

# Highlights of Annual Report

January-December

# 2024

# Highlights of Stadshypotek's Annual Report

## January-December 2024 compared with January-December 2023

**Income** decreased by SEK 458m to SEK 12,418m (12,876).

**Expenses before credit losses** increased by SEK 224m to SEK -2,624m (-2,400).

**Net credit losses** totalled SEK 104m (-95).

**Operating profit** fell by SEK 559m and amounted to SEK 8,739m (9,298).

**Profit after tax** decreased by SEK 511m and amounted to SEK 6,924m (7,435).

**Loans to the public** increased by 0%, or SEK 2bn, and stood at SEK 1,583bn (1,581).

## July-December 2024 compared with January-June 2024

**Income** decreased by SEK 42m to SEK 6,188m (6,230).

**Expenses before credit losses** increased by SEK 64m to SEK -1,344m (-1,280).

**Net credit losses** totalled SEK 92m (12).

**Operating profit** fell by SEK 27m and amounted to SEK 4,356m (4,383).

**Profit after tax** decreased by SEK 40m and amounted to SEK 3,442m (3,482).

**Loans to the public** decreased by 1%, or SEK 8bn, and stood at SEK 1,583bn (1,591).

## July-December 2024 compared with July-December 2023

**Income** decreased by SEK 167m to SEK 6,188m (6,355).

**Expenses before credit losses** increased by SEK 144m to SEK -1,344m (-1,200).

**Net credit losses** totalled SEK 92m (-65).

**Operating profit** fell by SEK 192m and amounted to SEK 4,356m (4,548).

**Profit after tax** decreased by SEK 223m and amounted to SEK 3,442m (3,665).

**Loans to the public** increased by 0%, or SEK 2bn, and stood at SEK 1,583bn (1,581).

# Highlights of Stadshypotek's Annual Report January–December 2024

## JANUARY–DECEMBER 2024 COMPARED WITH JANUARY–DECEMBER 2023

During the second half of 2024, parts of Stadshypotek's Finnish international branch were divested.

Stadshypotek's operating profit decreased by SEK 559m, or 6%, to SEK 8,739m (9,298). Net interest income fell by SEK 222m to SEK 11,990m, (12,212), mainly due to decreased margins arising from the fierce competition in the mortgage loan market. In Sweden, net interest income decreased by SEK 499m, while in the Norwegian branch net interest income increased by SEK 366m.

Of the net interest income, SEK 1,054m (688) was attributable to the branch in Norway and SEK 396m (469) to the branch in Finland. Excluding the Finnish branch, which is in the process of being divested, net interest income decreased by SEK 133m to SEK 11,593m (11,726). Net gains/losses on financial transactions decreased by SEK 222m to SEK 468m (690).

Expenses rose by SEK 224m to SEK -2,624m (-2,400). This was mainly attributable to SEK -111m of capital losses relating to the partial divestment of the Finnish operations, as well as to an increase in the compensation paid to the parent company in relation to the sale and administration of mortgage loans.

Net credit losses totalled SEK 104m (-95). The credit loss ratio corresponded to -0.01% (0.01) of lending.

## LENDING

Compared to the close of the corresponding period during the previous year, loans to the public increased by 0%, or SEK 2bn, and stood at SEK 1,583bn (1,581). In Sweden, loans to the public increased by 1%, or SEK 12bn, to SEK 1,407bn (1,395).

## FUNDING

Issues of Stadshypotek's bond programme in Swedish kronor totalled a nominal SEK 104.8bn (143.8) during the period. During the period, a nominal volume totalling SEK 113.7bn (89.8) matured or was repurchased. The carrying amount of outstanding Swedish kronor bonds was SEK 614.6bn (619.6) at the end of the period.

Issues of foreign currency bonds under the EMTCN programme totalled EUR 0.8bn (1.0). The outstanding volumes at the end of the period were nominally EUR 8.2bn (8.7) and GBP - bn (-).

The outstanding volume in the US programme totalled USD - bn (-) at the end of the period. Issues in NOK totalled NOK 7.0bn (8.0). The outstanding volume at the end of the period totalled NOK 29.0bn (27.0).

## CAPITAL ADEQUACY

According to CRR 575/2013, the total capital ratio was 16.6% (18.5) while the common equity tier 1 ratio was 11.6% (12.9). Further information on capital adequacy is provided in note 19, Capital adequacy.

## RATINGS

Stadshypotek's ratings remained unchanged during the entire period.

Stadshypotek	Covered bonds	Long-term	Short-term
Moody's	Aaa	-	P-1
Standard & Poor's	-	AA-	A-1+
Fitch	-	AA	F1+

## JULY–DECEMBER 2024 COMPARED WITH JANUARY–JUNE 2024

Stadshypotek's operating profit decreased by SEK 27m, or 1%, to SEK 4,356m (4,383). Net interest income went up by SEK 136m to SEK 6,063m, (5,927), mainly due to higher volume growth during the second half of the year.

In Sweden, net interest income increased by SEK 121m, while in the Norwegian branch net interest income increased by SEK 40m.

Of the net interest income, SEK 547m (507) was attributable to the branch in Norway and SEK 186m (210) to the branch in Finland. Excluding the Finnish branch, which is in the process of being divested, net interest income increased by SEK 161m to SEK 5,877m (5,716). Net gains/losses on financial transactions decreased by SEK 184m to SEK 142m (326).

Expenses rose by SEK 64m to SEK -1,344m (-1,280), which was largely due to capital gains/losses relating to the partial divestment of the Finnish operations, amounting to SEK -111m.

Net credit losses totalled SEK 92m (12), mainly due to decreased provisions for Stage 1 and Stage 2. The credit loss ratio corresponded to -0.01% (0.00) of lending.

## LENDING

Loans to the public decreased by 1%, or SEK 8bn, during the period, to SEK 1,583bn (1,591). In Sweden, loans to the public increased by 1%, or SEK 10bn, to SEK 1,407bn (1,397).

## FUNDING

Issues of Stadshypotek's bond programme in Swedish kronor totalled a nominal SEK 43.bn (61.8) during the period. During the period, a nominal volume totalling SEK 57.9bn (55.8) matured or was repurchased. The carrying amount of outstanding Swedish kronor bonds was SEK 614.6bn (626.9) at the end of the period.

Issues of foreign currency bonds under the EMTCN programme totalled EUR - bn (0.8). The outstanding volumes at the end of the period were nominally EUR 8.2bn (9.0) and GBP - bn (-).

The outstanding volume in the US programme totalled USD - bn (-) at the end of the period. Issues in NOK totalled NOK 7.0bn (-). The outstanding volume at the end of the period totalled NOK 29.0bn (22.0).

## CAPITAL ADEQUACY

According to CRR 575/2013, the total capital ratio was 16.6% (17.6) while the common equity tier 1 ratio was 11.6% (12.3). Further information on capital adequacy is provided in note 19, Capital adequacy.

# Income statement

SEK m	Jul-Dec 2024	Jan-Jun 2024	Change, %	Jul-Dec 2023	Change, %	Full year 2024	Full year 2023	Change, %
Interest income according to the effective interest method	31,484	32,444	-3	29,502	7	63,928	52,584	22
Interest expenses	-25,421	-26,517	-4	-23,721	7	-51,938	-40,372	29
<b>Net interest income</b>	<b>6,063</b>	<b>5,927</b>	<b>2</b>	<b>5,781</b>	<b>5</b>	<b>11,990</b>	<b>12,212</b>	<b>-2</b>
Fee and commission income	6	7	-14	7	-14	13	15	-13
Fee and commission expenses	-35	-30	17	-21	67	-65	-42	55
<b>Net fee and commission income</b>	<b>-29</b>	<b>-23</b>	<b>26</b>	<b>-14</b>	<b>107</b>	<b>-52</b>	<b>-27</b>	<b>93</b>
<b>Net gains/losses on financial transactions</b>	<b>142</b>	<b>326</b>	<b>-56</b>	<b>587</b>		<b>468</b>	<b>690</b>	
<b>Other income</b>	<b>12</b>	<b>0</b>		<b>1</b>		<b>12</b>	<b>1</b>	
<b>Total income</b>	<b>6,188</b>	<b>6,230</b>	<b>-1</b>	<b>6,355</b>	<b>-3</b>	<b>12,418</b>	<b>12,876</b>	<b>-4</b>
General administrative expenses								
Staff costs	-39	-40	-3	-40	-3	-79	-83	-5
Other administrative expenses	-1,288	-1,226	5	-1,146	12	-2,514	-2,289	10
Depreciation, amortisation and impairment losses of property, equipment and intangible assets	-17	-14	21	-14	21	-31	-28	11
<b>Total expenses</b>	<b>-1,344</b>	<b>-1,280</b>	<b>5</b>	<b>-1,200</b>	<b>12</b>	<b>-2,624</b>	<b>-2,400</b>	<b>9</b>
<b>Profit before credit losses and government fees</b>	<b>4,844</b>	<b>4,950</b>	<b>-2</b>	<b>5,155</b>	<b>-6</b>	<b>9,794</b>	<b>10,476</b>	<b>-7</b>
Net credit losses	92	12	667	-65	-242	104	-95	-209
Government fees	-580	-579	0	-542	7	-1,159	-1,083	7
<b>Operating profit</b>	<b>4,356</b>	<b>4,383</b>	<b>-1</b>	<b>4,548</b>	<b>-4</b>	<b>8,739</b>	<b>9,298</b>	<b>-6</b>
<b>Profit before taxes</b>	<b>4,356</b>	<b>4,383</b>	<b>-1</b>	<b>4,548</b>	<b>-4</b>	<b>8,739</b>	<b>9,298</b>	<b>-6</b>
Taxes	-914	-901	1	-883	4	-1,815	-1,863	-3
<b>Net profit/loss for the period</b>	<b>3,442</b>	<b>3,482</b>	<b>-1</b>	<b>3,665</b>	<b>-6</b>	<b>6,924</b>	<b>7,435</b>	<b>-7</b>
Earnings per share, SEK	21,244	21,497		22,624		42,741	45,893	

# Statement of comprehensive income

SEK m	Jul-Dec 2024	Jan-Jun 2024	Change, %	Jul-Dec 2023	Change, %	Full year 2024	Full year 2023	Change, %
<b>Net profit/loss for the period</b>	<b>3,442</b>	<b>3,482</b>	<b>-1</b>	<b>3,665</b>	<b>-6</b>	<b>6,924</b>	<b>7,435</b>	<b>-7</b>
<b>Other comprehensive income</b>								
<b>Items that may subsequently be reclassified to the income statement</b>								
Cash flow hedges	874	53	1,549	1,781		927	2,185	
Translation difference	-79	53		-196		-26	-215	
<i>of which hedges of net assets in foreign operations</i>	-	-		-		-	-	
Tax on items that may subsequently be reclassified to the income statement	-163	-22	641	-326		-185	-406	
<i>of which cash flow hedges</i>	-180	-11	1,536	-366		-191	-450	
<i>of which translation difference</i>	17	-11		40		6	44	
<b>Total items that may subsequently be reclassified to the income statement</b>	<b>632</b>	<b>84</b>	<b>652</b>	<b>1,259</b>		<b>716</b>	<b>1,564</b>	
<b>Total other comprehensive income</b>	<b>632</b>	<b>84</b>	<b>652</b>	<b>1,259</b>		<b>716</b>	<b>1,564</b>	
<b>Total comprehensive income for the period</b>	<b>4,074</b>	<b>3,566</b>	<b>14</b>	<b>4,924</b>	<b>-17</b>	<b>7,640</b>	<b>8,999</b>	<b>-15</b>

# Half-yearly performance

SEK m	Jul-Dec 2024	Jan-Jun 2024	Jul-Dec 2023	Jan-Jun 2023	Jul-Dec 2022
Interest income according to the effective interest method	31,484	32,444	29,502	23,082	16,156
Interest expenses	-25,421	-26,517	-23,721	-16,651	-8,764
<b>Net interest income</b>	<b>6,063</b>	<b>5,927</b>	<b>5,781</b>	<b>6,431</b>	<b>7,392</b>
Fee and commission income	6	7	7	8	7
Fee and commission expenses	-35	-30	-21	-21	-22
<b>Net fee and commission income</b>	<b>-29</b>	<b>-23</b>	<b>-14</b>	<b>-13</b>	<b>-15</b>
<b>Net gains/losses on financial transactions</b>	<b>142</b>	<b>326</b>	<b>587</b>	<b>103</b>	<b>19</b>
<b>Other income</b>	<b>12</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1,190</b>
<b>Total income</b>	<b>6,188</b>	<b>6,230</b>	<b>6,355</b>	<b>6,521</b>	<b>8,586</b>
General administrative expenses					
Staff costs	-39	-40	-40	-43	-37
Other administrative expenses	-1,288	-1,226	-1,146	-1,143	-982
Depreciation, amortisation and impairment losses of property, equipment and intangible assets	-17	-14	-14	-14	-14
<b>Total expenses</b>	<b>-1,344</b>	<b>-1,280</b>	<b>-1,200</b>	<b>-1,200</b>	<b>-1,033</b>
<b>Profit before credit losses and government fees</b>	<b>4,844</b>	<b>4,950</b>	<b>5,155</b>	<b>5,321</b>	<b>7,553</b>
Net credit losses	92	12	-65	-30	-20
Government fees	-580	-579	-542	-541	-567
<b>Operating profit</b>	<b>4,356</b>	<b>4,383</b>	<b>4,548</b>	<b>4,750</b>	<b>6,966</b>
<b>Profit before taxes</b>	<b>4,356</b>	<b>4,383</b>	<b>4,548</b>	<b>4,750</b>	<b>6,966</b>
Taxes	-914	-901	-883	-980	-1,551
<b>Net profit/loss for the period</b>	<b>3,442</b>	<b>3,482</b>	<b>3,665</b>	<b>3,770</b>	<b>5,415</b>
Earnings per share, SEK	21,244	21,497	22,624	23,269	33,426

# Balance sheet

SEK m		31 Dec 2024	30 June 2024	31 Dec 2023
<b>Assets</b>				
Loans to credit institutions		30,485	4,485	10,623
Loans to the public	<i>Note 7</i>	1,583,330	1,590,717	1,580,628
Value change of interest-hedged item in portfolio hedge		-	0	-1
Shares and participating interests		0	0	0
Derivative instruments	<i>Note 8, 9</i>	14,356	11,872	12,043
Intangible assets		65	82	89
Property and equipment		0	0	0
Current tax assets		-	-	-
Deferred tax assets		395	575	586
Other assets		1,232	7,493	433
Prepaid expenses and accrued income		85	364	66
<b>Total assets</b>		<b>1,629,948</b>	<b>1,615,588</b>	<b>1,604,467</b>
<i>of which Group claims</i>	<i>Note 17</i>	44,936	16,713	22,747
<b>Liabilities</b>				
Due to credit institutions	<i>Note 10</i>	823,220	798,459	786,898
Issued securities	<i>Note 11</i>	734,754	746,257	739,845
Derivative instruments	<i>Note 8, 9</i>	5,617	8,724	8,922
Current tax liabilities		388	711	295
Deferred tax liabilities		-	-	-
Other liabilities		5,172	673	6,175
Accrued expenses and deferred income		24	39	24
<b>Total liabilities</b>		<b>1,569,175</b>	<b>1,554,863</b>	<b>1,542,159</b>
<i>of which Group liabilities</i>	<i>Note 17</i>	882,307	856,373	851,074
<b>Equity</b>				
Share capital		4,050	4,050	4,050
Other funds		24,520	23,905	28,328
Retained earnings		25,279	29,288	22,495
Net profit/loss for the period		6,924	3,482	7,435
<b>Total equity</b>		<b>60,773</b>	<b>60,725</b>	<b>62,308</b>
<b>Total liabilities and equity</b>		<b>1,629,948</b>	<b>1,615,588</b>	<b>1,604,467</b>

# Statement of changes in equity

	Restricted equity			Non-restricted equity				Retained earnings including profit for the year	Total
	Share capital <sup>1</sup>	Statutory reserve	Fund for internally developed software	Tier 1 instruments	Tier 2 instruments	Hedge reserve <sup>2</sup>	Translation reserve <sup>2</sup>		
31 December 2024 SEK m									
<b>Closing equity 2023</b>	4,050	8,106	89	17,700	4,500	-2,103	36	29,930	62,308
Profit for the year								6,924	6,924
Other comprehensive income <i>of which reclassified in equity</i>						736	-20		716
									-
<b>Total comprehensive income for the year</b>						736	-20	6,924	7,640
Reclassified to retained earnings									-
Tier 1 instruments					-4,500				-4,500
Dividend on equity instruments								-1,261	-1,261
Group contributions provided								-4,300	-4,300
Tax effect on Group contributions								886	886
Fund for internally developed software			-24					24	-
<b>Closing equity 31 December 2024</b>	4,050	8,106	65	17,700	-	-1,367	16	32,203	60,773

	Restricted equity			Non-restricted equity				Retained earnings including profit for the year	Total
	Share capital <sup>1</sup>	Statutory reserve	Fund for internally developed software	Tier 1 instruments	Tier 2 instruments	Hedge reserve <sup>2</sup>	Translation reserve <sup>2</sup>		
30 June 2024 SEK m									
<b>Closing equity 2023</b>	4,050	8,106	89	17,700	4,500	-2,103	36	29,930	62,308
Net profit/loss for the period								3,482	3,482
Other comprehensive income <i>of which reclassified in equity</i>						42	42		84
									-
<b>Total comprehensive income for the period</b>						42	42	3,482	3,566
Reclassified to retained earnings									-
Tier 2 instruments					-4,500				-4,500
Dividend on equity instruments								-649	-649
Fund for internally developed software			-7					7	-
<b>Closing equity 30 June 2024</b>	4,050	8,106	82	17,700	-	-2,061	78	32,770	60,725

	Restricted equity			Non-restricted equity				Retained earnings including profit for the year	Total
	Share capital <sup>1</sup>	Statutory reserve	Fund for internally developed software	Tier 1 instruments	Tier 2 instruments	Hedge reserve <sup>2</sup>	Translation reserve <sup>2</sup>		
31 December 2023 SEK m									
<b>Closing equity 2022</b>	4,050	8,106	100	13,200	4,500	-3,838	207	28,390	54,715
Profit for the year								7,435	7,435
Other comprehensive income <i>of which reclassified in equity</i>						1,735	-171		1,564
									-
<b>Total comprehensive income for the year</b>						1,735	-171	7,435	8,999
Reclassified to retained earnings									-
Tier 1 instruments				4,500					4,500
Dividend on equity instruments								-1,142	-1,142
Group contributions provided								-6,000	-6,000
Tax effect on Group contributions								1,236	1,236
Fund for internally developed software			-11					11	-
<b>Closing equity 31 December 2023</b>	4,050	8,106	89	17,700	4,500	-2,103	36	29,930	62,308

<sup>1</sup> Average number of shares, 162,000 (162,000).

<sup>2</sup> Included in fair value fund.

# Condensed statement of cash flows

SEK m	Full year 2024	Full year 2023
Operating profit	8,739	9,298
Adjustment for non-cash items in profit/loss	3,596	2,704
Paid income tax	-841	-903
Change in the assets and liabilities of operating activities	20,403	-2,627
<b>Cash flow from operating activities</b>	<b>31,897</b>	<b>8,472</b>
Divestment of foreign branch operations	-100	-
Acquisition of intangible assets	-7	-17
<b>Cash flow from investing activities</b>	<b>-107</b>	<b>-17</b>
Issues of equity instruments	-	4,500
Repayment of equity instruments	-4,500	-
Dividend on equity instruments	-1,325	-1,095
Group contribution paid	-6,000	-10,000
<b>Cash flow from financing activities</b>	<b>-11,825</b>	<b>-6,595</b>
<b>Liquid funds at beginning of year</b>	<b>10,623</b>	<b>9,066</b>
Cash flow for the period	19,965	1,860
Exchange rate difference on liquid funds	-103	-303
<b>Liquid funds at end of period</b>	<b>30,485</b>	<b>10,623</b>
<i>Liquid funds</i>		
Liquid funds held by banks	29,485	10,203
Bank deposit relating to issuance of covered bonds	1,000	420
<b>Loans to credit institutions</b>	<b>30,485</b>	<b>10,623</b>

The cash flow statement has been prepared using the indirect method.

SEK m	Full year 2024	Full year 2023
<b>Divestment of foreign branch operations</b>		
Purchase price	14,870	-
Loans to the public	-14,959	-
Selling expenses	-11	-
<b>Net gains/losses</b>	<b>-100</b>	<b>-</b>

# Key figures

For definitions, see page 32.

Key figures	Jul-Dec 2024	Jan-Jun 2024	Jul-Dec 2023	Full year 2024	Full year 2023
Return on equity, %	10.7	10.6	11.3	10.6	11.3
Return on total assets, %	0.43	0.43	0.46	0.43	0.47
Net interest margin, %	0.75	0.74	0.72	0.74	0.77
C/I ratio, %	21.7	20.5	18.9	21.1	18.6
Credit loss ratio, %	-0.01	0.00	0.01	-0.01	0.01
Common equity tier 1 ratio, CRR, %	11.6	11.9	11.6	11.6	12.5
Tier 1 ratio, CRR, %	16.6	16.9	16.6	16.6	17.5
Total capital ratio, CRR, %	16.6	16.9	16.6	16.6	17.5
Leverage ratio, %	3.71	3.74	3.71	3.71	3.85
Average number of employees	52	51	49	52	49

# Calculation of key figures

For definitions, see page 32.

Return on equity SEK m	Jul-Dec 2024	Jan-Jun 2024	Jul-Dec 2023	Full year 2024	Full year 2023
<b>Equity</b>	<b>60,773</b>	<b>60,725</b>	<b>62,308</b>	<b>60,773</b>	<b>62,308</b>
Adjustment hedge reserve	1,367	2,061	2,103	1,367	2,103
Return of Group contribution, net	3,414	-	4,764	3,414	4,764
<b>Total adjusted equity</b>	<b>65,554</b>	<b>62,786</b>	<b>69,175</b>	<b>65,554</b>	<b>69,175</b>
<b>Adjusted equity, average<sup>1</sup></b>	<b>64,149</b>	<b>65,881</b>	<b>64,816</b>	<b>65,461</b>	<b>65,664</b>
Net profit/loss for the period	3,442	3,482	3,665	6,924	7,435
<b>Return on equity, %</b>	<b>10.7</b>	<b>10.6</b>	<b>11.3</b>	<b>10.6</b>	<b>11.3</b>

<sup>1</sup> Average closing balance for the past three and five quarters respectively.

# Notes

## NOTE 1 Accounting policies

### 1. STATEMENT OF COMPLIANCE

#### Basis for accounts

This report has been prepared in accordance with IAS 34 Interim Financial Reporting. The contents of the report also comply with the applicable provisions of the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the Swedish Financial Supervisory Authority's regulations and general guidelines FFFS 2008:25 on annual reports in credit institutions and securities companies. RFR 2 Accounting for legal entities, as well as statements issued by the Swedish Financial Reporting Board, were also applied when preparing the accounts.

Stadshypotek's subsidiary holdings comprise the dormant company Svenska Intecknings Garanti AB Sigab. In accordance with Chapter 7, section 7 (4) of the Swedish Annual Accounts Act for Credit Institutions and Securities Companies, the company has not prepared consolidated accounts as the subsidiary is of marginal significance.

The accounting policies applied in the report correspond to the accounting policies applied in the 2023 Annual Report, with the exception of the amendments described in 2 below.

### 2. AMENDMENTS TO ACCOUNTING POLICIES

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

according to the applicable regulatory requirements.

In other respects, the accounting policies and calculation methods applied by the company during the financial year are consistent with the policies applied in the 2023 Annual Report.

### 3. CHANGES IN IFRS WHICH ARE YET TO BE APPLIED

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

In May 2024, the IASB published amendments relating to the classification and measurement of financial instruments in IFRS 9 and IFRS 7. Assuming that the changes are adopted by the EU, and the date of implementation proposed by the IASB is not changed, the changes to the standard are to be applied as of the 2026 financial year.

The amendments to IFRS 9 primarily entail clarifications to the assessment of whether contractual cash flows in financial assets, which include terms dependent on future events, meet the criteria to constitute solely payments of principal and interest (SPPI criteria). Above all, the amendments provide guidance for assessing whether the SPPI criteria are met for a sustainability-linked loan. In certain cases, unforeseen events give rise to contractual cash flows that meet SPPI criteria, both before and after the changes to the cash flows, but the nature of the unforeseen event is not directly related to basic

lending risks and costs. One example is sustainability-linked loans, where the terms of the agreement state that the interest rate is adjusted based on the borrower's reduction of their carbon dioxide emissions. In such cases, the SPPI criteria are met only if the contractual cash flows in all possible scenarios do not deviate significantly from a financial asset with identical contractual cash flows, but without the occurrence of the unforeseen event. It is further clarified that contractual cash flows do not meet SPPI criteria if they are indexed to a variable that does not constitute basic lending risks and costs, such as an equity index or commodity index, or if they represent a portion of the borrower's income of profit, even if such terms may be common in the market. The amendments to IFRS 7 entail, among other effects, qualitative and quantitative disclosure requirements regarding contractual terms that could change the amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs. The disclosure requirements encompass financial assets at amortised cost or fair value through other comprehensive income, and financial liabilities at amortised cost.

The amendments to IFRS 9 also clarify the timing of the initial recognition of financial assets and liabilities and the timing of the removal of financial assets and liabilities from the statement of financial position. The amendments include an optional exemption entailing that financial liabilities settled through electronic transfer can be derecognised from the statement of financial position before the settlement date, i.e. before the contractual obligation is met, annulled or lapses, on the condition that certain criteria specified in the regulations are met.

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

#### Other forthcoming changes in accounting regulations

Other forthcoming changes in the accounting regulations issued for application are not assessed to have a material impact on the Stadshypotek's financial reports, capital adequacy, large exposures or other circumstances according to the applicable regulatory requirements.

### 4. EXCHANGE RATES

Exchange rates	31 Dec 2024	30 June 2024	31 Dec 2023
<b>EUR 1 = SEK</b>			
Income statement (average)	11.4340	11.3929	11.4789
Balance sheet (at end of period)	11.4775	11.3571	11.1270
<b>GBP 1 = SEK</b>			
Income statement (average)	13.5072	13.3302	13.2010
Balance sheet (at end of period)	13.8441	13.4134	12.7997
<b>USD 1 = SEK</b>			
Income statement (average)	10.5643	10.5384	10.6166
Balance sheet (at end of period)	10.9948	10.6161	10.0524
<b>NOK 1 = SEK</b>			
Income statement (average)	0.9832	0.9912	1.0054
Balance sheet (at end of period)	0.9678	0.9962	0.9923
<b>DKK 1 = SEK</b>			
Income statement (average)	1.5330	1.5277	1.5406
Balance sheet (at end of period)	1.5388	1.5230	1.4930
<b>CHF 1 = SEK</b>			
Income statement (average)	12.0082	11.8543	11.8186
Balance sheet (at end of period)	12.1907	11.8081	11.9986

## NOTE 2 Other information

### RISKS AND UNCERTAINTY FACTORS

Stadshypotek's low risk tolerance means that, as part of the Handelsbanken Group, Stadshypotek avoids granting credits to high-risk customers. This, combined with Stadshypotek's sound capitalisation and strong liquidity, mean that the company is also well equipped to operate in more difficult market conditions than those currently prevailing. The company has had good access to capital during 2024, and issues have been received well by the market.

### RISK CONTROL

Stadshypotek's operations are conducted with a controlled low level of risk. Stadshypotek's risks are credit risk, market risk, liquidity risk and operational risk.

Credit risk is the risk of Stadshypotek facing economic loss because of its counterparties' inability to fulfil their contractual obligations. Market risk stems from price changes in the financial markets. The market risks affecting Stadshypotek are interest rate risk and foreign exchange risk. Liquidity risk refers to the risk that Stadshypotek will not be able to meet its payment obligations when they fall due without being affected by unacceptable costs or losses. Operational risk is defined as the risk of loss due to inadequate or failed internal processes, human error, malfunctioning systems, or external events. The definition includes legal risk.

The Stadshypotek Board establishes policies which describe how various risks should be managed and reported. In addition, Stadshypotek's Chief Executive sets guidelines and instructions for managing and controlling all types of risk. These documents have been based on the policies that the Board of Handelsbanken has adopted for managing and reporting risks within the Handelsbanken Group as a whole. Stadshypotek's risk management aims to ensure compliance with the strict approach to risk established by its Board.

Stadshypotek's lending operations are integrated with those of Handelsbanken, which means that Stadshypotek's lending is carried out via the Bank's units with customer responsibility. Stadshypotek's funding needs are managed by Handelsbanken's Treasury Department, on assignment by Stadshypotek. Individual outsourcing agreements specify the services which Handelsbanken is to perform on behalf of Stadshypotek. Thus, the business operations at Stadshypotek are conducted according to the same fundamental principles which apply at Handelsbanken. The Bank's corporate culture 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. The person who is most familiar with the customer and the market conditions is the person best equipped to assess the risk. The same person is thus able to take action at an early stage in the event of problems, and is responsible for doing so. As a consequence, there are strong incentives for high risk awareness and for prudence in business operations.

In addition to the accountability of decision-makers, control procedures are in place to ensure that excessive risks are not taken in individual transactions or local operations. In lending, this means that large loans are subject to limits and are assessed by a separate credit organisation. Decisions on limits are made at the branch, county or central level, depending on the size of the credit limit. As regards the procedures for limiting market risk and liquidity risk at Stadshypotek, the company's Board establishes limits for this purpose. Stadshypotek also has risk control independent of business operations which is responsible for the regular follow-up and monitoring of all risks applying to operations, primarily credit risk, market risk, liquidity risk and operational risk. The risk control function carries out daily measurements and checks to ensure that risk exposure remains within the set limits. Limit utilisation is reported internally within the company, and to the parent company's Group Risk Control function. In addition, limit utilisation is reported regularly to Stadshypotek's Chief Executive and Board of Directors.

Stadshypotek is also covered by Handelsbanken Risk Control at Handelsbanken, which is designed to identify the Handelsbanken Group's risks, gauge them, and ensure that management of these risks complies with the Group's low risk tolerance. Handelsbanken Risk Control is responsible for the independent reporting of risks for the banking group of which Stadshypotek is a part.

Handelsbanken Risk Control also develops and provides models for measuring risk that are applied in Stadshypotek's operations and performs certain calculations that provide a basis for some of Stadshypotek's external reporting. Information about credit risks regarding credit losses can be found in note 6 of this interim report.

### PREPAREDNESS FOR LIQUIDITY CRISIS

Stadshypotek is covered by an agreement regarding liquidity support within the Handelsbanken Group. According to the agreement, Handelsbanken holds a liquidity reserve for the Handelsbanken Group as a whole and is thus responsible for Stadshypotek fulfilling the liquidity reserve requirement as stipulated in the Swedish Financial Supervisory Authority's regulation FFFS

2010:7. The agreement also stipulates that the parties, in accordance with Article 8 of CRR and Chapter 6, Section 1 of FFFS 2014:12, are required to provide each other with liquidity support as necessary.

Stadshypotek's liquidity situation is regularly stress-tested. The stress tests focus on the short-term effects in the case of certain assumptions of relevance to its operations, for example disruptions in the market for covered bonds. Handelsbanken Risk Control conducts stress tests that focus on long-term disruptions for the entire Group, taking Stadshypotek's liquidity requirements into consideration.

### CAPITAL PLANNING

Stadshypotek also has a procedure for continual capital planning to ensure that it has a sufficient amount of capital to secure the company's survival if a serious loss were to occur, despite the measures taken to manage the risks. The method for calculating economic capital ensures that all risks are considered in a consistent manner when the need for capital is assessed.

### CAPITAL REQUIREMENT

Stadshypotek's assessment is that, taking into account current capital requirement regulations, the company is well-capitalised.

### MATERIAL EVENTS AFTER THE BALANCE SHEET DATE

No material events have occurred after the balance sheet date.

## NOTE 3 Net interest income

SEK m	Jul-Dec 2024	Jan-Jun 2024	Change, %	Jul-Dec 2023	Change, %	Full year 2024	Full year 2023	Change, %
<b>Interest income according to the effective interest method</b>								
Loans to the public	31,101	32,149	-3	29,232	6	63,250	52,121	21
Loans to credit institutions	383	295	30	270	42	678	463	46
<b>Total interest income</b>	<b>31,484</b>	<b>32,444</b>	<b>-3</b>	<b>29,502</b>	<b>7</b>	<b>63,928</b>	<b>52,584</b>	<b>22</b>
<b>Interest expenses</b>								
Due to credit institutions	-13,922	-14,599	-5	-13,327	4	-28,521	-22,884	25
Issued securities	-8,600	-8,063	7	-6,710	28	-16,663	-11,335	47
Derivative instruments <sup>1</sup>	-2,896	-3,855	-25	-3,683	-21	-6,751	-6,152	10
Other interest expenses	-3	0		-1	200	-3	-1	200
<b>Total interest expenses</b>	<b>-25,421</b>	<b>-26,517</b>	<b>-4</b>	<b>-23,721</b>	<b>7</b>	<b>-51,938</b>	<b>-40,372</b>	<b>29</b>
<i>of which interest expenses according to the effective interest method</i>	<i>-25,421</i>	<i>-26,517</i>	<i>-4</i>	<i>-23,721</i>	<i>7</i>	<i>-51,938</i>	<i>-40,372</i>	<i>29</i>
<b>Net interest income</b>	<b>6,063</b>	<b>5,927</b>	<b>2</b>	<b>5,781</b>	<b>5</b>	<b>11,990</b>	<b>12,212</b>	<b>-2</b>

<sup>1</sup> Net interest income from derivative instruments related to Stadshypotek's funding may have both a positive and a negative impact on interest expenses.

## NOTE 4 Net gains/losses on financial transactions

SEK m	Jul-Dec 2024	Jan-Jun 2024	Change, %	Jul-Dec 2023	Change, %	Full year 2024	Full year 2023	Change, %
<b>Amortised cost</b>	<b>146</b>	<b>323</b>	<b>-55</b>	<b>358</b>	<b>-59</b>	<b>469</b>	<b>580</b>	<b>-19</b>
<i>of which loans</i>	<i>26</i>	<i>7</i>	<i>271</i>	<i>3</i>		<i>33</i>	<i>7</i>	<i>371</i>
<i>of which issued securities</i>	<i>120</i>	<i>316</i>	<i>-62</i>	<i>355</i>	<i>-66</i>	<i>436</i>	<i>573</i>	<i>-24</i>
<b>Fair value through profit or loss, mandatory and other foreign exchange effects</b>	<b>-9</b>	<b>1</b>		<b>23</b>		<b>-8</b>	<b>22</b>	
<i>Trading, derivatives, foreign exchange effect, etc.</i>	<i>-9</i>	<i>1</i>		<i>23</i>		<i>-8</i>	<i>22</i>	
<b>Hedge accounting</b>	<b>5</b>	<b>2</b>	<b>150</b>	<b>206</b>	<b>-98</b>	<b>7</b>	<b>88</b>	<b>-92</b>
<i>of which net/gains losses, fair value hedges</i>	<i>-4</i>	<i>0</i>		<i>207</i>		<i>-4</i>	<i>89</i>	
<i>of which ineffective portion of cash flow hedges</i>	<i>9</i>	<i>2</i>	<i>350</i>	<i>-1</i>		<i>11</i>	<i>-1</i>	
<b>Total</b>	<b>142</b>	<b>326</b>	<b>-56</b>	<b>587</b>	<b>-76</b>	<b>468</b>	<b>690</b>	<b>-32</b>

Loans at amortised cost refers to early redemption charges for loans and receivables which have been repaid ahead of time. Issued securities refers to realised price differences when repurchasing bonds. The profit/loss item 'Net gains/losses, fair value hedges' includes the net result of unrealised and realised changes in the fair value of financial assets and financial liabilities which are subject to hedge accounting. Interest income and interest expenses for hedging instruments are recognised under net interest income. Changes in the value of hedging instruments in cash flow hedges which exceed the changes in the value of hedged future cash flows are recognised under 'ineffective portion of cash flow hedges'.

## NOTE 5 Other administrative expenses

SEK m	Jul-Dec 2024	Jan-Jun 2024	Change, %	Jul-Dec 2023	Change, %	Full year 2024	Full year 2023	Change, %
Cost of premises	-2	-3	-33	-3	-33	-5	-6	-17
External IT costs	-59	-68	-13	-76	-22	-127	-144	-12
Communication	0	-1	-100	0		-1	-1	0
Travel and marketing	-3	-2	50	-10	-70	-5	-21	-76
Purchased services <sup>1</sup>	-1,073	-1,125	-5	-1,034	4	-2,198	-2,067	6
Other administrative expenses <sup>2</sup>	-151	-27	459	-23		-178	-50	256
<b>Total</b>	<b>-1,288</b>	<b>-1,226</b>	<b>5</b>	<b>-1,146</b>	<b>12</b>	<b>-2,514</b>	<b>-2,289</b>	<b>10</b>

<sup>1</sup> Purchased services mainly comprise remuneration to Handelsbanken for services ordered by Stadshypotek and performed by the branch operations. Purchased services also includes remuneration to Handelsbanken for IT services ordered by Stadshypotek, as well as funding services.

<sup>2</sup> Other administrative expenses include capital gains/losses of SEK -111m relating to the divestment of parts of the Finnish operations.

## NOTE 6 Credit losses

SEK m	Jul-Dec 2024	Jan-Jun 2024	Change, %	Jul-Dec 2023	Change, %	Full year 2024	Full year 2023	Change, %
<b>Expected credit losses on balance sheet items</b>								
Provision for the period, Stage 3	-26	-28	-7	-22	18	-54	-33	67
Reversal of Stage 3 provisions from previous years	2	9	-78	1	100	11	2	450
<b>Total expected credit losses in Stage 3</b>	<b>-24</b>	<b>-19</b>	<b>26</b>	<b>-21</b>	<b>14</b>	<b>-43</b>	<b>-31</b>	<b>39</b>
Net provision for the period, Stage 2	96	-13		-60		84	-81	
Net provision for the period, Stage 1	16	18	-11	10	60	33	3	
<b>Total expected credit losses in Stage 1 and Stage 2</b>	<b>112</b>	<b>5</b>		<b>-50</b>		<b>117</b>	<b>-78</b>	
<b>Total expected credit losses on balance sheet items</b>	<b>88</b>	<b>-14</b>		<b>-71</b>		<b>74</b>	<b>-109</b>	
<b>Expected credit losses on off-balance sheet items</b>								
Net provision for the period, Stage 3	-	-	-	-	-	-	-	-
Net provision for the period, Stage 2	0	0	0	0	0	0	0	0
Net provision for the period, Stage 1	0	0	0	0	0	0	0	0
<b>Total expected credit losses on off-balance sheet items</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Write-offs</b>								
Actual credit losses for the period	-11	-10	10	-7	57	-21	-21	0
Utilised share of previous provisions	6	6	0	1	500	12	13	-8
<b>Total write-offs</b>	<b>-5</b>	<b>-4</b>	<b>25</b>	<b>-6</b>	<b>-17</b>	<b>-9</b>	<b>-8</b>	<b>13</b>
<b>Recoveries</b>	<b>9</b>	<b>30</b>	<b>-70</b>	<b>12</b>	<b>-25</b>	<b>39</b>	<b>22</b>	<b>77</b>
<b>Net credit losses</b>	<b>92</b>	<b>12</b>		<b>-65</b>		<b>104</b>	<b>-95</b>	
<i>of which loans to the public</i>	<i>92</i>	<i>12</i>		<i>-65</i>		<i>104</i>	<i>-95</i>	

SEK m	Jul-Dec 2024	Jan-Jun 2024	Jul-Dec 2023	Full year 2024	Full year 2023
<b>Model-based provision in Stage 1 and Stage 2</b>					
Update of macroeconomic assumptions	34	38	16	72	31
Transfer of exposures in exposed industries from Stage 1 to Stage 2	-1	0	1	-1	2
Change in risk of default in included portfolio (net rating changes)	7	-26	-78	-19	-105
Effect of changed exposure (existing, new and terminated exposures)	8	4	0	12	-17
Other	36	-23	14	13	0
<b>Total model-based provision in Stage 1 and Stage 2</b>	<b>84</b>	<b>-7</b>	<b>-47</b>	<b>77</b>	<b>-89</b>
<i>Expert-based provision</i>	<i>-10</i>	<i>-38</i>	<i>-50</i>	<i>-10</i>	<i>-50</i>
<b>Change in expert-based calculation</b>	<b>28</b>	<b>12</b>	<b>-3</b>	<b>40</b>	<b>11</b>
<b>Total expected credit losses in Stage 1 and Stage 2</b>	<b>112</b>	<b>5</b>	<b>-50</b>	<b>117</b>	<b>-78</b>

Key figures, credit losses Loans to the public	Jul-Dec 2024	Jan-Jun 2024	Jul-Dec 2023	Full year 2024	Full year 2023
Credit loss ratio, %	-0.01	0.00	0.01	0.01	0.01
Total reserve ratio, %	0.01	0.02	0.02	0.02	0.02
Reserve ratio Stage 1, %	0.00	0.00	0.00	0.00	0.00
Reserve ratio Stage 2, %	0.22	0.33	0.26	0.26	0.26
Reserve ratio Stage 3, %	3.79	3.55	4.87	4.87	4.87
Percentage of loans in Stage 3	0.17	0.16	0.12	0.12	0.12

For the calculations of key figures and definitions, see pages 7 and 32.

## NOTE 7 Loans to the public

SEK m	31 Dec 2024	30 June 2024	31 Dec 2023
<b>Loans in Swedish kronor</b>			
Gross lending, Household	944,407	942,044	947,372
Gross lending, Corporate	462,996	455,324	447,804
Expected credit losses, Household	-109	-118	-137
Expected credit losses, Corporate	-91	-173	-162
<b>Total</b>	<b>1,407,203</b>	<b>1,397,077</b>	<b>1,394,877</b>
<b>Loans in foreign currency</b>			
Gross lending, Household	110,872	120,105	109,661
Gross lending, Corporate	65,277	73,571	76,121
Expected credit losses, Household	-12	-24	-25
Expected credit losses, Corporate	-10	-12	-6
<b>Total</b>	<b>176,127</b>	<b>193,640</b>	<b>185,751</b>
<b>Total loans to the public</b>	<b>1,583,330</b>	<b>1,590,717</b>	<b>1,580,628</b>
<i>of which accrued interest income, Household</i>	<i>2,595</i>	<i>3,001</i>	<i>2,757</i>
<i>of which accrued interest income, Corporate</i>	<i>1,525</i>	<i>2,285</i>	<i>1,952</i>

Loans to the public, by sector and industry 31 December 2024 SEK m	Gross			Provisions			Net
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Total
Private individuals	992,638	18,753	2,403	-14	-38	-65	1,013,677
Housing co-operative associations	263,662	4,525	46	-1	-4	-7	268,221
Property management	255,104	15,424	278	-9	-26	-27	270,744
Manufacturing	415	22	4	0	0	0	441
Retail	626	99	7	0	0	-2	730
Hotel and restaurant	627	80	0	0	-2	-1	704
Passenger and goods transport by sea	9	1		0	0		10
Other transport and communication	358	44		0	0		402
Construction	731	271	7	-1	-10		998
Electricity, gas and water	897	2		0	0		899
Agriculture, hunting and forestry	16,079	791	12	-2	-5	-2	16,873
Other services	2,348	413	3	0	-3	-1	2,760
Holding, investment and insurance companies, mutual funds, etc.	1,084	110	1	0	-2	0	1,193
Sovereigns and municipalities	1,273	3		0	0		1,276
Other corporate lending	4,367	33	2	0	0		4,402
<b>Total</b>	<b>1,540,218</b>	<b>40,571</b>	<b>2,763</b>	<b>-27</b>	<b>-90</b>	<b>-105</b>	<b>1,583,330</b>

Loans to the public, by sector and industry 30 June 2024 SEK m	Gross			Provisions			Net
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Total
Private individuals	995,695	20,976	2,138	-27	-41	-57	1,018,684
Housing co-operative associations	266,093	6,570	18	-1	-4	-7	272,669
Property management	241,838	29,309	356	-9	-98	-23	271,373
Manufacturing	279	61	4	-2	-22	0	320
Retail	665	86	7	0	-1	0	757
Hotel and restaurant	658	76	1	0	-1	-1	733
Passenger and goods transport by sea	11	1	-	0	0	-	12
Other transport and communication	445	45	0	0	0	-	490
Construction	704	306	1	-1	-15	0	995
Electricity, gas and water	1,058	2	-	0	0	0	1,060
Agriculture, hunting and forestry	15,693	950	7	-3	-5	-2	16,640
Other services	2,678	356	4	-1	-3	0	3,034
Holding, investment and insurance companies, mutual funds, etc.	1,167	103	5	0	-2	0	1,273
Sovereigns and municipalities	1,992	3	-	0	0	-	1,995
Other corporate lending	619	62	2	0	-1	-	682
<b>Total</b>	<b>1,529,595</b>	<b>58,906</b>	<b>2,543</b>	<b>-44</b>	<b>-193</b>	<b>-90</b>	<b>1,590,717</b>

NOTE 7 Loans to the public, cont.

Loans to the public, by sector and industry 31 December 2023 SEK m	Gross			Provisions			Net
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Total
Private individuals	992,581	21,771	1,587	-40	-37	-52	1,015,810
Housing co-operative associations	265,424	5,264	12	-1	-1	-8	270,690
Property management	224,944	40,825	125	-10	-82	-29	265,773
Manufacturing	200	51	0	-3	-29	0	219
Retail	620	56	13	0	0	0	689
Hotel and restaurant	641	90	0	0	-1	0	730
Passenger and goods transport by sea	11	1	-	0	0	-	12
Other transport and communication	476	31	-	0	0	-	507
Construction	668	300	5	-2	-20	0	951
Electricity, gas and water	1,097	10	3	0	0	0	1,110
Agriculture, hunting and forestry	15,714	1,175	73	-4	-5	0	16,953
Other services	2,675	395	0	-1	-3	0	3,066
Holding, investment and insurance companies, mutual funds, etc.	986	97	1	0	-1	0	1,083
Sovereigns and municipalities	2,328	17	-	0	0	-	2,345
Other corporate lending	641	50	-	0	-1	-	690
<b>Total</b>	<b>1,509,006</b>	<b>70,133</b>	<b>1,819</b>	<b>-61</b>	<b>-180</b>	<b>-89</b>	<b>1,580,628</b>

Change in the provision for expected credit losses, loans to the public 31 December 2024 SEK m	Stage 1	Stage 2	Stage 3	Total
<b>Provision at the beginning of the period</b>	<b>-61</b>	<b>-180</b>	<b>-89</b>	<b>-330</b>
Derecognised assets	8	30	9	47
Write-offs	0	0	12	12
Remeasurements due to changes in credit risk	8	59	-14	53
Changes due to update in the methodology for estimation	0	0	0	0
Foreign exchange effect, etc.	0	0	0	0
Purchased or originated assets	-4	-2	-1	-7
Transfer to Stage 1	-3	10	0	7
Transfer to Stage 2	11	-31	0	-20
Transfer to Stage 3	14	24	-22	16
<b>Provision at the end of the period</b>	<b>-27</b>	<b>-90</b>	<b>-105</b>	<b>-222</b>

Change in the provision for expected credit losses, loans to the public 30 June 2024 SEK m	Stage 1	Stage 2	Stage 3	Total
<b>Provision at the beginning of the period</b>	<b>-61</b>	<b>-180</b>	<b>-89</b>	<b>-330</b>
Derecognised assets	-4	10	1	7
Write-offs	15	-35	0	-20
Remeasurements due to changes in credit risk	5	32	-9	28
Changes due to update in the methodology for estimation	3	-26	-6	-29
Foreign exchange effect, etc.	-4	-3	0	-7
Purchased or originated assets	2	9	7	18
Transfer to Stage 1	0	0	6	6
Transfer to Stage 2	0	0	0	0
Transfer to Stage 3	0	0	0	0
<b>Provision at the end of the period</b>	<b>-44</b>	<b>-193</b>	<b>-90</b>	<b>-327</b>

NOTE 7 Loans to the public, cont.

Change in the provision for expected credit losses, loans to the public 31 December 2023 SEK m				
	Stage 1	Stage 2	Stage 3	Total
Provision at the beginning of the period	-66	-100	-55	-221
Derecognised assets	4	8	1	13
Write-offs	0	0	13	13
Remeasurements due to changes in credit risk	-76	11	-27	-92
Changes due to update in the methodology for estimation	14	3	-1	16
Foreign exchange effect, etc.	1	0	0	1
Purchased or originated assets	-8	-10	0	-18
Transfer to Stage 1	-4	16	0	12
Transfer to Stage 2	59	-139	0	-80
Transfer to Stage 3	15	31	-20	26
<b>Provision at the end of the period</b>	<b>-61</b>	<b>-180</b>	<b>-89</b>	<b>-330</b>

NOTE 8 Derivative instruments

SEK m	Nominal amount/maturity			Nominal amount			Positive market values			Negative market values		
	Up to 1 year	1–5 years	Over 5 years	31 Dec 2024	30 June 2024	31 Dec 2023	31 Dec 2024	30 June 2024	31 Dec 2023	31 Dec 2024	30 June 2024	31 Dec 2023
<b>Derivatives for fair value hedges</b>												
Interest rate-related contracts												
Options	-	-	-		2	41	-	0	1	-	-	-
Swaps	22,000	279,036	33,875	334,911	329,557	281,129	6,311	4,645	5,318	4,710	6,898	6,608
<b>Total</b>	<b>22,000</b>	<b>279,036</b>	<b>33,875</b>	<b>334,911</b>	<b>329,559</b>	<b>281,170</b>	<b>6,311</b>	<b>4,645</b>	<b>5,319</b>	<b>4,710</b>	<b>6,898</b>	<b>6,608</b>
<b>Derivatives for cash flow hedges</b>												
Interest rate-related contracts												
Swaps	12,927	27,647	1,148	41,722	56,257	67,394	6	18	67	907	1,744	2,151
Currency-related contracts												
Swaps	10,865	66,109	12,760	89,733	97,782	93,380	8,039	7,209	6,657	0	82	163
<b>Total</b>	<b>23,792</b>	<b>93,756</b>	<b>13,907</b>	<b>131,455</b>	<b>154,039</b>	<b>160,774</b>	<b>8,045</b>	<b>7,227</b>	<b>6,724</b>	<b>907</b>	<b>1,826</b>	<b>2,314</b>
<b>Total derivatives</b>	<b>45,792</b>	<b>372,792</b>	<b>47,782</b>	<b>466,366</b>	<b>483,598</b>	<b>441,944</b>	<b>14,356</b>	<b>11,872</b>	<b>12,043</b>	<b>5,617</b>	<b>8,724</b>	<b>8,922</b>
<i>of which OTC derivatives not settled by CCP</i>	<i>45,792</i>	<i>372,792</i>	<i>47,782</i>	<i>466,366</i>	<i>483,598</i>	<i>441,944</i>	<i>14,356</i>	<i>11,872</i>	<i>12,043</i>	<i>5,617</i>	<i>8,724</i>	<i>8,922</i>

Currency breakdown of market values	Positive market values			Negative market values		
	31 Dec 2024	30 June 2024	31 Dec 2023	31 Dec 2024	30 June 2024	31 Dec 2023
SEK	-41,923	-50,222	-38,404	1,885	2,872	14,685
EUR	95,883	94,036	86,982	3,732	-2,899	-5,763
NOK	-39,604	-31,942	-36,535	0	8,751	-
<b>Total</b>	<b>14,356</b>	<b>11,872</b>	<b>12,043</b>	<b>5,617</b>	<b>8,724</b>	<b>8,922</b>

Derivative contracts are reported gross on the balance sheet and in the notes. Stadshypotek AB (publ) only has derivative transactions with its parent company, Svenska Handelsbanken AB (publ).

## NOTE 9 Offsetting of financial instruments

SEK m	Derivatives		
	31 Dec 2024	30 June 2024	31 Dec 2023
<b>Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements</b>			
Gross amount	14,356	11,872	12,043
Amounts set off	-	-	-
<b>Carrying amount on the balance sheet</b>	<b>14,356</b>	<b>11,872</b>	<b>12,043</b>
<b>Related amounts not offset on the balance sheet</b>			
Financial instruments, netting arrangements	-5,617	-8,724	-8,922
<b>Total amounts not set off on the balance sheet</b>	<b>-5,617</b>	<b>-8,724</b>	<b>-8,922</b>
<b>Net amount</b>	<b>8,739</b>	<b>3,148</b>	<b>3,121</b>
<b>Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements</b>			
Gross amount	-5,617	-8,724	-8,922
Amounts set off	-	-	-
<b>Carrying amount on the balance sheet</b>	<b>-5,617</b>	<b>-8,724</b>	<b>-8,922</b>
<b>Related amounts not offset on the balance sheet</b>			
Financial instruments, netting arrangements	14,356	11,872	12,043
<b>Total amounts not set off on the balance sheet</b>	<b>14,356</b>	<b>11,872</b>	<b>12,043</b>
<b>Net amount</b>	<b>8,739</b>	<b>3,148</b>	<b>3,121</b>

The above information refers to reported financial instruments that are covered by legally binding netting agreements. All financial instruments that are subject to netting agreements have been entered into with the parent company Svenska Handelsbanken AB (publ) as the counterparty. No derivatives are subject to offsetting.

## NOTE 10 Due to credit institutions

SEK m	31 Dec 2024	30 June 2024	31 Dec 2023
<b>Due in Swedish kronor</b>			
Banks	695,845	669,525	661,773
<b>Total</b>	<b>695,845</b>	<b>669,525</b>	<b>661,773</b>
<b>Due in foreign currency</b>			
Banks	127,375	128,934	125,125
<b>Total</b>	<b>127,375</b>	<b>128,934</b>	<b>125,125</b>
<b>Total due to credit institutions</b>	<b>823,220</b>	<b>798,459</b>	<b>786,898</b>

## NOTE 11 Issued securities

SEK.m	31 Dec 2024		30 June 2024		31 Dec 2023	
	Carrying amount	Nominal amount	Carrying amount	Nominal amount	Carrying amount	Nominal amount
<b>Bonds</b>						
Bonds in Swedish kronor	614,641	609,610	626,898	624,430	619,627	618,447
Bonds in foreign currency	120,113	122,181	119,359	123,563	120,218	123,597
<b>Total</b>	<b>734,754</b>	<b>731,791</b>	<b>746,257</b>	<b>747,993</b>	<b>739,845</b>	<b>742,044</b>
<b>Total issued securities</b>	<b>734,754</b>	<b>731,791</b>	<b>746,257</b>	<b>747,993</b>	<b>739,845</b>	<b>742,044</b>
<i>of which accrued interest expenses</i>	<i>6,109</i>		<i>5,536</i>		<i>4,509</i>	

SEK.m	Full year 2024	Jan-Jun 2024	Full year 2023
<b>Issued securities at beginning of period</b>	<b>739,845</b>	<b>739,845</b>	<b>670,999</b>
Issued	121,858	71,669	177,931
Repurchased	-43,217	-24,036	-51,590
Matured	-91,441	-43,341	-66,975
Foreign exchange effects, etc.	7,709	2,120	9,480
<b>Issued securities at end of period</b>	<b>734,754</b>	<b>746,257</b>	<b>739,845</b>

## NOTE 12 Classification of financial assets and liabilities

31 December 2024	Fair value through profit or loss					Fair value
	Mandatory	Fair value option	Derivatives identified as hedging instruments	Amortised cost	Total carrying amount	
SEK.m						
<b>Assets</b>						
Loans to credit institutions				30,485	30,485	30,485
Loans to the public				1,583,330	1,583,330	1,582,199
Value change of interest-hedged item in portfolio hedge						
Derivative instruments			14,356		14,356	14,356
Other assets	7			1,310	1,317	1,317
<b>Total</b>	<b>7</b>	<b>-</b>	<b>14,356</b>	<b>1,615,125</b>	<b>1,629,488</b>	<b>1,628,357</b>
Shares and participating interests in Group companies and associated companies					0	
Non-financial assets					460	
<b>Total assets</b>					<b>1,629,948</b>	
<b>Liabilities</b>						
Due to credit institutions				823,220	823,220	810,557
Issued securities				734,754	734,754	729,319
Derivative instruments			5,617		5,617	5,617
Other liabilities		7		5,189	5,196	5,196
<b>Total</b>	<b>-</b>	<b>7</b>	<b>5,617</b>	<b>1,563,163</b>	<b>1,568,787</b>	<b>1,550,689</b>
Non-financial liabilities					388	
<b>Total liabilities</b>					<b>1,569,175</b>	

Note 12 Classification of financial assets and liabilities, cont.

30 June 2024		Fair value through profit or loss					Fair value
SEK m	Mandatory	Fair value option	Derivatives identified as hedging instruments	Amortised cost	Total carrying amount		
<b>Assets</b>							
Loans to credit institutions				4,485	4,485	4,485	
Loans to the public				1,590,717	1,590,717	1,585,108	
Value change of interest-hedged item in portfolio hedge	0				0	0	
Derivative instruments			11,872		11,872	11,872	
Other assets	6			7,851	7,857	7,857	
<b>Total</b>	<b>6</b>	<b>-</b>	<b>11,872</b>	<b>1,603,053</b>	<b>1,614,931</b>	<b>1,609,322</b>	
Shares and participating interests in Group companies and associated companies					0		
Non-financial assets					657		
<b>Total assets</b>					<b>1,615,588</b>		
<b>Liabilities</b>							
Due to credit institutions				798,459	798,459	786,698	
Issued securities				746,257	746,257	732,805	
Derivative instruments			8,724		8,724	8,724	
Other liabilities		6		706	712	712	
<b>Total</b>	<b>-</b>	<b>6</b>	<b>8,724</b>	<b>1,545,422</b>	<b>1,554,152</b>	<b>1,528,939</b>	
Non-financial liabilities					711		
<b>Total liabilities</b>					<b>1,554,863</b>		

31 December 2023		Fair value through profit or loss					Fair value
SEK m	Mandatory	Fair value option	Derivatives identified as hedging instruments	Amortised cost	Total carrying amount		
<b>Assets</b>							
Loans to credit institutions				10,623	10,623	10,623	
Loans to the public				1,580,628	1,580,628	1,572,513	
Value change of interest-hedged item in portfolio hedge	-1				-1	-1	
Derivative instruments			12,043		12,043	12,043	
Other assets	6			493	499	499	
<b>Total</b>	<b>5</b>	<b>-</b>	<b>12,043</b>	<b>1,591,744</b>	<b>1,603,792</b>	<b>1,595,677</b>	
Shares and participating interests in Group companies and associated companies					0		
Non-financial assets					675		
<b>Total assets</b>					<b>1,604,467</b>		
<b>Liabilities</b>							
Due to credit institutions				786,898	786,898	778,607	
Issued securities				739,845	739,845	713,172	
Derivative instruments			8,922		8,922	8,922	
Other liabilities		6		6,193	6,199	6,199	
<b>Total</b>	<b>-</b>	<b>6</b>	<b>8,922</b>	<b>1,532,936</b>	<b>1,541,864</b>	<b>1,506,900</b>	
Non-financial liabilities					295		
<b>Total liabilities</b>					<b>1,542,159</b>		

## NOTE 13 Fair value measurement of financial instruments

Financial instruments reported at fair value 31 December 2024 SEK m	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Value change of interest-hedged item in portfolio hedge			-	-
Derivative instruments		14,356		14,356
Other assets	7			7
<b>Total</b>	<b>7</b>	<b>14,356</b>	<b>-</b>	<b>14,363</b>
<b>Liabilities</b>				
Derivative instruments		5,617		5,617
Other liabilities		7		7
<b>Total</b>	<b>-</b>	<b>5,624</b>	<b>-</b>	<b>5,624</b>

Financial instruments reported at fair value 30 June 2024 SEK m	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Value change of interest-hedged item in portfolio hedge			0	0
Derivative instruments		11,872		11,872
Other assets	6			6
<b>Total</b>	<b>6</b>	<b>11,872</b>	<b>0</b>	<b>11,878</b>
<b>Liabilities</b>				
Derivative instruments		8,724		8,724
Other liabilities		6		6
<b>Total</b>	<b>-</b>	<b>8,730</b>	<b>-</b>	<b>8,730</b>

Financial instruments reported at fair value 31 December 2023 SEK m	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Value change of interest-hedged item in portfolio hedge			-1	-1
Derivative instruments		12,043		12,043
Other assets	6			6
<b>Total</b>	<b>6</b>	<b>12,043</b>	<b>-1</b>	<b>12,048</b>
<b>Liabilities</b>				
Derivative instruments		8,922		8,922
Other liabilities		6		6
<b>Total</b>	<b>-</b>	<b>8,928</b>	<b>-</b>	<b>8,928</b>

Change in holdings of financial instruments reported at fair value in level 3 SEK m	31 Dec 2024	30 June 2024	31 Dec 2023
Value change of interest-hedged item in portfolio hedge			
Carrying amount at the beginning of the period	-1	-1	-3
Acquisitions	-	-	-
Matured	1	1	1
Unrealised value change in income statement	-	0	1
Carrying amount at end of period	-	0	-1

Note 13 Fair value measurement of financial instruments, cont.

Fair value of financial instruments measured at amortised cost 31 December 2024 SEK m	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Loans to credit institutions		30,485		30,485
Loans to the public			1,582,199	1,582,199
Other assets			1,310	1,310
<b>Total</b>	<b>-</b>	<b>30,485</b>	<b>1,583,509</b>	<b>1,613,994</b>
<b>Liabilities</b>				
Due to credit institutions		810,557		810,557
Issued securities	665,748	63,571		729,319
Other liabilities			5,189	5,189
<b>Total</b>	<b>665,748</b>	<b>874,128</b>	<b>5,189</b>	<b>1,545,065</b>

Fair value of financial instruments measured at amortised cost 30 June 2024 SEK m	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Loans to credit institutions		4,485		4,485
Loans to the public			1,585,108	1,585,108
Other assets			7,851	7,851
<b>Total</b>	<b>-</b>	<b>4,485</b>	<b>1,592,959</b>	<b>1,597,444</b>
<b>Liabilities</b>				
Due to credit institutions		786,698		786,698
Issued securities	657,589	75,216		732,805
Other liabilities			706	706
<b>Total</b>	<b>657,589</b>	<b>861,914</b>	<b>706</b>	<b>1,520,209</b>

Fair value of financial instruments measured at amortised cost 31 December 2023 SEK m	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Loans to credit institutions		10,623		10,623
Loans to the public			1,572,513	1,572,513
Other assets			493	493
<b>Total</b>	<b>-</b>	<b>10,623</b>	<b>1,573,006</b>	<b>1,583,629</b>
<b>Liabilities</b>				
Due to credit institutions		778,607		778,607
Issued securities	649,601	63,571		713,172
Other liabilities			6,193	6,193
<b>Total</b>	<b>649,601</b>	<b>842,178</b>	<b>6,193</b>	<b>1,497,972</b>

## Note 13 Fair value measurement of financial instruments, cont.

### VALUATION PROCESS

Stadshypotek's independent risk control is responsible for the existence of appropriate instructions and processes for fair value measurement of financial instruments. In general, the valuations are based on externally generated data as far as is possible, considering the circumstances in each case. In the case of model valuation, valuation models that are established in the market are always used. The models and input data which form the basis of the valuations are regularly validated by the independent risk control function to ensure that they are consistent with market practices and established financial theory. New and revised valuation models are always validated before they come into use.

Stadshypotek is also subject to the Handelsbanken Group's guidelines and instructions for valuation of financial instruments. Valuation matters which are of principle importance are discussed by the Handelsbanken Group's valuation committee, which includes representatives of both central and local risk control as well as financial functions. The valuation committee ensures that general instructions for valuation of financial instruments are consistently followed throughout the Handelsbanken Group and serve as support for decision-making in valuation and accounting matters.

### PRINCIPLES FOR FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value is defined as the price at which an asset could be sold or a liability could be transferred in a normal transaction between independent market participants. For financial instruments traded on an active market, the fair value is the same as the quoted market price. An active market is one where quoted prices are readily and regularly available from a regulated market, execution venue, reliable news service or equivalent, and where the price information received can easily be

verified by means of regularly occurring transactions. The current market price is generally the same as the current bid price for financial assets or the current asking price for financial liabilities.

For financial instruments where there is no reliable information about market prices, fair value is established using valuation models. The valuation models used are based on input data which essentially can be verified using market observations such as market rates. If necessary, an adjustment is made for other variables which a market participant would be expected to take into consideration when setting a price.

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

### VALUATION HIERARCHY

In the tables, financial instruments at fair value have been categorised in terms of how the valuations have been carried out and the extent of market data used in the valuation. The categorisation is shown as levels 1–3 in the table. The categorisation is based on the valuation method used on the balance sheet date. Financial instruments which are valued at the current market price are categorised as level 1.

Financial instruments which are valued using valuation models essentially based on market data are categorised as level 2. Level 2 mainly includes interest-related and currency-related derivatives.

Financial instruments which have been valued using valuation models essentially based on input data that is not possible to verify using external market information are categorised as level 3. Level 3 includes value changes of interest-hedged item in portfolio hedge.

### PRINCIPLES FOR INFORMATION ABOUT THE FAIR VALUES OF FINANCIAL INSTRUMENTS CARRIED AT COST OR AMORTISED COST

More information about the fair values of financial instruments carried at cost or amortised cost is given in the table. These instruments essentially comprise lending and funding.

#### Lending

Calculating fair value for lending purposes is based on the current market rate with an adjustment for assumed credit and liquidity risk premiums on market terms. The premium is assumed to be the same as the average margin for new lending at the time of the measurement.

#### Funding and deposits

Issued securities have been valued at the current market price where this was available. Funding where market price information has not been found has been valued using a valuation model based on market data in the form of prices or interest rates for similar instruments.

#### Other interest-bearing financial assets and liabilities

For means of payment and short-term receivables and liabilities, the carrying amount is considered to be an acceptable estimate of the fair value. Short-term receivables and liabilities also include those with a maturity date or date for the next interest rate fixing falling within 30 days. Financial receivables and liabilities with a life of more than three months are discounted at the time the fair value is established.

Note 13 also reports the fair value of financial instruments reported at cost or amortised cost, categorised according to their respective valuation hierarchy.

## NOTE 14 Assets and liabilities by currency

The total value in Swedish kronor of the company's assets and liabilities broken down by currency is specified in the following table.

31 December 2024							
SEK m							
	SEK	DKK	EUR	GBP	NOK	USD	Total
<b>Assets</b>							
Loans to credit institutions	5,189	-	16,848	0	8,448	-	30,485
Loans to the public	1,407,203	-	29,942	-	146,185	-	1,583,330
<i>of which corporate</i>	462,905	-	29,918	-	35,349	-	528,172
<i>of which households</i>	944,298	-	24	-	110,836	-	1,055,158
Derivatives	-41,923	-	95,883	-	-39,604	-	14,356
Other assets	1,729	-	48	-	-	-	1,777
<b>Total assets</b>	<b>1,372,198</b>	<b>-</b>	<b>142,721</b>	<b>0</b>	<b>115,029</b>	<b>-</b>	<b>1,629,948</b>
<b>Liabilities</b>							
Due to credit institutions	695,844	-	43,909	-	83,467	-	823,220
Issued securities	614,641	-	91,865	-	28,248	-	734,754
Derivatives	1,885	-	3,732	-	-	-	5,617
Other liabilities	4,577	-	782	-	201	-	5,560
Accrued expenses and deferred income	23	-	0	-	1	-	24
<b>Total liabilities</b>	<b>1,316,970</b>	<b>-</b>	<b>140,288</b>	<b>-</b>	<b>111,917</b>	<b>-</b>	<b>1,569,175</b>
<b>Net foreign currency position</b>	<b>55,228</b>	<b>-</b>	<b>2,433</b>	<b>0</b>	<b>3,112</b>	<b>-</b>	<b>60,773</b>
<i>of which retained earnings and international branch profits for the period</i>			2,142		3,671		5,813

30 June 2024							
SEK m							
	SEK	DKK	EUR	GBP	NOK	USD	Total
<b>Assets</b>							
Loans to credit institutions	1,244	-	689	-	2,552	-	4,485
Loans to the public	1,397,077	-	54,217	-	139,423	-	1,590,717
<i>of which corporate</i>	455,151	-	38,425	-	35,134	-	528,710
<i>of which households</i>	941,926	-	15,792	-	104,289	-	1,062,007
Derivatives	-50,222	-	94,036	-	-31,942	-	11,872
Other assets	8,475	-	35	-	4	-	8,514
<b>Total assets</b>	<b>1,356,574</b>	<b>-</b>	<b>148,977</b>	<b>-</b>	<b>110,037</b>	<b>-</b>	<b>1,615,588</b>
<b>Liabilities</b>							
Due to credit institutions	669,525	-	52,838	-	76,096	-	798,459
Issued securities	626,898	-	97,247	-	22,112	-	746,257
Derivatives	2,872	-	-2,899	-	8,751	-	8,724
Other liabilities	1,248	-	4	-	132	-	1,384
Accrued expenses and deferred income	39	-	0	-	0	-	39
<b>Total liabilities</b>	<b>1,300,581</b>	<b>-</b>	<b>147,190</b>	<b>-</b>	<b>107,092</b>	<b>-</b>	<b>1,554,863</b>
<b>Net foreign currency position</b>	<b>55,993</b>	<b>-</b>	<b>1,787</b>	<b>-</b>	<b>2,945</b>	<b>-</b>	<b>60,725</b>
<i>of which retained earnings and international branch profits for the period</i>			2,094		3,447		5,541

#### Note 14 Assets and liabilities by currency, cont.

31 December 2023  
SEK m

	SEK	DKK	EUR	GBP	NOK	USD	Total
<b>Assets</b>							
Loans to credit institutions	2,456	359	810	0	6,998	0	10,623
Loans to the public	1,394,877	-	59,776	-	125,975	-	1,580,628
<i>of which corporate</i>	447,642	-	42,540	-	33,575	-	523,757
<i>of which households</i>	947,235	-	17,236	-	92,400	-	1,056,871
Derivatives	-38,404	-	86,982	-	-36,535	-	12,043
Other assets	1,156	-	17	-	-	-	1,173
<b>Total assets</b>	<b>1,360,085</b>	<b>359</b>	<b>147,585</b>	<b>0</b>	<b>96,438</b>	<b>0</b>	<b>1,604,467</b>
<b>Liabilities</b>							
Due to credit institutions	661,773	-	58,615	-	66,510	-	786,898
Issued securities	619,627	-	93,202	-	27,016	-	739,845
Derivatives	14,685	-	-5,763	-	-	-	8,922
Other liabilities	5,938	352	70	-	110	-	6,470
Accrued expenses and deferred income	23	-	0	-	1	-	24
<b>Total liabilities</b>	<b>1,302,046</b>	<b>352</b>	<b>146,124</b>	<b>-</b>	<b>93,637</b>	<b>-</b>	<b>1,542,159</b>
<b>Net foreign currency position</b>	<b>58,039</b>	<b>7</b>	<b>1,461</b>	<b>0</b>	<b>2,801</b>	<b>0</b>	<b>62,308</b>
<i>of which retained earnings and international branch profits for the period</i>		7	1,913		3,088		5,008

## NOTE 15 Pledged assets and commitments

Assets pledged for own debt SEK m	31 Dec 2024	30 June 2024	31 Dec 2023
Liquid funds deposited at banks	1,000	1,000	420
<i>of which pledged for covered bonds</i>	1,000	1,000	420
Loans to the public <sup>1</sup>	750,510	766,950	765,513
<i>of which pledged for covered bonds</i>	750,510	766,950	765,513
<b>Total</b>	<b>751,510</b>	<b>767,950</b>	<b>765,933</b>

<sup>1</sup> The cover pool comprises loans against mortgages in single-family housing, multi-family dwellings and housing co-operative apartments with a loan-to-value ratio of up to 75% of the market value, as well as public credits plus additional collateral in the form of cash collateral pledged deposited at banks. A separate specification is kept of the assets and the covered bonds, and also derivatives relating to these. In the event of the company's insolvency, pursuant to the Swedish Right of Priority Act, the holders of Stadshypotek's covered bonds have prior rights to the assets registered as collateral. If, at the time of a bankruptcy decision, the assets in the cover pool fulfil the terms of the Act, these must instead be kept separate from the bankruptcy estate's other assets and liabilities. In this event, the holders of the bonds must receive contractual payments under the terms of the bond for the period until maturity.

Commitments SEK m	31 Dec 2024	30 June 2024	31 Dec 2023
Credit commitments	1,894	2,178	2,187
Repurchase agreement	1,391	4,704	3,191
Issued interest rate options, nominal value	-	11	48
Future lease payments	38	37	43
<b>Total</b>	<b>3,323</b>	<b>6,930</b>	<b>5,469</b>

## NOTE 16 Segment reporting

Segment reporting should reflect how the company's management monitors the business operations, which in the case of Stadshypotek corresponds to the geographical organisational structure. For the calculations and definitions of key figures, see pages 7 and 32.

<b>Income statement</b> Jul-Dec 2024 SEK m	Sweden	Norway	Denmark	Finland	Eliminations	Stadshypotek AB
Net interest income	5,330	547	0	186	-	6,063
Net fee and commission income	-27	-1	-	-1	-	-29
Net gains/losses on financial transactions	148	-6	-	0	-	142
Other income	1	-	0	11	-	12
<b>Total income</b>	<b>5,452</b>	<b>540</b>	<b>0</b>	<b>196</b>	<b>-</b>	<b>6,188</b>
General administrative expenses						
Staff costs	-39	-	-	-	-	-39
Other administrative expenses	-1,056	-69	-	-163	-	-1,288
Depreciation, amortisation and impairment losses of property, equipment and intangible assets	-17	-	-	-	-	-17
<b>Total expenses</b>	<b>-1,112</b>	<b>-69</b>	<b>0</b>	<b>-163</b>	<b>-</b>	<b>-1,344</b>
<b>Profit before credit losses</b>	<b>4,340</b>	<b>471</b>	<b>-</b>	<b>33</b>	<b>-</b>	<b>4,844</b>
Net credit losses	90	0	-	2	-	92
Government fees	-504	-61	-	-15	-	-580
<b>Operating profit</b>	<b>3,926</b>	<b>410</b>	<b>0</b>	<b>20</b>	<b>-</b>	<b>4,356</b>
<b>Profit before taxes</b>	<b>3,926</b>	<b>410</b>	<b>0</b>	<b>20</b>	<b>-</b>	<b>4,356</b>

<b>Key figures</b> Jul-Dec 2024	Sweden	Norway	Denmark	Finland	Stadshypotek AB
Return on total assets, %	0.42	0.44	-	0.10	0.43
Net interest margin, %	0.72	0.75	-	0.70	0.75
C/I ratio, %	20.4	12.8	0.0	83.3	21.7
Credit loss ratio, %	-0.01	0.00	-	-0.01	-0.01

<b>Balance sheet</b> 31 December 2024 SEK m	Sweden	Norway	Denmark	Finland	Eliminations	Stadshypotek AB
<b>Loans to the public, Household</b>						
Gross lending, Household	944,407	110,842	-	30	-	1,055,279
Expected credit losses, Household	-109	-6	-	-6	-	-121
<b>Total loans to the public, Household</b>	<b>944,298</b>	<b>110,836</b>	<b>-</b>	<b>24</b>	<b>-</b>	<b>1,055,158</b>
<b>Loans to the public, Corporate</b>						
Gross lending, Corporate	462,996	35,353	-	29,924	-	528,273
Expected credit losses, Corporate	-91	-4	-	-6	-	-101
<b>Total loans to the public, Corporate</b>	<b>462,905</b>	<b>35,349</b>	<b>-</b>	<b>29,918</b>	<b>-</b>	<b>528,172</b>
<b>Total loans to the public</b>	<b>1,407,203</b>	<b>146,185</b>	<b>-</b>	<b>29,942</b>	<b>-</b>	<b>1,583,330</b>
<i>Average loans to the public for the period Jul-Dec 2024</i>	<i>1,396,283</i>	<i>141,098</i>	<i>-</i>	<i>46,310</i>	<i>-</i>	<i>1,583,691</i>
<b>Total assets</b>	<b>1,495,815</b>	<b>154,575</b>		<b>46,833</b>	<b>-67,275</b>	<b>1,629,948</b>
<i>Average total assets for the period Jul-Dec 2024</i>	<i>1,482,960</i>	<i>146,289</i>		<i>52,787</i>	<i>-64,955</i>	<i>1,617,081</i>

Note 16 Segment reporting, cont.

<b>Income statement</b>						
<b>Jan–Jun 2024</b>						
SEK m	Sweden	Norway	Denmark	Finland	Eliminations	Stadshypotek AB
Net interest income	5,209	507	1	210	-	5,927
Net fee and commission income	-28	0	-	5	-	-23
Net gains/losses on financial transactions	330	-4	-	0	-	326
Other income	0	-	0	-	-	0
<b>Total income</b>	<b>5,511</b>	<b>503</b>	<b>1</b>	<b>215</b>		<b>6,230</b>
General administrative expenses						
Staff costs	-40	-	-	-	-	-40
Other administrative expenses	-1,147	-59	-	-20	-	-1,226
Depreciation, amortisation and impairment losses of property, equipment and intangible assets	-14	-	-	-	-	-14
<b>Total expenses</b>	<b>-1,201</b>	<b>-59</b>	<b>-</b>	<b>-20</b>	<b>-</b>	<b>-1,280</b>
<b>Profit before credit losses</b>	<b>4,310</b>	<b>444</b>	<b>1</b>	<b>195</b>	<b>-</b>	<b>4,950</b>
Net credit losses	17	-2	-	-3	-	12
Government fees	-564	-	-	-15	-	-579
<b>Operating profit</b>	<b>3,763</b>	<b>442</b>	<b>1</b>	<b>177</b>	<b>-</b>	<b>4,383</b>
<b>Profit before taxes</b>	<b>3,763</b>	<b>442</b>	<b>1</b>	<b>177</b>	<b>-</b>	<b>4,383</b>

  

<b>Key figures</b>						
<b>Jan–Jun 2024</b>						
	Sweden	Norway	Denmark	Finland		Stadshypotek AB
Return on total assets, %	0.41	0.50	-	0.48		0.43
Net interest margin, %	0.71	0.73	-	0.71		0.74
C/I ratio, %	21.8	11.8	0.0	9.5		20.5
Credit loss ratio, %	0.00	0.00	-	0.01		0.00

  

<b>Balance sheet</b>						
<b>30 June 2024</b>						
SEK m	Sweden	Norway	Denmark	Finland	Eliminations	Stadshypotek AB
<b>Loans to the public, Household</b>						
Gross lending, Household	942,044	104,297	-	15,808	-	1,062,149
Expected credit losses, Household	-118	-8	-	-16	-	-142
<b>Total loans to the public, Household</b>	<b>941,926</b>	<b>104,289</b>	<b>-</b>	<b>15,792</b>	<b>-</b>	<b>1,062,007</b>
<b>Loans to the public, Corporate</b>						
Gross lending, Corporate	455,324	35,140	-	38,431	-	528,895
Expected credit losses, Corporate	-173	-6	-	-6	-	-185
<b>Total loans to the public, Corporate</b>	<b>455,151</b>	<b>35,134</b>	<b>-</b>	<b>38,425</b>	<b>-</b>	<b>528,710</b>
<b>Total loans to the public</b>	<b>1,397,077</b>	<b>139,423</b>	<b>-</b>	<b>54,217</b>	<b>-</b>	<b>1,590,717</b>
<i>Average loans to the public for the period Jan–Jun 2024</i>	<i>1,389,406</i>	<i>132,690</i>	<i>-</i>	<i>58,312</i>	<i>-</i>	<i>1,580,408</i>
<b>Total assets</b>	<b>1,481,004</b>	<b>141,897</b>	<b>-</b>	<b>54,936</b>	<b>-62,249</b>	<b>1,615,588</b>
<i>Average total assets for the period Jan–Jun 2024</i>	<i>1,467,786</i>	<i>137,899</i>	<i>-</i>	<i>59,522</i>	<i>-61,881</i>	<i>1,603,326</i>

Note 16 Segment reporting, cont.

<b>Income statement</b>						
<b>Jul–Dec 2023</b>						
SEK m	Sweden	Norway	Denmark	Finland	Eliminations	Stadshypotek AB
Net interest income	5,200	321	10	250	-	5,781
Net fee and commission income	-18	0	-	4	-	-14
Net gains/losses on financial transactions	592	-6	-	1	-	587
Other income	1	-	-	-	-	1
<b>Total income</b>	<b>5,775</b>	<b>315</b>	<b>10</b>	<b>255</b>	<b>-</b>	<b>6,355</b>
General administrative expenses						
Staff costs	-40	-	-	-	-	-40
Other administrative expenses	-1,074	-51	0	-21	-	-1,146
Depreciation, amortisation and impairment losses of property, equipment and intangible assets	-14	-	-	-	-	-14
<b>Total expenses</b>	<b>-1,128</b>	<b>-51</b>	<b>0</b>	<b>-21</b>	<b>-</b>	<b>-1,200</b>
<b>Profit before credit losses</b>	<b>4,647</b>	<b>264</b>	<b>10</b>	<b>234</b>	<b>-</b>	<b>5,155</b>
Net credit losses	-69	2	-	2	-	-65
Government fees	-474	-54	-	-14	-	-542
<b>Operating profit</b>	<b>4,104</b>	<b>212</b>	<b>10</b>	<b>222</b>	<b>-</b>	<b>4,548</b>
<b>Profit before taxes</b>	<b>4,104</b>	<b>212</b>	<b>10</b>	<b>222</b>	<b>-</b>	<b>4,548</b>

  

<b>Key figures</b>						
<b>Jul–Dec 2023</b>						
	Sweden	Norway	Denmark	Finland		Stadshypotek AB
Return on total assets, %	0.45	0.27	-	0.56		0.46
Net interest margin, %	0.71	0.51	-	0.77		0.72
C/I ratio, %	19.5	16.2	0.1	8.0		18.9
Credit loss ratio, %	0.01	0.00	-	-0.01		0.01

  

<b>Balance sheet</b>						
<b>31 December 2023</b>						
SEK m	Sweden	Norway	Denmark	Finland	Eliminations	Stadshypotek AB
<b>Loans to the public, Household</b>						
Gross lending, Household	947,372	92,408	-	17,253	-	1,057,033
Expected credit losses, Household	-137	-8	-	-17	-	-162
<b>Total loans to the public, Household</b>	<b>947,235</b>	<b>92,400</b>	<b>-</b>	<b>17,236</b>	<b>-</b>	<b>1,056,871</b>
<b>Loans to the public, Corporate</b>						
Gross lending, Corporate	447,804	33,577	-	42,544	-	523,925
Expected credit losses, Corporate	-162	-2	-	-4	-	-168
<b>Total loans to the public, Corporate</b>	<b>447,642</b>	<b>33,575</b>	<b>-</b>	<b>42,540</b>	<b>-</b>	<b>523,757</b>
<b>Total loans to the public</b>	<b>1,394,877</b>	<b>125,975</b>	<b>-</b>	<b>59,776</b>	<b>-</b>	<b>1,580,628</b>
<i>Average loans to the public for the period Jul–Dec 2023</i>	<i>1,389,857</i>	<i>123,709</i>	<i>-</i>	<i>63,731</i>	<i>-</i>	<i>1,577,297</i>
<b>Total assets</b>	<b>1,474,032</b>	<b>132,870</b>	<b>359</b>	<b>60,597</b>	<b>-63,391</b>	<b>1,604,467</b>
<i>Average total assets for the period Jul–Dec 2023</i>	<i>1,469,654</i>	<i>126,224</i>	<i>0</i>	<i>65,164</i>	<i>-61,308</i>	<i>1,599,734</i>

## NOTE 17 Related party disclosures

Related parties – claims and liabilities SEK m	31 Dec 2024	30 June 2024	31 Dec 2023		
Loans to credit institutions	30,485	4,485	10,623		
Derivative instruments	14,356	11,872	12,043		
Other assets	95	356	81		
<b>Total</b>	<b>44,936</b>	<b>16,713</b>	<b>22,747</b>		
Due to credit institutions	823,220	798,459	786,898		
Issued securities	49,111	49,142	49,152		
Derivative instruments	5,617	8,724	8,922		
Other liabilities	4,359	48	6,102		
<b>Total</b>	<b>882,307</b>	<b>856,373</b>	<b>851,074</b>		
Commitments	1,391	4,704	3,191		
Derivatives, nominal amounts	466,367	483,598	441,944		
Related parties – income and expenses SEK m	Jul-Dec 2024	Jan-Jun 2024	Jul-Dec 2023	Full year 2024	Full year 2023
Interest income	383	295	269	458	458
Interest expenses <sup>1</sup>	-18,006	-19,784	-18,075	-30,712	-30,712
Fee and commission income	1	1	2	3	3
Fee and commission expenses	-8	-4	-4	-8	-8
Other income	4	3	3	6	6
Other administrative expenses	-1,133	-1,193	-1,108	-2,208	-2,208
<b>Total</b>	<b>-18,759</b>	<b>-20,682</b>	<b>-18,913</b>	<b>-32,461</b>	<b>-32,461</b>

<sup>1</sup> Interest expenses from derivative instruments related to Stadshypotek's funding may have both a positive and a negative impact on interest income and interest expenses.

All amounts stated in the tables above refer to transactions with the parent company.

The business operations of Stadshypotek are highly decentralised. The basic principle is that the organisation and working practices are centred around the Handelsbanken Group's branch offices, which are responsible for all the business of individual customers. One consequence of this approach is that Stadshypotek's lending operations are run via Handelsbanken's Swedish branch operations and the lending operations in

Stadshypotek's branches in Norway and Finland are run via Handelsbanken's branch operations in the respective countries. Stadshypotek's funding needs are managed by Handelsbanken's Treasury Department. The services performed by Handelsbanken on behalf of Stadshypotek are regulated in outsourcing agreements between the parties. Most of the inter-company transactions are thus with the parent company, Handels-

banken. The services purchased by Stadshypotek from the parent company, which are included in other administrative expenses, consist primarily of sales compensation, IT services and the treasury function. In addition, inter-company transactions consist of funding from the parent company, derivative transactions and lending to the parent company.

## NOTE 18 Disclosures on assets and liabilities held for sale and discontinued operations

### Assets and liabilities held for sale

Finland SEK m	31 Dec 2024	31 Dec 2023
<b>Assets</b>		
Loans to the public	29,942	59,776
Other assets	41	0
Prepaid expenses and accrued income	-	-
<b>Total</b>	<b>29,983</b>	<b>59,776</b>
<b>Liabilities</b>		
Current tax liabilities	-	64
Deferred tax liabilities	-	-
Other liabilities	779	2
Accrued expenses and deferred income	0	0
<b>Total</b>	<b>779</b>	<b>66</b>

### Income, expenses and profit from discontinued operations

Finland SEK m	Full year 2024	Full year 2023
Net interest income	2,299	2,339
Net fee and commission income	1	8
Net gains/losses on financial transactions	0	1
Other income <sup>1</sup>	12	-
<b>Total income</b>	<b>2,312</b>	<b>2,348</b>
Staff costs	-	-
Other expenses <sup>1</sup>	-113	-1
Depreciation, amortisation and impairment of property, equipment and intangible assets	0	-
<b>Total expenses</b>	<b>-113</b>	<b>-1</b>
Net credit losses	-1	-2
Government fees	-30	-27
<b>Profit from discontinued operations, before taxes</b>	<b>2,168</b>	<b>2,318</b>
<sup>1</sup> Capital gains/losses for the year from the partial divestment of the Finnish operations amounted net to SEK -99m, of which SEK +12m was other income and SEK -111m was other expenses.	<b>-99</b>	-

### Cash flow statement, discontinued operations

Finland SEK m	Full year 2024	Full year 2023
Cash flow from operating activities	19,541	4,530
Cash flow from investing activities	14,870	-
Cash flow from financing activities	-	-
<b>Cash flow for the year from discontinued operations</b>	<b>34,411</b>	<b>4,530</b>

## NOTE 19 Capital adequacy

Presentation in accordance with the requirements of Commission Implementing Regulation (EU) No 1423/2013. The excluded lines are deemed not to be relevant for Stadshypotek at the time of publication.

Own funds SEK m	31 Dec 2024	30 June 2024	31 Dec 2023	Regulation (EU) No 575/2013 Article Reference
<b>Common equity tier 1 capital: instruments and reserves</b>				
1 Capital instruments and the related share premium accounts <i>of which share capital</i>	4,050	4,050	4,050	26.1, 27, 28, 29 EBA list 26.3
2 Retained earnings	36,864	37,475	35,454	26.1 c
3 Accumulated other comprehensive income (and any other reserves, to include unrealised gains and losses according to the applicable accounting standards)	-1,351	-1,983	-2,067	26.1
5a Independently reviewed interim profits net of any foreseeable charge or dividend	3,510	2,438	2,671	26.2
<b>6 Common equity tier 1 (CET1) capital before regulatory adjustments</b>	<b>43,073</b>	<b>41,980</b>	<b>40,108</b>	
<b>Common equity tier 1 capital: regulatory adjustments</b>				
7 Additional value adjustments (negative amount)				34, 105
8 Intangible assets (net of related tax liability) (negative amount)	-65	-81	-89	36.1 b, 37
11 Fair value reserves related to gains or losses on cash flow hedges	1,366	2,061	2,103	33.1 a
12 Negative amounts resulting from the calculation of expected loss amounts	-1,051	-1,828	-1,144	36.1 d, 40, 159
14 Gains or losses on liabilities valued at fair value resulting from changes in own credit standing				33.1 b
15 Defined benefit pension fund assets (negative amount)				36.1 e, 41
16 Direct and indirect holdings by an institution of own CET1 instruments (negative amount)				36.1 f, 42
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)				36.1 i, 43, 45, 47, 48.1 b, 49.1-49.3, 79
20a Exposure amount of the following items which qualify for a risk weight of 1,250%, where the institution opts for the deduction alternative				36 (1) (k)
20c <i>of which securitisation positions (negative amount)</i>				36 (1) (k) (ii), 243 (1) (b), 244 (1) (b), 258
21 Deferred tax assets arising from temporary difference (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)				36.1 c, 38, 48.1 a
22 Amount exceeding the 15% threshold (negative amount)				48.1
23 <i>of which direct and indirect holdings by the institution of CET1 instruments of financial sector entities where the institution has significant investments in those entities</i>				36.1 i, 48.1 b
25 <i>of which deferred tax assets arising from temporary differences</i>				36.1 c, 38, 48.1 a
25a Losses for the current financial year (negative amount)				36.1 a
25b Foreseeable tax charges relating to CET1 items (negative amount)				36.1 l
27 Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)				36.1 j
<b>28 Total regulatory adjustments to common equity tier 1 capital (CET1)</b>	<b>250</b>	<b>152</b>	<b>870</b>	
<b>29 Common equity tier 1 capital</b>	<b>43,323</b>	<b>42,132</b>	<b>40,978</b>	
<b>Additional tier 1 capital: instruments</b>				
30 Capital instruments and the related share premium accounts	17,700	17,700	17,700	51, 52
32 <i>of which classified as liabilities under applicable accounting standards</i>				
33 Amount of qualifying items referred to in Article 484.4 and the related share premium accounts subject to phase-out from AT1				486.3
<b>36 Additional tier 1 (AT1) capital before regulatory adjustments</b>				
<b>Additional tier 1 capital: regulatory adjustments</b>				
37 Direct and indirect holdings by an institution of own AT1 instruments (negative amount)				52.1 b, 56 a, 57
40 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)				56 d, 59, 79
42 Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)				56 e
<b>43 Total regulatory adjustments to additional tier 1 (AT1) capital</b>				
<b>44 Additional tier 1 capital</b>	<b>17,700</b>	<b>17,700</b>	<b>17,700</b>	
<b>45 Tier 1 capital (tier 1 capital = common equity tier 1 capital + additional tier 1 capital)</b>	<b>61,023</b>	<b>59,832</b>	<b>58,678</b>	

Note 19 Capital adequacy, cont.

Own funds SEK m	31 Dec 2024	30 June 2024	31 Dec 2023	Regulation (EU) No 575/2013 Article Reference
<b>Tier 2 capital: instruments and reserves</b>				
46 Capital instruments and the related share premium accounts	-	-	-	62, 63
50 Credit risk adjustments	-	-	-	62 c and d
<b>51 Tier 2 (T2) capital before regulatory adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Tier 2 (T2) capital: regulatory adjustments</b>				
52 Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	-	-	63 b i, 66 a, 67
55 Direct and indirect 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 amount)	-	-	-	66 d, 69, 79
<b>57 Total regulatory adjustments to tier 2 capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>58 Tier 2 capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>59 Total capital (total capital = tier 1 capital + tier 2 capital)</b>	<b>61,023</b>	<b>59,832</b>	<b>58,678</b>	
<b>60 Total risk-weighted assets</b>	<b>347,799</b>	<b>354,568</b>	<b>352,879</b>	
<b>Capital ratios and buffers</b>				
61 Common equity tier 1 capital (as a percentage of the risk-weighted exposure amount)	12.50%	11.9%	11.6%	92.2 a
62 Tier 1 capital (as a percentage of the risk-weighted exposure amount)	17.50%	16.9%	16.6%	92.2 b
63 Total capital (as a percentage of the risk-weighted exposure amount)	17.50%	16.9%	16.6%	92.2 c
64 Institution-specific buffer requirement (CET1 requirement in accordance with Article 92 (1) (a) plus capital conservation and countercyclical buffer requirements plus a systemic risk buffer, plus systemically important institution buffer expressed as a percentage of the total risk-weighted exposure amount)	4.50%	4.5%	4.5%	CRD 128, 129, 130, 131, 133
65 of which capital conservation buffer requirement	2.50%	2.5%	2.5%	
66 of which countercyclical buffer requirement	2.00%	2.0%	2.0%	
67 of which systemic risk buffer requirement				
67a of which buffer for global systemically important institutions or other systemically important institutions				
68 Common equity tier 1 capital available for use as a buffer (as a percentage of the risk-weighted exposure amount)	8.00%	7.4%	7.1%	CRD 128
<b>Amounts below the threshold for deductions (prior to determining the risk weight)</b>				
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)				36.1 h, 46, 45, 56 c, 59, 60, 66 c, 69, 70
73 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 under 10% threshold and net of eligible short positions)				36.1 i, 45, 48
75 Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38.3 are met) (negative amount)				36.1 c, 38, 48
<b>Applicable caps on the inclusion of provisions in tier 2 capital</b>				
76 Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)				62
77 Cap for inclusion of credit risk adjustments in T2 under standardised approach				62
78 Credit risk adjustments included in T2 in respect of exposures subject to IRB approach (prior to the application of the cap)				62
79 Cap for inclusion of credit risk adjustments in T2 under IRB approach <sup>5</sup>				62
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 January 2013 and 1 January 2023)</b>				
80 Current cap on CET1 instruments subject to phase-out arrangements				484.3, 486.2, 486.5
81 Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)				484.3, 486.2, 486.5
82 Current cap on AT1 instruments subject to phase-out arrangements				484.4, 486.3, 486.5
83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)				484.4, 486.3, 486.5
84 Current cap on T2 instruments subject to phase-out arrangements				484.5, 486.4, 486.5
85 Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)				484.5, 486.4, 486.5

## Note 19 Capital adequacy, cont.

IRB credit risk	Exposure amount			Average risk weight, %			Capital requirement		
	31 Dec 2024	30 June 2024	31 Dec 2023	31 Dec 2024	30 June 2024	31 Dec 2023	31 Dec 2024	30 June 2024	31 Dec 2023
SEK m									
<b>Sovereign, municipalities and central banks</b>	<b>8,013</b>	<b>9,785</b>	<b>10,807</b>	<b>7.4</b>	<b>7.5</b>	<b>7.6</b>	<b>47</b>	<b>59</b>	<b>66</b>
<b>Corporate</b>	<b>287,654</b>	<b>283,035</b>	<b>279,175</b>	<b>15.7</b>	<b>18.9</b>	<b>19.1</b>	<b>3,605</b>	<b>4,287</b>	<b>4,266</b>
<i>of which other lending, foundation approach</i>	514	693	562	15.1	15.6	17.6	6	9	8
<i>of which other lending, advanced approach</i>	287,140	282,342	278,613	15.7	18.9	19.1	3,599	4,278	4,258
– Large corporates	2,742	1,856	2,934	28.2	44.6	26.3	62	66	62
– Medium-sized companies	26,192	27,642	27,866	13.4	14.7	14.6	280	325	326
– Property companies	258,206	252,844	247,812	15.8	19.2	19.5	3,257	3,886	3,870
<b>Housing co-operative associations</b>	<b>268,553</b>	<b>272,562</b>	<b>270,158</b>	<b>1.8</b>	<b>2.1</b>	<b>2.2</b>	<b>390</b>	<b>459</b>	<b>465</b>
<b>Household</b>	<b>1,014,966</b>	<b>1,022,591</b>	<b>1,016,721</b>	<b>7.7</b>	<b>8.1</b>	<b>7.9</b>	<b>6,270</b>	<b>6,653</b>	<b>6,388</b>
– Private individuals	1,010,409	1,017,736	1,011,745	7.7	8.1	7.8	6,217	6,572	6,324
– Small companies	4,557	4,855	4,976	14.6	16.6	16.1	53	65	64
<b>Institutions</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>0</b>	<b>0</b>
<b>Non credit-obligation assets</b>	<b>95</b>	<b>124</b>	<b>0</b>	<b>75.0</b>	<b>81.4</b>	<b>100.0</b>	<b>6</b>	<b>8</b>	<b>0</b>
<b>Total IRB approach</b>	<b>1,579,281</b>	<b>1,588,097</b>	<b>1,576,862</b>	<b>8.2</b>	<b>9.0</b>	<b>8.9</b>	<b>10,318</b>	<b>11,466</b>	<b>11,185</b>
Risk weight floor, Swedish and Norwegian mortgages							13,538	13,444	13,612
Risk weight floor, Swedish and Norwegian companies with property mortgages							1,886	1,188	1,329
<b>Total IRB approach with impact of risk weight floor</b>	<b>1,579,281</b>	<b>1,588,097</b>	<b>1,576,862</b>	<b>20.4</b>	<b>20.5</b>	<b>20.7</b>	<b>25,742</b>	<b>26,099</b>	<b>26,126</b>

Capital requirement credit risks, standardised approach <sup>1</sup>	31 December 2024			30 June 2024			31 December 2023		
	Exposure value	Average risk weight, %	Capital requirement	Exposure value	Average risk weight, %	Capital requirement	Exposure value	Average risk weight, %	Capital requirement
SEK m									
Sovereign and central banks	-	-	-	257	-	-	-	-	-
Institutions	66,744	0.0	0	37,166	0.0	0	42,064	0.2	6
Corporate	0	100.0	0	3	100.0	0	198	99.9	16
Household	518	50.2	21	752	100.0	0	503	47.5	19
Other items	1,010	20.0	16	6,269	23.2	130	0	0.0	0
<b>Total</b>	<b>68,272</b>	<b>0.7</b>	<b>37</b>	<b>44,447</b>	<b>3.7</b>	<b>130</b>	<b>42,765</b>	<b>1.2</b>	<b>41</b>

<sup>1</sup> Details of capital requirement for exposure classes where there are exposures.

## Leverage ratio

The leverage ratio requirement according to Article 3.2 of CRR2 was introduced, and is applicable as of 28 June 2023.

Leverage ratio	31 Dec 2024	30 June 2024	31 Dec 2023
SEK			
Balance sheet according to accounting regulations	1,629,948	1,603,716	1,592,423
Adjustment for differences between the carrying amount and leverage ratio exposure – derivatives	16,992	28,267	27,398
<i>Assets recognised off the balance sheet, gross (before adjustments of credit conversion factors)</i>	548	433	4
<i>Deduction from assets off the balance sheet after applying credit conversion factors</i>	-	-	-
Assets reported off the balance sheet, net	548	433	4
Further adjustments according to CRR, Article 429.4	250	152	870
Deductions for exposures to Group companies as referred to in CRR Article 429.7	-61,929	-33,108	-37,733
<b>Assets on which the leverage ratio is calculated</b>	<b>1,585,809</b>	<b>1,599,460</b>	<b>1,582,962</b>
<b>Capital on which the leverage ratio can be calculated</b>			
Tier 1 capital	61,023	59,832	58,678
<b>Leverage ratio</b>			
Leverage ratio calculated using tier 1 capital, %	3.85	3.74	3.71

## NOTE 20 Material events after the balance sheet date

No material events have occurred after the balance sheet date.

# Submission of report

I hereby submit this report. Stockholm, 5 February 2025

**Cecilia Hasselbo**  
Chief Executive

The Annual Report for 2024 will be published in the week beginning 24 February and will be available from [handelsbanken.se](https://handelsbanken.se).

Next report: to be published on 16 July 2025

# Definitions

## **ALTERNATIVE PERFORMANCE MEASURES**

Alternative Performance Measures (APMs) are financial measures of historical and future performance, financial position or cash flow that are not defined by either IFRS or the Capital Requirements Regulation.

Stadshypotek uses APMs to describe the performance of the operations and to increase comparability between periods. These need not be comparable with similar key figures (performance measures) presented by other companies.

## **Benchmark programme**

Covered bonds are issued in the company's own name and as part of a joint funding programme. The bonds have a fixed coupon yield or a floating rate.

## **C/I ratio**

Total expenses in relation to total income.

## **Credit loss ratio expressed as a percentage of loans to the public**

Credit losses on loans to the public in relation to loans to the public at the beginning of the period.

## **Earnings per share**

Profit for the year attributable to holders of ordinary shares divided by the average number of outstanding shares. Where applicable, the dilution effect is taken into account.

## **Mortgage loans**

Lending in a mortgage institution.

## **Net interest margin**

Net interest income in relation to average total assets.

## **Proportion of loans in Stage 3**

Net loans to the public Stage 3 in relation to gross loans to the public.

## **Reserve ratio Stage 1 loans to the public**

Provisions Stage 1 loans to the public in relation to gross loans to the public Stage 1.

## **Reserve ratio Stage 2 loans to the public**

Provisions Stage 2 loans to the public in relation to gross loans to the public Stage 2.

## **Reserve ratio Stage 3 loans to the public**

Provisions Stage 3 loans to the public in relation to gross loans to the public Stage 3.

## **Return on equity**

Profit for the year in relation to average equity adjusted for rights issues, dividends and changes in the value of derivatives in cash flow hedges.

## **Return on total assets**

Profit for the year in relation to average total assets.

## **Total reserve ratio, loans to the public**

Total provisions loans to the public in relation to gross loans to the public.

## KEY FIGURES DEFINED IN THE CAPITAL REQUIREMENTS REGULATION

### 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.

### 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 for the respective ratio must be at least the stated percentage of the risk exposure amount. For definitions of the respective own funds amounts, see Common equity tier 1 capital, Tier 1 capital and Total capital. In addition to the general requirements, the supervisory authority may add institution-specific requirements in accordance with the second pillar of the regulations.

### Credit conversion factor (CCF)

The factor that is used when calculating the exposure amount for unutilised overdraft facilities, credit commitments, guarantees and other off-balance-sheet commitments.

### 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 and also the difference between an expected loss and provisions made for probable credit losses.

### Common equity tier 1 capital available for use as a buffer

The common equity tier 1 ratio after a deduction for the part of common equity tier 1 capital required to comply with all formal requirements.

### Common equity tier 1 ratio

Common equity tier 1 capital in relation to risk-weighted exposure amount.

### Exposure amount

Exposure amount (exposure at default) is the amount which is subject to capital adequacy requirements. The amount is calculated taking into account interest rates and fees. Amounts relating to off-balance-sheet items are recalculated using a credit conversion factor (CCF). For derivatives, the exposure amount is calculated as positive MTM (mark-to-market) plus value change risk, i.e. the nominal amount multiplied by the upward adjustment factor.

### Exposure value

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

### Leverage ratio

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

### Own funds/Total capital

Own funds are the sum of tier 1 and tier 2 capital.

### Risk exposure amount

The capital requirement in accordance with CRR, multiplied by 12.5. The risk exposure amount is used in connection 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 assets

Total risk exposure amounts. The statutory capital requirement is based on this.

### Risk-weighted exposure amount

Exposure amount multiplied by risk weight. Risk-weighted exposure amounts are used in connection with credit risks, including counterparty risks.

### Tier 1 capital

Common equity tier 1 capital including additional tier 1 capital.

### Tier 1 ratio

Tier 1 capital in relation to risk-weighted exposure amount.

### Tier 2 capital

Tier 2 capital is a sub-component of own funds and comprises, among other things, subordinated loans and puttable financial instruments classified as equity which meet the requirements stated in Regulation (EU) No 575/2013 and can therefore be included in tier 2 capital.

### Total capital ratio

Total own funds for capital adequacy purposes in relation to risk-weighted assets.

### Total risk-weighted exposure amount

Total risk exposure amount is the sum of risk exposure amount and risk-weighted exposure amount.

# Facts about the company

**Registered name:** Stadshypotek AB (publ)

**Corporate identity no:** 556459-6715

**Date of registration:** 23 December 1992

**Registered office:** Stockholm

**Share capital:** SEK 4,050,000,000, registered on 22 December 1997.

The lowest and highest permissible share capital according to the Articles of Association is SEK 2,000,000,000 and SEK 8,000,000,000 respectively.

**Number of shares:** 162,000 shares with a quotient value of SEK 25,000 per share.

**Number of votes per share:** Each share carries one vote.

**Convertible debt, etc.:** The company has not issued any debt instruments which can be converted into or exchanged for shares, or which entail the right to subscribe to new shares.

**Ownership:** A subsidiary of Svenska Handelsbanken AB (publ), corporate identity number 502007-7862. The Bank publishes consolidated annual accounts in which Stadshypotek AB is included.

## ADDRESSES

### Stadshypotek AB

**Office address:** Torsgatan 14

**Postal address:** 103 70 Stockholm, Sweden

**Telephone:** +46 (0)8 701 54 00

**Website:** handelsbanken.com

### Stadshypotek AB (publ), branch operations in Finland

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**Postal address:** FI-00180 Helsinki, Finland

**Telephone:** +358 (0)10 444 11

### Handelsbanken Eiendomskreditt

**Office address:** Tjuvholmen Allé 11

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