK WEIGHT
A measure to describe the level of risk an exposure is expected to have according to the capital adequacy regulations.

RISK-WEIGHTED EXPOSURE AMOUNT
Exposure amount multiplied by risk weight. The risk-weighted exposure amount is used in conjunction with credit risk including counterparty risks.

SECURITISATION
Securitisation means a transaction or scheme, whereby the credit risk associated with an exposure or a pool of exposures is tranched, having all of the following characteristics: (a) payments in the transaction or scheme are dependent upon the performance of the exposure or of the pool of exposures; (b) the subordination of tranches determines the distribution of losses during the ongoing life of the transaction or scheme; (c) the transaction or scheme does not create exposures which possess all of the characteristics listed in Article 147(8) of Regulation (EU) No 575/2013.

SPECIFIC CREDIT RISK ADJUSTMENT
Specific credit risk adjustments consist of collective and individual credit risk adjustments. These apply to exposures covered by either the standardised approach or the IRB approach.

STANDARDISED APPROACH
The Standardised approach is the approach provided for in Chapter 2 of Regulation (EU) No 575/2013 to calculate the risk-weighted exposure amounts for the purposes of points (a) and (f) of Article 92(3). The standardised approach means that the risk weights used when calculating the capital requirement for credit risk are specified in the regulations.

SYSTEMIC RISK BUFFER
A buffer requirement of 3 for the largest banks in Sweden. The aim of the systemic risk buffer is to protect the banking system as a whole in times of financial instability.

TIER 1 CAPITAL
Common equity tier 1 capital including additional tier 1 capital.

TIER 1 RATIO
Tier 1 capital in relation to total risk exposure amount.

TIER 2 CAPITAL
Tier 2 capital is one of the components of own funds and mainly consists of subordinated loans which fulfil the requirements stated in Regulation (EU) No 575/2013 and can therefore be included as tier 2 capital.

TOTAL CAPITAL RATIO
Total capital in relation to total risk exposure amount.

TOTAL LIABILITIES AND OWN FUNDS
The sum of the Bank’s total liabilities and own funds

TOTAL RISK EXPOSURE AMOUNT
The sum of risk exposure amount and risk-weighted exposure amount.

Information items not disclosed according to Article 432

Tables not applicable, non-material or confidential 2023

Table	Description	Reason for non-disclosure
EU CCR7	RWEA flow statements of CCR exposures under the IMM	Not applicable
EU MRB	Qualitative disclosure requirements for institutions using the internal Market Risk Models	Not applicable
EU MR2-A	Market risk under the internal Model Approach (IMA)	Not applicable
EU MR2-B	RWA flow statements of market risk exposures under the IMA	Not applicable
EU MR3	IMA values for trading portfolios	Not applicable
EU MR4	Comparison of VaR estimates with gains/losses	Not applicable
EU CRC	The description of the main types of guarantors and counterparties for credit derivatives and their creditworthiness	Confidential
EU CR2a	Changes in the stock of non-performing loans and advances and related net accumulated recoveries	Not applicable
EU CQ2	Quality of forbearance	Not applicable
EU CQ6	Collateral valuation - loans and advances	Not applicable
EU CQ8	Collateral obtained by taking possession and execution processes – vintage breakdown	Not applicable
EU-SECA	Qualitative disclosure requirements related to securitisation exposures	Non-material
EU-SEC1	Securitisation exposures in the non-trading book	Non-material
EU-SEC2	Securitisation exposures in the trading book	Non-material
EU-SEC3	Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor	Non-material
EU-SEC4	Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor	Non-material
EU-SEC5	Exposures securitised by the institution - Exposures in default and specific credit risk adjustments	Non-material

Signatures of the CEO, CFO and CRO

The Information Policy for the Handelsbanken Group, adopted by Handelsbanken's Board, and the CEO's Guidelines for communication in the Handelsbanken Group are Handelsbanken's steering documents for compliance with the disclosure requirements in Regulation (EU) No 575/2013.

The control environment described in the Annual Report's Corporate Governance Report and in this report is fundamental to Handelsbanken's internal control of disclosures under Part Eight of Regulation (EU) No 575/2013: organisational structure, division of responsibilities, guidelines and steering documents. Another part of the internal control process is the identification and management of the risks that may affect the preparation of disclosures under Part Eight of Regulation (EU) No 575/2013 and the control activities incorporated in the process for preparing disclosures. The Bank has information and communication paths intended to promote the completeness, accuracy, meaningfulness, and consistency over time of disclosures under Part Eight of Regulation (EU) No 575/2013.

The responsibility for internal control of disclosures under Part Eight of Regulation (EU) No 575/2013 has been delegated from the CEO to managers who report directly to the CEO and who are in charge of internal control within their respective units.

We hereby declare that the disclosures under Part Eight of Regulation (EU) No 575/2013 have been prepared in accordance with Handelsbanken's internal control framework. The information which is provided under Part Eight of Regulation (EU) No 575/2013 is satisfactory, including in terms of control and frequency, in relation to the disclosure requirements in the Regulation and provides market participants with a comprehensive picture of Handelsbanken's risk profile.

STOCKHOLM FEBRUARY 2024

Michael Green

President and Chief Executive Officer

Carl Cederschiöld

Chief Financial Officer

Maria Hedin

Chief Risk Officer

HANDELSBANKEN BANK ESTABLISHED 1871

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