

Handelsbanken's Interim Report

January – June 2025

Q2 2025 (Q1 2025)

- Operating profit was SEK 7,164m (8,136).
- Return on equity was 12.7% (12.9).
- Earnings per share amounted to SEK 2.77 (3.19).
- The C/I ratio was 44.2% (40.7).
- The credit loss ratio was -0.03% (-0.01).
- The common equity tier 1 ratio was 18.4% (18.4).

January – June 2025 (January – June 2024)

- Operating profit was SEK 15,300m (16,778).
- Return on equity was 12.8% (14.4).
- Earnings per share amounted to SEK 5.96 (6.77).
- The C/I ratio was 42.4% (41.9).
- The credit loss ratio was -0.02% (-0.01).
- The common equity tier 1 ratio was 18.4% (18.9).

Stable profitability

Lending volumes increased in all home markets, albeit to a limited extent. At the same time, net interest income was held back by the significant appreciation of the Swedish krona, as well as by the fact that previous positive repricing effects between deposits and lending were not repeated during the quarter. Net fee and commission income was resilient and relatively unchanged compared with the previous quarter, in spite of the effects on assets under management from lower stock markets. Underlying expenses continued to decrease, and credit losses consisted of net reversals for a sixth consecutive quarter. All in all, return on equity was stable compared with the previous quarter.

Lower underlying expenses and improved efficiency

Execution on efficiency improvement work has contributed to a lower expense level in the Bank. Compared with both the first six months and the second quarter of the previous year, expenses decreased by 5% adjusted for Oktogonen and restructuring charges. This was achieved in spite of general cost inflation and the inclusion of salary adjustments for the year. The work to reduce expenses and improve efficiency across the Bank has mainly been concentrated to central departments and business support units. The implemented measures have resulted in a lower head count among both employees and external resources, and an increased expense and efficiency focus – within all units – has also contributed to an improved cost base.

A position of financial strength

The Bank's low credit risk is complemented by low funding and liquidity risk, a substantial liquidity reserve and strong capital situation. After anticipated dividend, the common equity tier 1 ratio amounted to 18.4%, corresponding to 3.5 percentage points over the regulatory requirement and thus 0.5 percentage points over the Bank's long-term target range of 1-3 percentage points above regulatory requirement. During the first half of the year, anticipated dividend amounted to SEK 7.15 per share, equivalent to 120% of profit for the period. The Bank's credit ratings by the leading rating agencies remained the highest overall among peer banks globally.

SEK m	Q2 2025	Q1 2025	Change	Jan-Jun 2025	Jan-Jun 2024	Change
Total income	13,624	14,789	-8%	28,413	30,775	-8%
Total expenses	-6,017	-6,025	0%	-12,042	-12,890	-7%
Net credit losses	219	54	306%	273	228	20%
Regulatory fees	-664	-684	-3%	-1,348	-1,343	0%
Operating profit	7,164	8,136	-12%	15,300	16,778	-9%
Non-recurring items and special items in operating profit*	-240	-65		-338	-461	
Operating profit adjusted for items affecting comparability	7,404	8,201	-10%	15,638	17,239	-9%

Information regarding the press conference and telephone conference

A press conference will be held on 16 July 2025 at 09:30 a.m.

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

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For more information about Handelsbanken, please go to: handelsbanken.com