

Interim Report

January-March

2022

Handelsbanken's interim report

January – March 2022

JANUARY – MARCH 2022

- COMPARED WITH JANUARY – MARCH 2021

- Profit for the period increased by 29% to SEK 5,650m (4,381). Profit for the period from continuing operations increased by 29% to SEK 5,344m (4,155).
- Earnings per share were SEK 2.85 (2.21).
- Operating profit increased by 24% to SEK 6,586m (5,307). Adjusted for items affecting comparability*, operating profit was essentially unchanged.
- Return on equity increased to 13.4% (10.6).
- Income increased by 17%. Adjusted for items affecting comparability*, the increase was 5% and was attributable to higher net interest income and net fee and commission income.
- Expenses grew by 3%. This increase was attributable in its entirety to higher development expenses.
- The C/I ratio improved to 42.0% (47.4). Adjusted for non-recurring items, the C/I ratio improved to 45.9% (47.4).
- The credit loss ratio was 0.00% (0.01).
- The common equity tier 1 ratio was 18.7% (20.2).

Q1 2022

- COMPARED WITH Q4 2021

- Profit for the period increased by 8% to SEK 5,650m (5,236). Profit for the period from continuing operations increased by 1% to SEK 5,344m (5,311).
- Earnings per share were SEK 2.85 (2.64).
- Operating profit increased by 3% to SEK 6,586m (6,369). Adjusted for items affecting comparability*, operating profit decreased by 8%.
- Return on equity increased to 13.4% (12.5).
- Income was up 4%, although adjusted for items affecting comparability*, income decreased by 3%.
- Expenses decreased marginally, although adjusted for items affecting comparability*, expenses decreased by 3%.
- The C/I ratio improved to 42.0% (44.0). Adjusted for non-recurring items*, the C/I ratio was 45.9% (45.6).
- The credit loss ratio was 0.00% (0.00).

SEK m	Q1 2022	Q4 2021	Change %	Change after adjustment of items affecting comparability,	Jan-Mar 2022	Jan-Mar 2021	Change %	Change after adjustment of items affecting comparability,
Net interest income	8,013	7,735	4%	2%	8,013	7,429	8%	5%
Net fee and commission income	2,911	3,163	-8%	-9%	2,911	2,662	9%	8%
Net gains/losses on financial transactions	240	395	-39%	-41%	240	341	-30%	-31%
Other income, etc.	1,142	500	128%	-11%	1,142	109		-24%
Total income	12,305	11,793	4%	-3%	12,305	10,541	17%	5%
Staff costs, excl. Oktogonen	-3,086	-3,081	0%	-2%	-3,086	-3,062	1%	-2%
Oktogonen	-87	-64	36%		-87	-213		
Other administrative expenses	-1,563	-1,594	-2%	-4%	-1,563	-1,280	22%	18%
Depreciation, amortisation and impairment of property, equipment and intangible assets	-431	-448	-4%	-4%	-431	-441	-2%	-3%
Total expenses	-5,167	-5,187	0%	-3%	-5,167	-4,996	3%	3%
of which development costs	-847	-811	4%		-847	-641	32%	
Total expenses, excl. items affecting comparability* and development costs	-4,139	-4,312	-4%	-4%	-4,086	-4,142	-1%	-1%
Credit losses	-6	-9	-33%	-44%	-6	-11	-45%	10%
Gains/losses on disposal of property, equipment and intangible assets	14	4	250%	250%	14	-5		
Risk tax and resolution fee	-559	-232	141%		-559	-222	152%	
Operating profit	6,586	6,369	3%	-8%	6,586	5,307	24%	0%
Taxes	-1,242	-1,058	17%		-1,242	-1,152	8%	
Profit for the period from continuing operations	5,344	5,311	1%		5,344	4,155	29%	
Net profit from discontinued operations	307	-75			307	226	36%	
Profit for the period	5,650	5,236	8%		5,650	4,381	29%	

* Adjusted for exchange effects and, if applicable, non-recurring and special items.

Items affecting comparability other than foreign exchange effects:

Q1 2022: Non-recurring item: SEK 1,059m sales of real estate holding subsidiaries (other income). Special item: SEK -87m Oktogonen (staff costs).

Q4 2021: Non-recurring item: SEK 408m non-recurring income from sale of card acquiring operations (other income).

Special item: SEK -64m Oktogonen.

Q1 2021: Special item: SEK -213m Oktogonen (staff costs).

Comments on Q1 2022 by the Group CEO



The first quarter of the year has been surrounded by the biggest geopolitical and security policy upheaval in several decades, following Russia's invasion of Ukraine.

The Bank stands strong in an uncertain time. We have no direct exposure to Ukraine, Belarus or Russia, and any indirect exposure is assessed to be very limited.

The first quarter shows that the strategic decisions made a few years ago continue to strengthening the Bank, in accordance to expectations. Income increased by 5% and net interest income is growing at a slightly faster rate than lending. Net fee and commission income is 9% higher today than it was one year ago, despite a general downturn in the global stock markets, and Sweden in particular.

Compared with last year, corporate lending has increased by 8%, household lending by 6%, and mutual fund volumes by 8%. Underlying expenses have risen by 3%, an increase that can be exclusively attributed to the Bank's renewed ambitions within IT development. Overall, the C/I ratio is moving in the right direction, and the underlying figure was 45.9%. This is the way we want things to be, with income climbing more quickly than expenses.

We have a capital situation and a market position that give us every chance to harness the growth opportunities we identify in all of our home markets – in both the private and corporate sides. Despite historically high growth in new lending volumes, the Bank is fully able to balance this against a robust capacity to generate capital. This underlines the Bank's ability to handle growth while maintaining reassuring margins over the authorities' capital requirements.

Activity levels have remained high in all home markets during the first quarter. The Bank's broad local presence and deep-rooted position in all of our home markets, combined with its closeness to the customer, have again shown their value in times such as these.

In Sweden, lending is performing strongly, with an upturn of 6% compared to the previous year. Household lending continues to increase, with a stable growth rate of 5% in a highly competitive market, and corporate lending increased by 8%. Deposits grew by 15%. Our share of the net inflows to the mutual fund market remains very high relative to the outstanding volume. The C/I ratio was 36.6% and return on equity was 13.1%.

We continue to make strides in Norway and the Netherlands. In Norway, lending grew by 4% compared to the previous year, while the figure in the Netherlands was 18%. In Norway, the rising interest rates have benefited net interest income, which increased by 6% in local currency, and the C/I ratio was 37.9%. In the Netherlands, income rose by 17% in local currency, and the C/I ratio went down to 54.6%.

In the UK, we see, as expected, the most positive start for several years. An increase in the corporate lending volumes was seen towards the end of the quarter. Net interest income increased by 6% in local currency compared with the previous quarter, and reached the highest level in eight quarters. The C/I ratio improved to 67.6%. With a nationwide distribution network, the most satisfied customers in the market, and very high credit quality, the Bank sees good opportunities for strong long-term growth.

In summarising the first quarter, we can conclude that the Bank stands strong during a period of an increasingly uncertain world around us, and we see good opportunities for improved growth, efficiency and profitability.

I would like to extend my gratitude to the employees who have contributed to the Bank's stable, balanced start to the year, as well as to all of the customers who place their trust in us.

Carina Åkerström
President and Group Chief Executive

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For definitions and calculation of alternative performance measures, together with specifications of special and non-recurring items, please see the Fact Book which is available at handelsbanken.com/ir.

Group – Overview

SEK m	Q1 2022	Q4 2021	Change	Q1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Summary income statement									
Net interest income	8,013	7,735	4%	7,429	8%	8,013	7,429	8%	30,321
Net fee and commission income	2,911	3,163	-8%	2,662	9%	2,911	2,662	9%	11,458
Net gains/losses on financial transactions	240	395	-39%	341	-30%	240	341	-30%	1,699
Risk result - insurance	41	29	41%	67	-39%	41	67	-39%	179
Other dividend income	1	1	0%	1	0%	1	1	0%	2
Share of profit of associates	2	17	-88%	18	-89%	2	18	-89%	63
Other income	1,098	453	142%	23		1,098	23		555
Total income	12,305	11,793	4%	10,541	17%	12,305	10,541	17%	44,277
Staff costs	-3,173	-3,145	1%	-3,275	-3%	-3,173	-3,275	-3%	-12,452
Other administrative expenses	-1,563	-1,594	-2%	-1,280	22%	-1,563	-1,280	22%	-5,577
Depreciation, amortisation and impairment of property, equipment and intangible assets	-431	-448	-4%	-441	-2%	-431	-441	-2%	-1,814
Total expenses	-5,167	-5,187	0%	-4,996	3%	-5,167	-4,996	3%	-19,843
Profit before credit losses, risk tax and resolution fee	7,138	6,606	8%	5,545	29%	7,138	5,545	29%	24,434
Net credit losses	-6	-9	-33%	-11	-45%	-6	-11	-45%	-43
Gains/losses on disposal of property, equipment and intangible assets	14	4	250%	-5		14	-5		14
Risk tax and resolution fee	-559	-232	141%	-222	152%	-559	-222	152%	-930
Operating profit	6,586	6,369	3%	5,307	24%	6,586	5,307	24%	23,475
Taxes	-1,242	-1,058	17%	-1,152	8%	-1,242	-1,152	8%	-4,627
Profit for the period from continuing operations	5,344	5,311	1%	4,155	29%	5,344	4,155	29%	18,848
Net profit from discontinued operations	307	-75		226	36%	307	226	36%	695
Profit for the period	5,650	5,236	8%	4,381	29%	5,650	4,381	29%	19,543
Summary balance sheet *									
Loans to the public	2,209,362	2,163,135	2%	2,321,695	-5%	2,209,362	2,321,695	-5%	2,163,135
<i>of which mortgage loans</i>	<i>1,437,926</i>	<i>1,417,639</i>	<i>1%</i>	<i>1,465,579</i>	<i>-2%</i>	<i>1,437,926</i>	<i>1,465,579</i>	<i>-2%</i>	<i>1,417,639</i>
<i>of which other loans</i>	<i>771,437</i>	<i>745,496</i>	<i>3%</i>	<i>856,116</i>	<i>-10%</i>	<i>771,437</i>	<i>856,116</i>	<i>-10%</i>	<i>745,496</i>
Deposits and borrowing from the public	1,377,477	1,286,637	7%	1,474,862	-7%	1,377,477	1,474,862	-7%	1,286,637
<i>of which households</i>	<i>590,173</i>	<i>571,402</i>	<i>3%</i>	<i>580,474</i>	<i>2%</i>	<i>590,173</i>	<i>580,474</i>	<i>2%</i>	<i>571,402</i>
Total equity	178,655	181,731	-2%	174,754	2%	178,655	174,754	2%	181,731
Total assets	3,545,912	3,346,764	6%	3,491,631	2%	3,545,912	3,491,631	2%	3,346,764
Summary of key figures									
Return on equity, total operations	13.4%	12.5%		10.6%		13.4%	10.6%		11.8%
C/I ratio, Continuing operations	42.0%	44.0%		47.4%		42.0%	47.4%		44.8%
Earnings per share, SEK	2.85	2.64		2.21		2.85	2.21		9.86
- after dilution	2.85	2.64		2.21		2.85	2.21		9.86
Common equity tier 1 ratio, CRR	18.7%	19.4%		20.2%		18.7%	20.2%		19.4%
Total capital ratio, CRR	22.5%	23.3%		24.3%		22.5%	24.3%		23.3%

* Volumes from the Denmark and Finland disposal groups are not included in the Loans to the public and Deposits and borrowing from the public rows. If these volumes are excluded from the previous periods, loans to the public increased by 6%, and deposits and borrowing from the public by 1%, compared with 31 March 2021.

A specification of assets and liabilities held for sale in the Denmark and Finland disposal groups is set out in Note 9.

As of the first quarter of 2022, the resolution fee is no longer reported under net interest income, but instead as a separate item within operating profit. The risk tax is also reported as part of the same item. Therefore, the comparative figures in the tables have been recalculated.

JANUARY – MARCH 2022 COMPARED WITH JANUARY – MARCH 2021

Profit for the period from continuing operations climbed by 29% to SEK 5,344m (4,155). Operating profit increased by 24% to SEK 6,586m (5,307). Non-recurring income of SEK 1,059m was recognised during the first quarter, deriving from sales of real estate holding subsidiaries. Adjusted for this, as well as the SEK -87m (-213) expense related to Oktogonen, and positive foreign exchange effects of SEK 73m, operating profit was largely unchanged.

Income grew by 17% to SEK 12,305m (10,541). Adjusted for foreign exchange movements and the above-mentioned non-recurring income item, the increase in income was 5%. Income has grown during a period of geographical and product-related concentration, and has been driven by strong performance, particularly in property-related lending to private and corporate customers, as well as in asset management.

Expenses rose by 3% to SEK -5,167m (-4,996). Adjusted for foreign exchange effects of SEK -147m and the SEK -87m (-213) provision for Oktogonen, the underlying increase in expenses was 3%, or SEK 151m. The entire increase was attributable to higher development expenses, which rose by SEK 206m, or 32%. Also making adjustments for these, expenses decreased by SEK 56m, or 1%.

The C/I ratio improved to 42.0% (47.4). Adjusted for the sales of real estate holding subsidiaries, the C/I ratio was 45.9%.

Return on equity increased to 13.4% (10.6), and earnings per share rose by 29% to SEK 2.85 (2.21).

The common equity tier 1 ratio was 18.7% (20.2).

Non-recurring items and special items in operating profit

SEK m	Jan-Mar 2022	Jan-Mar 2021
Non-recurring items		
Capital gains from sales of properties	1,059	-
Total non-recurring items	1,059	-
Special items		
Oktogonen: adjustment of allocation 2021	-53	-
Oktogonen: provision current year	-34	-213
Total special items	-87	-213

Income

SEK m	Jan-Mar 2022	Jan-Mar 2021	Change
Net interest income	8,013	7,429	8%
of which deposit guarantee fee	-65	-79	-18%
Net fee and commission income	2,911	2,662	9%
Net gains/losses on financial trans.	240	341	-30%
Other	1,142	109	
Total income	12,305	10,541	17%

Net interest income grew by 8%, or SEK 584m, to SEK 8,013m (7,429). A large part of the increase was due to higher business volumes, especially within property finance, which had a positive impact of SEK 353m on net interest income. The net effect of margins and funding costs was positive, amounting to SEK 19m. Foreign exchange effects made a positive contribution of SEK 180m. Other effects made a net contribution of SEK 32m.

Net fee and commission income climbed by 9% to SEK 2,911m (2,662). Mutual fund volumes increased by 8%, or SEK 69bn, to SEK 917bn (848). Mutual fund commissions

grew by SEK 124m, or 9%, to SEK 1,444m (1,320), driven by increased market values, net inflows, and effects of an underlying product mix. All in all, fund management, custody and other asset management commissions totalled SEK 1,695m (1,529), an increase of 11%. Income from insurance grew by 10% to SEK 209m (189). Brokerage income declined by 3% to SEK 143m (147). Lending and deposit commissions fell by 3% to SEK 277m (286). Net payment commissions grew by 15% to SEK 378m (329).

Net gains/losses on financial transactions decreased by SEK -101m to SEK 240m (341), which was entirely due to an increase in the deferred capital contribution in Handelsbanken Liv's traditional insurance operations, which amounted to SEK -195m (-5).

Other income increased to SEK 1,098m (23), as a result of the sales of real estate holding subsidiaries. Risk result – insurance totalled SEK 41m (67).

Expenses

SEK m	Jan-Mar 2022	Jan-Mar 2021	Change
Staff costs	-3,173	-3,275	102 -3%
of which Oktogonen	-87	-213	126 -59%
of which Development expenses	-352	-274	-78 28%
of which Currency effects	-94		-94
of which Other	-2,640	-2,788	148 -5%
Other administrative expenses	-1,563	-1,280	-283 22%
of which Development expenses	-348	-203	-145 71%
of which Currency effects	-50		-50
of which Other	-1,165	-1,077	-88 8%
Depreciation and amortisation	-431	-441	10 -2%
of which Development expenses	-147	-164	17 -10%
of which Currency effects	-3		-3
of which Other	-281	-277	-4 1%
Total expenses	-5,167	-4,996	-171 3%
of which Oktogonen	-87	-213	126 -59%
of which Currency effects	-147		-147
of which Development expenses	-847	-641	-206 32%
of which Other	-4,086	-4,142	56 -1%

Change after adjustment of foreign exchange effects and Oktogonen **0%**

Development expenses

SEK m	Jan-Mar 2022	Jan-Mar 2021	Change
Development spend	-843	-626	35%
of which staff costs	-416	-357	17%
of which other costs	-427	-269	59%
Capitalised costs	143	149	-4%
of which staff costs	64	83	-23%
of which other costs	79	66	20%
Development spend after capitalised costs	-700	-477	47%
Amortisation and impairment	-147	-164	-10%
Development expenses	-847	-641	32%

Expenses rose by 3% to SEK -5,167m (-4,996). The entire increase was attributable to higher development expenses, which rose by SEK 206m, or 32%. Adjusted for these, expenses decreased by SEK 35m, or 1%.

Staff costs decreased by 3% to SEK -3,173m (-3,275). A provision for Oktogonen was made during the period, amounting to SEK -87m (-213). Of this amount, SEK -53m referred to the final adjustment of the provision for the 2021 accounting year (which thus amounted to a total of SEK

-122 m), and SEK -34m was a provision for the current period. Foreign exchange movements had a negative effect of SEK -94m. Adjusted for these foreign exchange effects and Oktogonen, staff costs decreased by 2%; even though staff costs relating to development increased by SEK 78m, or 28%, to SEK -352m (-274). The average number of employees fell by 455 to 10,743 (11,198). The number of employees at the end of the period was 10,754 (11,169), a decrease of 415, or 4%.

Other expenses, including depreciation, amortisation and impairment losses, amounted to SEK -1,994m (-1,721), an increase of SEK 273m, or 16%. Of this increase, SEK 527m was attributable to targeted investments and a lower capitalisation rate in the Bank's IT development. Depreciation and amortisation of property, equipment and intangible assets went down by 2% to SEK 431m (441).

While the Bank is investing in growth, the work to improve cost efficiency continues unabated. Of the Bank's previously announced comprehensive cost-cutting initiatives, around SEK 2.3bn have been agreed/implemented. Of this amount, SEK 1.3bn has so far been realised as lower costs over the past 12 months. A further SEK 1bn in 12-month rolling costs will thus be realised by Q1 2023 from already implemented initiatives.

Development expenses rose by 32% to SEK -847m (641). Total development spend increased by 35% to SEK -843m (-626). The capitalisation rate fell to 17% (24%) and capitalisations decreased to SEK 143m (149). The capitalisation rate can vary over time, due to the nature of the projects to which the development relates. At present, the Bank is running a number of projects concerned with migration to cloud services, with a significant proportion of the expenses being recognised on a current basis.

During autumn 2020, the Bank decided to temporarily increase IT development spend during the period 2021-2022 by a total of SEK 1bn, of which approximately SEK 500m was recorded in 2021. This development mainly targets the customer meeting in digital channels, and also more efficient information flows and data analysis, as well as investments in cloud solutions. Of the targeted investments, SEK -174m (-79) were undertaken during Q1, of which SEK -119m (-62) was recognised in expenses.

Credit losses

SEK m	Jan-Mar 2022	Jan-Mar 2021	Change
Net credit losses	-6	-11	5
of which additional provision requirements	-13	-32	19
Credit loss ratio as % of loans to the public	0.00	0.01	

Credit losses were SEK -6m (-11), and the credit loss ratio was 0.00% of loans to the public (0.01).

At the start of the quarter, the expert-based provision was SEK 499m. Including discontinued operations, the amount was SEK 577m. The provision requirement was linked to uncertainty surrounding the effects of the ongoing pandemic. The assessment is that the Bank's risk models are now well-adapted to take into account the pandemic-related credit risks facing the previously determined exposed sectors, and the Bank has thus resolved to reverse the expert-based provision for the Covid-19 pandemic.

However, geopolitical developments during the quarter have resulted in supply chain disruptions and supply shortages, resulting in significantly raised prices for input goods, energy and fuel for some particularly exposed sectors. The Bank's assessment is that these elevated risks are not

fully considered in the model-based provision. Higher estimated credit losses at the portfolio level have prompted an expert-based provision, with an additional provision amount of SEK 512m, and SEK 599m including discontinued operations. The assumptions which form the basis for assessment, are presented in note 6.

Risk tax and resolution fee

The *risk tax and resolution fee* totalled SEK -559m (-222). The risk tax amounted to SEK -329m (-), and the resolution fee amounted to SEK -230m (-222).

Taxes

The effective tax rate in total operations was 19.3% (21.9). The effective tax rate in continuing operations decreased to 18.9% (21.7); this was largely attributable to non-taxable capital gains.

The fact that interest expenses on subordinated loans are not tax-deductible had an impact of 0.9 percentage points on the tax rate, compared with the corporate tax rate.

Discontinued operations

Profit/loss from discontinued operations consists of the external income and expenses in the operations in Denmark and Finland that are to be divested. Profit from discontinued operations, before tax, amounted to SEK 411m (305).

Income fell to SEK 997m (1,009) due to lower net gains/losses on financial transactions.

Expenses went down by 18% to SEK -564 (-687), with staff costs decreasing by SEK 36m, or 9%. Credit losses consisted of net recoveries of SEK 16m (19).

Page 29 of the Fact Book shows the results for the operations in Denmark and Finland in accordance with the previous business segment reporting.

Q1 2022 COMPARED WITH Q4 2021

Operating profit climbed by 3% to SEK 6,586m (6,369). Foreign exchange effects had a SEK 45m positive impact, and adjusted for items affecting comparability, operating profit decreased by 8%. Credit quality remained very good, and credit losses amounted to SEK -6m (-9).

Income rose by 4%, or SEK 512m, to SEK 12,305m (11,793). Sales of real estate holding subsidiaries resulted in non-recurring income of SEK 1,059m. A non-recurring income item of SEK 408m deriving from the sale of the Bank's card acquiring operations was recognised during the previous quarter. The depreciation of the Swedish krona had a positive impact on income of SEK 153m. Adjusted for both of these effects, income fell by 3%.

Expenses were largely unchanged compared with the previous quarter. A provision for Oktogonen was made during the quarter, amounting to SEK -87m (-64). Foreign exchange effects had a negative impact of SEK -94m on expenses. Adjusted for both these effects, the decrease in expenses between the quarters was -3%. Also adjusted for increased development expenses, the decrease in expenses between the quarters was 4%.

The C/I ratio was 42.0% (44.0). Adjusted for non-recurring items during both quarters, the C/I ratio was 45.9% (45.6).

Return on equity was 13.4% (12.5). Earnings per share amounted to SEK 2.85 (2.64).

Non-recurring items and special items in operating profit

SEK m	Q1 2022	Q4 2021
Non-recurring items		
Capital gains from sales of properties	1,059	-
Sale of the card acquiring business	-	408
Total non-recurring items	1,059	408
Special items		
Oktogonen: adjustment of allocation 2021	-53	-
Oktogonen: provision current year	-34	-64
Total special items	-87	-64

Income

SEK m	Q1 2022	Q4 2021	Change
Net interest income	8,013	7,735	4%
of which deposit guarantee fee	-65	-6	
Net fee and commission income	2,911	3,163	-8%
Net gains/losses on financial trans.	240	395	-39%
Other	1,142	500	128%
Total income	12,305	11,793	4%

Net interest income rose by 4%, or SEK 278m, to SEK 8,013m (7,735). The day effect was SEK -56m. The fee for the Swedish deposit guarantee scheme increased by SEK 59m. This was because the fee during the quarter of comparison was lower than normal, due to a final settlement for the 2021 deposit guarantee fee at the end of the year. Foreign exchange effects made a positive contribution of SEK 123m. The effect of higher business volumes in the home markets amounted to SEK 141m. The net effect of margins and funding costs contributed positively, in the amount of SEK 125m, in the wake of higher central bank rates in the UK and Norway. Other effects increased net interest income by SEK +4m.

Net fee and commission income declined by -8% to SEK 2,911m (3,163). As geopolitical uncertainties caused share prices to decline, mutual fund commissions fell by SEK -173m, or 11%, to SEK 1,444m (1,617). The quarter of comparison also included performance fees in the Dutch investment management company Optimix, amounting to SEK 82m. Net payment commissions decreased by -14% to SEK 378m (440), with net card commissions being seasonally lower than the preceding quarter and totalling SEK 223m (267). Brokerage income grew by 3% to SEK 143m (139), while advisory income increased by 27% to SEK 105m (82). Lending and deposit commissions fell by -6% to SEK 277m (294).

Net gains/losses on financial transactions totalled SEK 240m (395). Profit was impacted by a provision for a deferred capital contribution of SEK -195m (-2) in Handelsbanken Liv's operations. Higher interest rates had a SEK 87m positive impact on CVA/DVA compared with the preceding quarter.

Other income increased to SEK 1,098m (453), and was affected by the aforementioned sales of real estate holding subsidiaries.

Expenses

SEK m	Q1 2022	Q4 2021	Change
Staff costs	-3,173	-3,145	-28 1%
of which Oktogonen	-87	-64	-23 36%
of which Development expenses	-352	-304	-48 16%
of which Currency effects	-53	-	-53
of which Other	-2,681	-2,777	96 -3%
Other administrative expenses	-1,563	-1,594	31 -2%
of which Development expenses	-348	-342	-6 2%
of which Currency effects	-38	-	-38
of which Other	-1,177	-1,252	75 -6%
Depreciation and amortisation	-431	-448	17 -4%
of which Development expenses	-147	-165	18 -11%
of which Currency effects	-3	-	-3
of which Other	-281	-283	2 -1%
Total expenses	-5,167	-5,187	20 0%
of which Oktogonen	-87	-64	-23 36%
of which Currency effects	-94	-	-94
of which Development expenses	-847	-811	-36 4%
of which Other	-4,139	-4,312	173 -4%

Change after adjustment of foreign exchange effects and Oktogonen 0%

Development expenses

SEK m	Q1 2022	Q4 2021	Change
Development spend	-843	-782	8%
of which staff costs	-416	-375	11%
of which other costs	-427	-407	5%
Capitalised costs	143	136	5%
of which staff costs	64	71	-10%
of which other costs	79	65	22%
Development spend after capitalised costs	-700	-646	8%
Amortisation and impairment	-147	-165	-11%
Development expenses	-847	-811	4%

Expenses were largely unchanged compared with the previous quarter. Foreign exchange effects had a negative impact of SEK -94m on expenses. The provision for Oktogonen was SEK -87m (-64). Adjusted for foreign exchange effects and Oktogonen, expenses decreased by 3%.

Development expenses were SEK -847m (-811), an increase of 4% compared with the preceding quarter. Total development spend amounted to SEK -843m (-782). Capitalised costs increased to SEK 143m (136) but corresponded to an unchanged capitalisation rate of 17% (17).

Staff costs increased by 1%, or SEK 28m, to SEK -3,173m (-3,145) and included the annual salary review, which is effective from 1 January across the majority of the Group. The depreciation of the Swedish krona increased staff costs by SEK 53m. Adjusted for foreign exchange effects and Oktogonen, staff costs during the quarter decreased by 2%, or SEK 48m; even though staff costs relating to development increased by SEK 48m, or 16%, to SEK -352m (-304). The average number of employees fell by 1% to 10,743 (10,803).

Other expenses, including depreciation, amortisation and impairment losses, went down by -2%, or SEK 48m, to SEK -1,994m (-2,042).

Credit losses

SEK m	Q1 2022	Q4 2021	Change
Net credit losses	-6	-9	3
of which additional provision requirements	-13	4	-17
Credit loss ratio as % of loans to the public	0.00	0.00	

Credit losses were SEK -6m (-9), and the credit loss ratio was 0.00% (0.00). At the end of the period, the expert-based additional provision requirement amounted to SEK 512m (499). Including discontinued operations, the expert-based provision requirement was SEK 599m (577).

Risk tax and resolution fee

The risk tax and resolution fee totalled SEK -559m (-232). The risk tax amounted to SEK -329m (-), and the resolution fee amounted to SEK -230m (-232).

Taxes

The effective tax rate in total operations was 19.3% (19.8). The effective tax rate in continuing operations was 18.9% (16.6); this was mainly attributable to higher tax in discontinued operations during Q4, which was offset in the continuing operations.

The fact that interest expenses on subordinated loans are not tax-deductible had an impact of 0.9 percentage points on the tax rate, compared with the corporate tax rate.

Discontinued operations

Profit from discontinued operations, before tax, amounted to SEK 411m (157), with the improvement due to lower costs.

Income fell to SEK 997m (1,174), which should be viewed in the context of the capital gain of SEK 166m recorded in the quarter of comparison, attributable to the sale of the card acquiring operations.

Expenses fell to SEK -564m (-1,017), which was largely due to the impairment of discontinued IT systems during the quarter of comparison, amounting to SEK -377m. Staff costs fell by 9% to SEK -338m (-372). Credit losses consisted of net recoveries of SEK 16m (41).

SUSTAINABILITY

It was announced in February that Handelsbanken had again – for the sixth year running – been included in the SAM Sustainability Yearbook. This means that Handelsbanken is among the top 15% most sustainable banks worldwide

according to S&P Global's Corporate Sustainability Assessment. The assessment uses a multitude of financial, environmental and social sustainability criteria to assign a rating of 0-100 to more than 7,500 companies, and to rank them against other companies in the same sector. Handelsbanken was given the overall sustainability rating of 69.

Handelsbanken Liv adopted the UN's Principles for Sustainable Insurance (PSI) during the first quarter. The principles represent the largest collaborative international initiative between the UN and the insurance industry. The PSI consist of four principles aimed at improving financial, environmental and social sustainability.

The EU's Sustainable Finance Disclosures Regulation (SFDR) means that asset managers must be transparent in how their mutual funds are classified under the SFDR. At the end of the quarter, 15.6% of the total fund volume in the Group's mutual funds were invested in the highest category (article 9), i.e. funds that have sustainable investments or a reduction in carbon dioxide emissions as goals, and 79.0% in the second highest (article 8), i.e. funds that promote environmental or social aspects.

Business volumes linked to the Bank's sustainability activities continued to grow. Compared with the corresponding period of the previous year, the volume of green loans increased by 62% to SEK 36.5bn (22.6); as part of this total, green mortgages grew by 74% to SEK 10.1bn (5.8). In addition, sustainability-linked loan facilities amounted to SEK 36.1bn (16.2).

BUSINESS DEVELOPMENT

January – March 2022 compared with January – March 2021

Loans to the public in the home markets (Sweden, Norway, the UK and the Netherlands) grew by 7%, and the average volume was SEK 2,167bn (2,025).

Deposits and borrowing from the public in the home markets grew by 14%, and the average volume was SEK 1,247bn (1,097), an increase of SEK 150bn.

The total volume of assets under management in the Group at the end of the period amounted to SEK 1,004bn (933), an increase of 8%. Of the assets under management, SEK 917bn (848) was invested in the Bank's funds, an increase of 8%. During the first three months of the year, the net flows in the Group's funds was SEK -3.9bn (24.5).

Q1 2022 compared with Q4 2021

Loans to the public in the home markets (Sweden, Norway, the UK and the Netherlands) grew by 3.1% to SEK 2,167bn during the quarter (2,103), an increase of SEK 64bn.

Deposits and borrowing from the public in the home markets grew by 4.6% to SEK 1,247bn during the quarter (1,192), an increase of SEK 55bn.

As a result of the stock market uncertainty during the quarter, total assets under management in the Group decreased by 7% to SEK 1,004bn (1,075), of which SEK 917bn (987) was invested in the Bank's mutual funds. The net flow to the Bank's mutual funds during the quarter was SEK -3.9bn (17.0).

FUNDING AND LIQUIDITY

During the quarter, the Bank has had access to, and utilised, the funding markets as it wished, in spite of the sometimes very turbulent market climate.

Bond issues during the quarter amounted to SEK 48bn (35), of which SEK 34bn (31) was covered bonds and SEK

14bn (4) was senior bonds, with approximately SEK 10bn (-) constituting eligible liabilities.

The Bank has large volumes of liquid funds, mortgage loans and other assets that are not encumbered and therefore represent protection for the Bank's senior lenders. The ratio of non-encumbered assets to all unsecured market funding amounted to 291% at the end of the quarter (268% at year-end 2021). At the end of the first quarter, cash funds and liquid assets deposited with central banks amounted to SEK 552bn (compared with SEK 439bn at the end of 2021). The volume of liquid bonds and other liquid assets totalled SEK 181bn (157 at the end of 2021). Thus, the Bank has further reinforced its resistance to future market disruptions during the quarter.

At the end of the period, the Group's liquidity coverage ratio, (LCR), calculated according to the European Commission's delegated regulation, was 169% (152% at the end of the preceding quarter). At the end of the period, the net stable funding ratio (NSFR) according to CRR2 was 114% (114 at the end of Q4 2021).

CAPITAL

At the end of the quarter, the common equity tier 1 ratio was 18.7%. In the Bank's assessment, the Supervisory Authority's expected common equity tier 1 capital requirement at the end of the quarter was 13.9%, corresponding to SEK 113bn. An amount of 2.7 percentage points, or SEK 22bn, comprises the common equity tier 1 capital requirement in Pillar 2.

At the end of the quarter, the total capital ratio was 22.5%. The Bank's assessment is that the Swedish Financial Supervisory Authority's expected total capital requirement amounted to 18.1% (SEK 148bn) on the same date, of which 3.4 percentage points (SEK 28bn) comprises the total capital requirement in Pillar 2.

For many years, the Bank has managed the foreign exchange risk arising from lending in foreign currencies by placing equity in local currency in the respective home markets where lending takes place. Up until the end of 2021, the structural foreign exchange positions were exempted from capital requirements. As communicated during the previous quarter, the Swedish Financial Supervisory Authority has decided, citing new EBA guidelines, that these foreign exchange positions must meet capital adequacy requirements in the same way as other market risk starting in 2022. The risk weighted exposure amount increased by SEK 27.9bn during the quarter due to the capital adequacy requirements on these structural foreign exchange positions. Discussions are ongoing with the authorities, foreign exchange positions are included that are linked to the discontinued operations in Denmark and Finland, and in addition alternative methods are available to manage the risk. All in all, the Bank's assessment is that the effect will not cause any material impact on the Bank's long-term capital requirements.

The Bank's capital goal is that its common equity tier 1 ratio should, under normal circumstances, exceed the common equity tier 1 capital requirement communicated to the Bank by the Swedish Financial Supervisory Authority by 1-3 percentage points. Thus the Bank's capitalisation was above the target range. Given normal circumstances, the Bank's intention to calibrate its capital ratios into the target range is unchanged.

Capital for consolidated situation 31 March 2022 compared with 31 March 2021

SEK m	31 Mar 2022	31 Mar 2021	Change
Common equity tier 1 ratio, CRR	18.7%	20.2%	-1.5
Total capital ratio, CRR	22.5%	24.3%	-1.8
Risk exposure amount, CRR	816,394	747,273	9%
Common equity tier 1 capital	152,665	151,151	1%
Total own funds	183,956	181,385	1%
Equity, Group	178,655	174,754	2%

Own funds were SEK 184bn (181), and the Bank's total capital ratio amounted to 22.5% (24.3). The common equity tier 1 capital was SEK 153bn (151), while the common equity tier 1 ratio was 18.7% (20.2).

Earnings lowered the common equity tier 1 capital ratio by 0.1 percentage point, after a deduction for distributed and anticipated dividends. A dividend payout ratio of 56% was anticipated in the quarter, in line with regulatory practice. The effects of net pensions had a neutral impact. Increased exposure volumes reduced the common equity tier 1 ratio by 0.6 percentage points. The effect of differing credit qualities for inflows and outflows had a positive impact on the common equity tier 1 ratio of 0.2 percentage points, while rating migrations had a neutral effect. Foreign exchange effects were neutral. The additional risk-weighted exposure amount for structural foreign exchange risk, of SEK 27.9bn, had a negative effect of 0.7 percentage points on the common equity tier 1 ratio. New risk weight floors for loans to commercial property companies in Norway reduced the common equity tier 1 ratio by 0.4. The transfer of risk weight floors for mortgage loans in Norway from Pillar 2 to Pillar 1 had a negative impact of 0.3 percentage points on the common equity tier 1 ratio. Other effects had a positive effect of 0.4 percentage points on the common equity tier 1 ratio.

Capital for consolidated situation 31 March 2022 compared with 31 December 2021

SEK m	31 Mar 2022	31 Dec 2021	Change
Common equity tier 1 ratio, CRR	18.7%	19.4%	-0.7
Total capital ratio, CRR	22.5%	23.3%	-0.8
Risk exposure amount, CRR	816,394	773,158	6%
Common equity tier 1 capital	152,665	149,709	2%
Total own funds	183,956	180,458	2%
Equity, Group	178,655	181,706	-2%

Own funds amounted to SEK 184bn (180) and the total capital ratio was 22.5% (23.3). The common equity tier 1 capital was SEK 153bn (150), while the common equity tier 1 ratio was 18.7% (19.4).

Earnings made a positive contribution of 0.3 percentage points to the common equity tier 1 ratio, after a deduction for the anticipated dividend. The effect was offset by increased lending volumes, which had a negative impact of 0.4 percentage points. The pension system and rating migrations each had a neutral effect. The additional risk-weighted exposure amount for structural foreign exchange risk, of SEK 27.9bn, had a negative effect of 0.7 percentage points on the common equity tier 1 ratio. Other effects had a positive impact of 0.1 percentage point on the common equity tier 1 ratio.

Economic capital and available financial resources

The Bank's internal assessment of its need for capital is based on the Bank's capital requirement, stress tests, and the Bank's model for economic capital (EC). This is measured in relation to the Bank's available financial resources (AFR). The Board stipulates that the AFR/EC ratio for the Group must exceed 120%. At the end of the quarter, Group EC totalled SEK 57.2bn (53.6), while AFR was SEK 215.7bn (205.8). Thus, the ratio between AFR and EC was 377% (384). For the consolidated situation, EC totalled SEK 30.9bn (28.1), and AFR was SEK 149.8bn (197.8).

RATING

During the quarter, Handelsbanken's long-term and short-term senior ratings with the rating agencies which monitor the Bank were unchanged. The outlooks from all agencies are stable.

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

Handelsbanken Group – Business segments

January - March 2022		Home markets						
SEK m	Sweden	UK	Norway	The Netherlands	Capital Markets	Other	Adj. & elim.	Totalt Jan-mar 2022
Net interest income	4,797	1,535	1,061	303	64	252		8,013
Net fee and commission income	2,187	201	172	35	259	56		2,911
Net gains/losses on financial transactions	-77	51	15	10	311	-71		240
Risk result - insurance	40		1					41
Share of profit of associates						2		2
Other income	24	0	1	0	1	1,072		1,099
Total income	6,972	1,787	1,252	348	635	1,312		12,305
Staff costs	-1,007	-646	-251	-106	-297	-879	14	-3,173
Other expenses	-319	-224	-67	-19	-74	-860		-1,563
Internal purchased and sold services	-1,181	-266	-139	-52	-78	1,717		
Depreciation, amortisation and impairments of property, equipment and intangible assets	-82	-78	-22	-13	-61	-168	-8	-431
Total expenses	-2,588	-1,215	-480	-190	-510	-190	7	-5,167
Profit before credit losses, risk tax and resolution fee	4,383	572	772	157	125	1,122	7	7,138
Net credit losses	126	-27	-158	1	-1	52		-6
Gains/losses on disposal of property, equipment and intangible assets	1	10	2	-	0	0		14
Risk tax and resolution fee	-381	-	-83	-24	-11	-60		-559
Operating profit	4,130	556	532	135	113	1,113	7	6,586
Profit allocation	99	10	16	0	-135	9		
Operating profit after profit allocation	4,229	566	549	135	-22	1,123	7	6,586
Internal income	-48	-192	-580	-112	-121	1,053		

January - March 2021		Home markets						
SEK m	Sweden	UK	Norway	The Netherlands	Capital Markets	Other	Adj. & elim.	Totalt Jan-mar 2021
Net interest income	4,669	1,335	932	249	66	178		7,429
Net fee and commission income	2,032	180	155	32	200	63		2,662
Net gains/losses on financial transactions	89	44	9	6	322	-129		341
Risk result - insurance	61		5			1		67
Share of profit of associates						18		18
Other income	8	0	1	0	5	10		24
Total income	6,859	1,559	1,102	287	593	141		10,541
Staff costs	-1,057	-602	-216	-97	-321	-954	-28	-3,275
Other expenses	-273	-238	-44	-21	-91	-613		-1,280
Internal purchased and sold services	-1,063	-215	-118	-38	-98	1,532		
Depreciation, amortisation and impairments of property, equipment and intangible assets	-122	-63	-20	-13	-52	-171		-441
Total expenses	-2,515	-1,118	-398	-169	-562	-206	-28	-4,996
Profit before credit losses, risk tax and resolution fee	4,344	441	704	118	31	-65	-28	5,545
Net credit losses	-37	33	14	1	5	-27		-11
Gains/losses on disposal of property, equipment and intangible assets	2	-1	2	-	-7	-1		-5
Risk tax and resolution fee	-166	-	-41	-7	-5	-3		-222
Operating profit	4,143	473	679	112	24	-96	-28	5,307
Profit allocation	74	11	18	0	-112	9		
Operating profit after profit allocation	4,217	484	697	112	-88	-87	-28	5,307
Internal income	-458	-228	-384	-101	52	1,119		

A reorganisation took place during Q1 2022, with the aim of creating an even more focused and customer-centric organisation. The largest effect from an accounting standpoint arose from the transfer of Savings & Pension from Capital Markets to Sweden, with the exception of the respective local Savings & Pension units which were transferred to Norway, Finland and Denmark. In addition, some central functions that currently work closely with Sweden were transferred from Other units to Sweden. Therefore, the figures for comparison in the tables have been recalculated.

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

Handelsbanken Sweden

Handelsbanken Sweden comprises the household and corporate business conducted at branches and through other customer interfaces, and includes the Savings & Pensions business.

INCOME STATEMENT

SEK m	Q1 2022	Q4 2021	Change	Q1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Net interest income	4,797	4,791	0%	4,669	3%	4,797	4,669	3%	18,880
Net fee and commission income	2,187	2,395	-9%	2,032	8%	2,187	2,032	8%	8,800
Net gains/losses on financial transactions	-77	149		89		-77	89		480
Risk result - insurance	40	25	60%	61	-34%	40	61	-34%	168
Other income	24	424	-94%	8	200%	24	8	200%	471
Total income	6,972	7,784	-10%	6,859	2%	6,972	6,859	2%	28,799
Staff costs	-1,007	-971	4%	-1,057	-5%	-1,007	-1,057	-5%	-4,035
Other expenses	-319	-334	-4%	-273	17%	-319	-273	17%	-1,216
Internal purchased and sold services	-1,181	-1,104	7%	-1,063	11%	-1,181	-1,063	11%	-4,289
Depreciation, amortisation and impairments of property, equipment and intangible assets	-82	-78	5%	-122	-33%	-82	-122	-33%	-358
Total expenses	-2,588	-2,487	4%	-2,515	3%	-2,588	-2,515	3%	-9,898
Profit before credit losses, risk tax and resolution fee	4,383	5,297	-17%	4,344	1%	4,383	4,344	1%	18,901
Net credit losses	126	-12		-37		126	-37		15
Gains/losses on disposal of property, equipment and intangible assets	1	2	-50%	2	-50%	1	2	-50%	9
Risk tax and resolution fee	-381	-174	119%	-166	130%	-381	-166	130%	-696
Operating profit	4,130	5,113	-19%	4,143	0%	4,130	4,143	0%	18,229
Profit allocation	99	79	25%	74	34%	99	74	34%	296
Operating profit after profit allocation	4,229	5,192	-19%	4,217	0%	4,229	4,217	0%	18,525
Internal income	-48	83		-458	90%	-48	-458	90%	-345
Cost/income ratio, %	36.6	31.6		36.3		36.6	36.3		34.0
Credit loss ratio, %	-0.02	0.00		0.02		-0.02	0.02		0.00
Allocated capital	102,423	104,414	-2%	98,917	4%	102,423	98,917	4%	104,414
Return on allocated capital, %	13.1	15.8		13.5		13.1	13.5		14.8
Average number of employees	3,791	3,729	2%	4,049	-6%	3,791	4,049	-6%	3,899

BUSINESS VOLUMES

Average volumes, SEK bn	Q1 2022	Q4 2021	Change	Q1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Loans to the public*									
Household	964	956	1%	917	5%	964	917	5%	937
of which mortgage loans	924	915	1%	878	5%	924	878	5%	896
Corporates	570	546	4%	530	8%	570	530	8%	536
of which mortgage loans	383	379	1%	367	4%	383	367	4%	373
Total	1,534	1,502	2%	1,447	6%	1,534	1,447	6%	1,473
Deposits and borrowing from the public									
Household	463	453	2%	422	10%	463	422	10%	437
Corporates	402	383	5%	339	19%	402	339	19%	350
Total	865	836	3%	761	14%	865	761	14%	787

* Excluding loans to the National Debt Office.

JANUARY – MARCH 2022 COMPARED WITH JANUARY – MARCH 2021

Operating profit was virtually unchanged at SEK 4,130m (4,143). Adjusted for risk tax and the resolution fee, operating profit increased by 5%, driven by strong business development and lower credit losses. Return on allocated capital was 13.1% (13.5). The C/I ratio was 36.6% (36.3).

Net interest income grew by 3% to SEK 4,797m (4,669). Higher lending volumes increased net interest income by SEK 245m, while higher deposit volumes contributed SEK 39m. The net effect of changed margins and funding costs was a negative contribution of SEK 153m. The fee for the Swedish deposit guarantee scheme decreased by SEK 12m to SEK -59m (-71). Other effects in net interest income contributed SEK -15m.

Net fee and commission income grew by SEK 155m, or 8%, to SEK 2,187m (2,032), where mutual fund commissions increased by 9%, or SEK 101m, to SEK 1,248m (1,147). Custody and other asset management commissions increased by SEK 34m, or 22%, to SEK 186m (152), and insurance commissions increased by 10% to SEK 202m (183). Net payment commissions increased by 15% to SEK 273m (237).

Net gains/losses on financial transactions were SEK -77m (89), which was entirely due to a deferred capital contribution in Handelsbanken Liv's traditional insurance operations, which amounted to SEK -195m (-5).

Other types of income totalled SEK 64m (69).

Expenses rose by 3% to SEK -2,588m (-2,515). *Staff costs* decreased by 5% to SEK -1,007m (-1,057). The average number of employees fell by 6% to 3,791 (4,049). At the end of the period, the number of employees was 3,821 (4,013), a 5% decrease. *Other types of expenses* rose by 8% to SEK -1,581m (-1,458).

Credit losses consisted of net recoveries of SEK 126m (-37), with the majority of the change explained by differences between the reversed and the new expert-based provision. The credit loss ratio was -0.02% (0.02).

The *risk tax* was SEK -210m (-) and the *resolution fee* amounted to SEK -171m (-166).

Q1 2022 COMPARED WITH Q4 2021

Operating profit decreased by 19% to SEK 4,130m (5,113), due to lower net fee and commission income, non-recurring income tied to the sale of the card acquiring operations in the quarter of comparison, and the new risk tax. Return on allocated capital was 13.1% (15.8). The C/I ratio was 36.6% (31.6).

Net interest income increased marginally to SEK 4,797m (4,791). Higher business volumes made a positive contribution of SEK 105m. The net amount of changed margins and funding costs reduced net interest income by SEK 47m. The day effect was SEK -16m. The fee for the Swedish deposit guarantee scheme was SEK -59m (-4).

Net fee and commission income decreased by 9% to SEK 2,187m (2,395), mainly due to lower commissions from the mutual fund and payments business, the latter of which followed normal seasonal patterns.

Net gains/losses on financial transactions decreased to SEK -77m (149), which was mainly due to an increase in the

deferred capital contribution in Handelsbanken Liv's traditional insurance operations, which amounted to SEK -195m (-2).

Other types of income decreased to SEK 64m (449), with the quarter of comparison including income from the sale of the card acquiring operations.

Expenses rose by 4% to SEK -2,588m (-2,487). Staff costs rose by 4% to SEK -1,007m (-971), including the annual salary review. The average number of employees grew by 2% to 3,791 (3,729). *Other types of expenses* rose by 4% to SEK -1,581m (-1,516).

Credit losses consisted of net recoveries of SEK 126m (-12), and the credit loss ratio was -0.02% (0.00).

The *risk tax* was SEK -210m (-) and the *resolution fee* amounted to SEK -171m (-174).

BUSINESS DEVELOPMENT

January – March 2022 compared with January – March 2021

The total average volume of lending grew by 6% to SEK 1,534bn (1,447). Household lending increased by 5% to SEK 964bn (917) and corporate lending increased by 8% to SEK 570bn (530).

The total average volume of deposits increased by 14% to SEK 865bn (761). Household deposits went up by 10% to SEK 463bn (422), while corporate deposits increased by 19% to SEK 402bn (339).

The Bank's share of the Swedish mutual fund market was 12.0% (12.0) and Handelsbanken was thus the second largest bank, with total assets under management of SEK 775bn (713). In recent years, Handelsbanken has gained a significantly larger share of the net inflow to the Swedish mutual fund market relative to the Bank's share of the total outstanding volume. During the first quarter, the Swedish fund market as a whole saw a net outflow. However, the net outflow from Handelsbanken's mutual funds represented less than 10% of the total market outflow. The outflow was thus less than the Bank's market share. In absolute terms, the net outflow amounted to SEK -3.4bn (14.9).

Handelsbanken Fonder's high rating with Morningstar saw further improvement. At the end of the quarter, Handelsbanken was one of the 30 largest operators in the Swedish market with the highest overall rating from Morningstar. As regards Morningstar's sustainability rating, Handelsbanken also ranked among the absolute top operators.

Q1 2022 compared with Q4 2021

The total average volume of lending grew by 2% to SEK 1,534bn (1,502). Household lending increased by 1% to SEK 964bn (956) and corporate lending increased by 4% to SEK 570bn (546).

The total average volume of deposits increased by 3% to SEK 865bn (836). Household deposits went up by 2% to SEK 463bn (453), while corporate deposits increased by 5% to SEK 402bn (383).

The net flow in the Bank's mutual funds in Sweden was SEK -3.4bn (16.9) and the total volume of assets under management was SEK 775bn (833).

Handelsbanken UK

Handelsbanken UK comprises the household and corporate business conducted at branches and through other customer interfaces, and includes the Handelsbanken Wealth & Asset Management business.

INCOME STATEMENT

SEK m	Q1 2022	Q4 2021	Change	Q1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Net interest income	1,535	1,379	11%	1,335	15%	1,535	1,335	15%	5,452
Net fee and commission income	201	190	6%	180	12%	201	180	12%	751
Net gains/losses on financial transactions	51	54	-6%	44	16%	51	44	16%	189
Other income	0	-		0	-90%	0	0	-90%	0
Total income	1,787	1,623	10%	1,559	15%	1,787	1,559	15%	6,392
Staff costs	-646	-630	3%	-602	7%	-646	-602	7%	-2,467
Other expenses	-224	-282	-21%	-238	-6%	-224	-238	-6%	-1,045
Internal purchased and sold services	-266	-238	12%	-215	24%	-266	-215	24%	-912
Depreciation, amortisation and impairments of property, equipment and intangible assets	-78	-78	0%	-63	24%	-78	-63	24%	-316
Total expenses	-1,215	-1,228	-1%	-1,118	9%	-1,215	-1,118	9%	-4,740
Profit before credit losses, risk tax and resolution fee	572	395	45%	441	30%	572	441	30%	1,652
Net credit losses	-27	15		33		-27	33		95
Gains/losses on disposal of property, equipment and intangible assets	10	0		-1		10	-1		9
Operating profit	556	410	36%	473	18%	556	473	18%	1,756
Profit allocation	10	14	-29%	11	-9%	10	11	-9%	46
Operating profit after profit allocation	566	424	33%	484	17%	566	484	17%	1,802
Internal income	-192	-240	20%	-228	16%	-192	-228	16%	-961
Cost/income ratio, %	67.6	75.0		71.2		67.6	71.2		73.6
Credit loss ratio, %	0.01	-0.02		-0.05		0.01	-0.05		-0.04
Allocated capital	20,077	20,547	-2%	20,288	-1%	20,077	20,288	-1%	20,547
Return on allocated capital, %	9.0	6.6		7.6		9.0	7.6		7.0
Average number of employees	2,428	2,499	-3%	2,505	-3%	2,428	2,505	-3%	2,509

INCOME STATEMENT IN LOCAL CURRENCY

m GBP	Q1 2022	Q4 2021	Change	Q1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Net interest income	122.5	115.6	6%	115.1	6%	122.5	115.1	6%	461.9
Net fee and commission income	16.0	15.9	1%	15.5	4%	16.0	15.5	4%	63.6
Net gains/losses on financial transactions	4.1	4.5	-9%	3.8	8%	4.1	3.8	8%	16.0
Other income	0.0	-		0.0	271%	0.0	0.0	271%	0.0
Total income	142.7	136.0	5%	134.4	6%	142.7	134.4	6%	541.5
Staff costs	-51.6	-52.7	-2%	-51.9	-1%	-51.6	-51.9	-1%	-208.9
Other expenses	-17.9	-23.7	-25%	-20.5	-13%	-17.9	-20.5	-13%	-88.6
Internal purchased and sold services	-21.3	-20.0	6%	-18.5	15%	-21.3	-18.5	15%	-77.3
Depreciation, amortisation and impairments of property, equipment and intangible assets	-6.2	-6.4	-2%	-5.4	16%	-6.2	-5.4	16%	-26.7
Total expenses	-97.0	-102.8	-6%	-96.3	1%	-97.0	-96.3	1%	-401.5
Profit before credit losses, risk tax and resolution fee	45.7	33.2	38%	38.1	20%	45.7	38.1	20%	140.0
Net credit losses	-2.1	1.2		2.8		-2.1	2.8		8.0
Gains/losses on disposal of property, equipment and intangible assets	0.8	-		-0.1		0.8	-0.1		0.8
Operating profit	44.4	34.4	29%	40.8	9%	44.4	40.8	9%	148.8
Profit allocation	0.8	1.1	-25%	0.9	-8%	0.8	0.9	-8%	3.9
Operating profit after profit allocation	45.2	35.5	27%	41.7	8%	45.2	41.7	8%	152.7

BUSINESS VOLUMES

Average volumes, GBP m	Q1 2022	Q4 2021	Change	Q1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Loans to the public									
Household	6,294	6,416	-2%	6,686	-6%	6,294	6,686	-6%	6,563
Corporates	14,017	14,079	0%	14,325	-2%	14,017	14,325	-2%	14,203
Total	20,311	20,495	-1%	21,011	-3%	20,311	21,011	-3%	20,766
Deposits and borrowing from the public									
Household	5,590	5,594	0%	5,415	3%	5,590	5,415	3%	5,502
Corporates	13,649	13,593	0%	13,741	-1%	13,649	13,741	-1%	13,630
Total	19,239	19,187	0%	19,156	0%	19,239	19,156	0%	19,132

JANUARY – MARCH 2022 COMPARED WITH JANUARY – MARCH 2021

Operating profit went up by 18%, or SEK 83m, to SEK 556m (473), due to increased income. Foreign exchange effects on operating profit amounted to SEK 24m, and in local currency terms, operating profit rose by 9%. *Return on allocated capital* was 9.0% (7.6). The *C/I ratio* went down to 67.6% (71.2).

Income increased by 15% to SEK 1,787m (1,559). Foreign exchange effects on income amounted to SEK 120m, and in local currency terms, income rose by 6%.

Net interest income rose by 15%, or SEK 200m, to SEK 1,535m (1,335). Foreign exchange effects had a positive impact of SEK 102m on net interest income. Lower business volumes had a negative impact of SEK 19m. The net amount of changed margins and funding costs increased net interest income by SEK 135m, primarily due to higher deposit margins and an improved return on the liquidity deposited with the Bank of England. Other net interest income effects amounted to SEK -18m.

Net fee and commission income increased by 12% to SEK 201m (180). Foreign exchange effects made a positive contribution of SEK 14m. Expressed in local currency, net fee and commission income increased by 4%. Commission income from the fund management, custody account management and asset management business, including brokerage and advisory services, increased by 17% to SEK 109m (93).

Expenses increased by 9% to SEK -1,215m (-1,118). In local currency terms, expenses increased by 1%. *Staff costs* rose by 7% to SEK -646m (-602). Expressed in local currency, staff costs decreased by 1%. The average number of employees fell by 3% to 2,428 (2,505). *Other types of expenses* rose by 10% to SEK -569m (-516). In local currency terms, the increase was 2%.

Credit losses totalled SEK -27m (33). The credit loss ratio was 0.01% (-0.05).

Q1 2022 COMPARED WITH Q4 2021

Operating profit went up by 36% to SEK 556m (410), due to an increase in income and a decrease in expenses. Foreign exchange effects on operating profit amounted to SEK 18m, and in local currency terms, operating profit increased by 29%. *Return on allocated capital* was 9% (6.6), and the *C/I ratio* was 67.6% (75.0).

Income increased by 10% to SEK 1,787m (1,623). Foreign exchange effects totalled SEK 78m, and expressed in local currency terms, income grew by 5%.

Net interest income grew by 11% to SEK 1,535m (1,379). Changed business volumes had a negative impact of SEK -3m. The net amount of changed margins and funding costs increased net interest income by SEK 128m, primarily due to higher deposit margins and an improved return on the liquidity deposited with the Bank of England. Foreign exchange effects had a positive impact of SEK 65m on net interest income, and expressed in local currency, net interest income grew by 6%.

Net fee and commission income increased by 6% to SEK 201m (190). Foreign exchange effects amounted to SEK 9m, and in local currency terms, net fee and commission income rose by 1%, mainly due to higher net payment commissions.

Expenses were essentially unchanged at SEK -1,215m (-1,228). Foreign exchange effects totalled SEK -61m, and expressed in local currency terms, expenses fell by 6%. *Staff costs* rose by 3% to SEK -646m (-630). Expressed in local currency, staff costs decreased by 2%. The average number of employees was 2,428 (2,499), with the reduction mainly resulting from the conclusion of the credit portfolio analysis at the beginning of the year, which had been ongoing for the past two years. *Other types of expenses* totalled SEK -569m (-598), and decreased in local currency terms by 9%.

Credit losses totalled SEK -27m (15). The credit loss ratio was 0.01% (-0.02).

BUSINESS DEVELOPMENT

January – March 2022 compared with January – March 2021

The total *average volume of lending* decreased by 3% to GBP 20.3bn (21.0). Household lending decreased by 6% to GBP 6.3bn (6.7), and corporate lending decreased by 2% to GBP 14.0bn (14.3).

The total *average volume of deposits* was unchanged at GBP 19.2bn (19.2). Household deposits increased by 3% to GBP 5.6bn (5.4), and corporate deposits decreased by 1% to GBP 13.6bn (13.7).

The volume of assets under management in Handelsbanken Wealth & Asset Management at the end of the period totalled GBP 4.3bn (4.1). During the period, the net inflow totalled GBP -47m (96).

Q1 2022 compared with Q4 2021

The total *average volume of lending* decreased by 1% to GBP 20.3bn (20.5). Household lending decreased by 2% to GBP 6.3bn (6.4), and corporate lending decreased marginally to GBP 14.0bn (14.1).

The total *average volume of deposits* was unchanged at GBP 19.2bn (19.2). Household deposits were unchanged and amounted to GBP 5.6bn (5.6), while corporate deposits increased marginally to GBP 13.7bn (13.6).

The volume of assets under management in Handelsbanken Wealth & Asset Management at the end of the period totalled GBP 4.3bn (4.4). The net flow in Handelsbanken Wealth & Asset Management during the quarter totalled GBP -47m (-88).

Handelsbanken Norway

Handelsbanken Norway comprises the household and corporate business conducted at branches and through other customer interfaces, and includes the Savings & Pensions business.

INCOME STATEMENT

SEK m	Q1 2022	Q4 2021	Change	Q1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Net interest income	1,061	1,001	6%	932	14%	1,061	932	14%	3,867
Net fee and commission income	172	175	-2%	155	11%	172	155	11%	656
Net gains/losses on financial transactions	15	18	-17%	9	67%	15	9	67%	55
Risk result - insurance	1	4	-75%	5	-80%	1	5	-80%	11
Other income	1	22	-95%	1	0%	1	1	0%	26
Total income	1,252	1,220	3%	1,102	14%	1,252	1,102	14%	4,615
Staff costs	-251	-241	4%	-216	16%	-251	-216	16%	-908
Other expenses	-67	-69	-3%	-44	52%	-67	-44	52%	-195
Internal purchased and sold services	-139	-129	8%	-118	18%	-139	-118	18%	-510
Depreciation, amortisation and impairments of property, equipment and intangible assets	-22	-21	5%	-20	10%	-22	-20	10%	-84
Total expenses	-480	-460	4%	-398	21%	-480	-398	21%	-1,697
Profit before credit losses, risk tax and resolution fee	772	760	2%	704	10%	772	704	10%	2,918
Net credit losses	-158	-18		14		-158	14		-150
Gains/losses on disposal of property, equipment and intangible assets	2	1	100%	2	0%	2	2	0%	6
Risk tax and resolution fee	-83	-42	98%	-41	102%	-83	-41	102%	-167
Operating profit	532	701	-24%	679	-22%	532	679	-22%	2,607
Profit allocation	16	17	-6%	18	-11%	16	18	-11%	54
Operating profit after profit allocation	549	718	-24%	697	-21%	549	697	-21%	2,661
Internal income	-580	-403	-44%	-384	-51%	-580	-384	-51%	-1,447
Cost/income ratio, %	37.9	37.2		35.5		37.9	35.5		36.3
Credit loss ratio, %	0.15	0.03		-0.02		0.15	-0.02		0.06
Allocated capital	19,225	17,993	7%	18,926	2%	19,225	18,926	2%	17,993
Return on allocated capital, %	9.1	12.7		11.7		9.1	11.7		11.4
Average number of employees	754	743	1%	734	3%	754	734	3%	742

INCOME STATEMENT IN LOCAL CURRENCY

m nkr	Q1 2022	Q4 2021	Change	Q1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Net interest income	1,005	988	2%	944	6%	1,005	944	6%	3,874
Net fee and commission income	163	172	-5%	157	4%	163	157	4%	657
Net gains/losses on financial transactions	14	17	-18%	9	56%	14	9	56%	55
Risk result - insurance	1	4	-75%	5	-80%	1	5	-80%	11
Other income	1	22	-95%	1	0%	1	1	0%	26
Total income	1,185	1,203	-1%	1,116	6%	1,185	1,116	6%	4,623
Staff costs	-238	-238	0%	-218	9%	-238	-218	9%	-910
Other expenses	-64	-68	-6%	-43	49%	-64	-43	49%	-194
Internal purchased and sold services	-132	-127	4%	-122	8%	-132	-122	8%	-512
Depreciation, amortisation and impairments of property, equipment and intangible assets	-21	-21	0%	-20	5%	-21	-20	5%	-84
Total expenses	-454	-454	0%	-403	13%	-454	-403	13%	-1,700
Profit before credit losses, risk tax and resolution fee	731	749	-2%	713	3%	731	713	3%	2,923
Net credit losses	-150	-17		14		-150	14		-150
Gains/losses on disposal of property, equipment and intangible assets	2	1	100%	2	0%	2	2	0%	6
Risk tax and resolution fee	-78	-42	86%	-41	90%	-78	-41	90%	-168
Operating profit	504	691	-27%	688	-27%	504	688	-27%	2,611
Profit allocation	15	17	-12%	18	-17%	15	18	-17%	54
Operating profit after profit allocation	519	708	-27%	706	-26%	519	706	-26%	2,665

BUSINESS VOLUMES

Average volumes, NOK bn	Q1 2022	Q4 2021	Change	Q1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Loans to the public									
Household	110.1	109.3	1%	104.6	5%	110.1	104.6	5%	106.8
Corporates	174.1	169.9	2%	168.9	3%	174.1	168.9	3%	170.3
Total	284.1	279.2	2%	273.5	4%	284.1	273.5	4%	277.1
Deposits and borrowing from the public									
Household	29.7	28.5	4%	26.4	12%	29.7	26.4	12%	27.8
Corporates	65.9	61.8	7%	64.2	3%	65.9	64.2	3%	63.8
Total	95.5	90.3	6%	90.6	5%	95.5	90.6	5%	91.6

JANUARY – MARCH 2022 COMPARED WITH JANUARY – MARCH 2021

Operating profit decreased by 22% to SEK 532m (679). Foreign exchange effects on operating profit amounted to SEK 47m, and in local currency terms, operating profit declined by 27%. The *return on allocated capital* decreased to 9.1% (11.7). The *C/I ratio* was 37.9% (35.5).

Income grew by 14% to SEK 1,252m (1,102). Foreign exchange effects were SEK 73m. Expressed in local currency, income growth was 6%.

Net interest income increased by 14% to SEK 1,061m (932). Foreign exchange effects amounted to SEK 60m, and in local currency terms, net interest income rose by 6%. Higher business volumes made a positive contribution of SEK 35m. The net amount of changed margins and funding costs increased net interest income by SEK 38m, primarily due to higher deposit margins and an improved return on the liquidity deposited with the Norwegian central bank. Other effects burdened net interest income by SEK -4m.

Net fee and commission income increased by 11% to SEK 172m (155). Foreign exchange effects amounted to SEK 11m, and in local currency terms, net fee and commission income rose by 4%. The increase was due to mutual funds, custody and other asset management income increasing by 12% to SEK 94m (84), along with a 26% increase in payment commissions, to SEK 44m (35).

Net gains/losses on financial transactions totalled SEK 15m (9).

Expenses increased by 21% to SEK -480m (-398). Foreign exchange effects on expenses amounted to SEK -17m. In local currency terms, expenses increased by 13%.

Staff costs rose by 16% to SEK -251m (-216). In local currency terms, the increase was 9%. The average number of employees increased by 3% to 754 (734).

Other types of expenses increased by 26% to SEK -229m (-182). In local currency terms, the increase was 17%.

Credit losses amounted to SEK -158m (14), with the majority of the change explained by differences between the reversed and the new expert-based provision, as well as the depreciation of an individual exposure. The credit loss ratio was 0.15% (-0.02).

The *risk tax* was SEK -40m (-) and the *resolution fee* amounted to SEK -43m (-41).

Q1 2022 COMPARED WITH Q4 2021

Operating profit went down by 24% to SEK 532m (701), which was largely due to higher credit losses and the risk tax. Foreign exchange effects amounted to SEK 20m, and in local currency terms, operating profit declined by 27%.

Net interest income grew by 6% to SEK 1,061m (1,001). Foreign exchange effects amounted to SEK 37m, and in local currency terms, net interest income rose by 2%. Higher business volumes contributed SEK 23m. The net amount of changed margins and funding costs increased net interest

income by SEK 33m. Fees for the deposit guarantee scheme burdened net interest income by SEK -6m (-2).

Net fee and commission income declined by 2% to SEK 172m (175). In local currency terms, net fee and commission income decreased by 5%, primarily due to lower savings-related and payment commissions.

Net gains/losses on financial transactions totalled SEK 15m (18).

Other income was SEK 1m (22), with the quarter of comparison including income from the sale of the card acquiring operations.

Expenses rose by 4% to SEK -480m (-460). Foreign exchange effects amounted to SEK -17m, and in local currency terms, expenses were unchanged.

Staff costs rose by 4% to SEK -251m (-241). In local currency terms, staff costs were unchanged. The average number of employees increased by 1% to 754 (743).

Other types of expenses totalled SEK -229m (-219).

Credit losses were SEK -158m (-18). Alongside the depreciation of an individual exposure, the majority of the change was due to differences between the reversed and new expert-based provision. The credit loss ratio was 0.15% (0.03).

The *risk tax* was SEK -40m (-) and the *resolution fee* amounted to SEK -43m (-42).

BUSINESS DEVELOPMENT

January – March 2022 compared with January – March 2021

The total *average volume of lending* increased by 4% to NOK 284.1bn (273.5). Household lending increased by 5% to NOK 110.1bn (104.6), and corporate lending increased by 3% to NOK 174.1bn (168.9).

The total *average volume of deposits* increased by 5% to NOK 95.5bn (90.6). Household deposits increased by 12% to NOK 29.7bn (26.4), and corporate deposits increased by 3% to NOK 65.9bn (64.2).

The net flow in the Bank's mutual funds in Norway during the period totalled SEK -0.9bn (1.8). The total volume of assets under management was SEK 40bn (38).

Q1 2022 compared with Q4 2021

The total *average volume of lending* increased by 2% to NOK 284.1bn (279.2). Household lending increased by 1% to NOK 110.1bn (109.3), and corporate lending increased by 2% to NOK 174.1bn (169.9).

The total *average volume of deposits* increased by 6% to NOK 95.5bn (90.3). Household deposits increased by 4% to NOK 29.7bn (28.5), and corporate deposits increased by 7% to NOK 65.9bn (61.8).

New savings in the Bank's mutual funds in Norway during the quarter totalled SEK -0.9bn (-0.9). The total volume of assets under management was SEK 40bn (41).

Handelsbanken the Netherlands

Handelsbanken the Netherlands comprises the household and corporate business conducted at branches and through other customer interfaces, and includes the Optimix investment management business.

INCOME STATEMENT

SEK m	Q1 2022	Q4 2021	Change	Q1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Net interest income	303	286	6%	249	22%	303	249	22%	1,076
Net fee and commission income	35	118	-70%	32	9%	35	32	9%	224
Net gains/losses on financial transactions	10	12	-17%	6	67%	10	6	67%	32
Other income	0	0	0%	0	0%	0	0	0%	0
Total income	348	416	-16%	287	21%	348	287	21%	1,332
Staff costs	-106	-97	9%	-97	9%	-106	-97	9%	-395
Other expenses	-19	-23	-17%	-21	-10%	-19	-21	-10%	-76
Internal purchased and sold services	-52	-51	2%	-38	37%	-52	-38	37%	-176
Depreciation, amortisation and impairments of property, equipment and intangible assets	-13	-12	8%	-13	0%	-13	-13	0%	-50
Total expenses	-190	-183	4%	-169	12%	-190	-169	12%	-697
Profit before credit losses, risk tax and resolution fee	157	233	-33%	118	33%	157	118	33%	635
Net credit losses	1	-4		1	0%	1	1	0%	-5
Risk tax and resolution fee	-24	-8	200%	-7	243%	-24	-7	243%	-31
Operating profit	135	221	-39%	112	21%	135	112	21%	599
Profit allocation	0	0		0	0%	0	0	0%	1
Operating profit after profit allocation	135	221	-39%	112	21%	135	112	21%	600
Internal income	-112	-100	-12%	-101	-11%	-112	-101	-11%	-401
Cost/income ratio, %	54.6	44.0		58.9		54.6	58.9		52.3
Credit loss ratio, %	-0.01	0.03		-0.01		-0.01	-0.01		0.01
Allocated capital	3,105	3,013	3%	2,642	18%	3,105	2,642	18%	3,013
Return on allocated capital, %	13.8	23.4		13.5		13.8	13.5		16.7
Average number of employees	346	339	2%	336	3%	346	336	3%	337

INCOME STATEMENT IN LOCAL CURRENCY

m euro	Q1 2022	Q4 2021	Change	Q1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Net interest income	28.9	28.1	3%	24.6	17%	28.9	24.6	17%	106.0
Net fee and commission income	3.3	11.7	-72%	3.2	3%	3.3	3.2	3%	22.1
Net gains/losses on financial transactions	0.9	1.2	-25%	0.6	50%	0.9	0.6	50%	3.2
Other income	0.1	0.0		-		0.1	-		0.0
Total income	33.2	41.0	-19%	28.4	17%	33.2	28.4	17%	131.3
Staff costs	-10.1	-9.5	6%	-9.6	5%	-10.1	-9.6	5%	-38.9
Other expenses	-1.8	-2.2	-18%	-2.1	-14%	-1.8	-2.1	-14%	-7.5
Internal purchased and sold services	-5.0	-5.1	-2%	-3.7	35%	-5.0	-3.7	35%	-17.4
Depreciation, amortisation and impairments of property, equipment and intangible assets	-1.2	-1.2	0%	-1.3	-8%	-1.2	-1.3	-8%	-4.9
Total expenses	-18.1	-18.0	1%	-16.7	8%	-18.1	-16.7	8%	-68.7
Profit before credit losses, risk tax and resolution fee	15.0	23.0	-35%	11.7	28%	15.0	11.7	28%	62.6
Net credit losses	0.1	-0.4		0.1	0%	0.1	0.1	0%	-0.5
Risk tax and resolution fee	-2.3	-0.7	229%	-0.7	229%	-2.3	-0.7	229%	-3.0
Operating profit	12.9	21.9	-41%	11.1	16%	12.9	11.1	16%	59.1
Profit allocation	0.0	0.0	0%	0.0	0%	0.0	0.0	0%	0.1
Operating profit after profit allocation	12.9	21.9	-41%	11.1	16%	12.9	11.1	16%	59.2

BUSINESS VOLUMES

Average volumes, EUR m	Q1 2022	Q4 2021	Change	Q1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Loans to the public									
Household	4,431	4,208	5%	3,673	21%	4,431	3,673	21%	3,935
Corporates	3,168	2,956	7%	2,740	16%	3,168	2,740	16%	2,864
Total	7,599	7,164	6%	6,413	18%	7,599	6,413	18%	6,799
Deposits and borrowing from the public									
Household	632	626	1%	358	76%	632	358	76%	500
Corporates	3,218	2,832	14%	2,047	57%	3,218	2,047	57%	2,417
Total	3,849	3,458	11%	2,405	60%	3,849	2,405	60%	2,917

JANUARY – MARCH 2022 COMPARED WITH JANUARY – MARCH 2021

Operating profit improved by 21% to SEK 135m (112), driven by strong business development. Foreign exchange effects on operating profit amounted to SEK 4m. Expressed in local currency, operating profit increased by 16%. *Return on allocated capital* was 13.8% (13.5), and the *C/I ratio* fell to 54.6% (58.9).

Income grew by 21% to SEK 348m (287). Foreign exchange effects were SEK 10m. Expressed in local currency, income growth was 17%.

Net interest income increased by 22% to SEK 303m (249). Foreign exchange effects amounted to SEK 9m, and in local currency terms, net interest income rose by 17%. Higher business volumes had a SEK 53m positive impact on net interest income. The net amount of changed margins and funding costs had a SEK 7m negative impact.

Net fee and commission income grew by 9% to SEK 35m (32). Foreign exchange effects amounted to SEK 1m, and in local currency terms, net fee and commission income rose by 3%. Commission income from the fund management, custody account management and asset management business increased by 14% to SEK 32m (28).

Expenses rose by 12% to SEK -190m (-169). In local currency terms, expenses increased by 8%. Staff costs rose by 9% to SEK -106m (-97), representing a 5% increase in local currency terms. The average number of employees grew by 3% to 346 (336). Other types of expenses increased by 17% in total to SEK -84m (-72). In local currency terms, the equivalent increase was 13%.

Credit losses consisted of net recoveries of SEK 1m (1). The credit loss ratio was -0.01% (-0.01).

The *risk tax* was SEK -15m (-) and the *resolution fee* amounted to SEK -9m (-7).

Q1 2022 COMPARED WITH Q4 2021

Operating profit went down by 39% to SEK 135m (221). Foreign exchange effects on operating profit amounted to SEK 6m, and in local currency terms, operating profit declined by 41%.

Net interest income grew by 6% to SEK 303m (286). Foreign exchange effects totalled SEK 10m, and in local currency terms, net interest income grew by 3%. Higher business volumes had a SEK 16m positive impact on net interest income, while the net effect of changed margins and funding costs had a negative impact of SEK 5m. Other effects amounted to SEK -4m.

Net fee and commission income declined by 70% to SEK 35m (118), with the quarter of comparison including performance fees in Optimix totalling SEK 88m. Excluding this effect, net fee and commission income increased by 17%.

Expenses rose by 4% to SEK -190m (-183). In local currency terms, expenses increased by 1%. Staff costs rose by 9% to SEK -106m (-97). The average number of employees increased by 2% to 346 (339). Other types of expenses decreased by 2% in total to SEK 84m (86).

Credit losses consisted of net recoveries of SEK 1m (-4). The credit loss ratio was -0.01% (0.03).

The *risk tax* was SEK -40m (-) and the *resolution fee* amounted to SEK -9m (-8).

BUSINESS DEVELOPMENT

January – March 2022 compared with January – March 2021

The total *average volume of lending* increased by 18% to EUR 7.6bn (6.4). Household lending increased by 21% to EUR 4.4bn (3.7), and corporate lending increased by 16% to EUR 3.2bn (2.7).

The total *average volume of deposits* increased by 60% to EUR 3.9bn (2.4). Household deposits increased by 76% to EUR 0.6bn (0.4), and corporate deposits increased by 57% to EUR 3.2bn (2.0).

Assets under management at Optimix totalled EUR 2.1bn (1.8) at the end of the period.

Q1 2022 compared with Q4 2021

The total *average volume of lending* increased by 6% to EUR 7.6bn (7.2). Household lending increased by 5% to EUR 4.4bn (4.2), and corporate lending increased by 7% to EUR 3.2bn (3.0).

The total *average volume of deposits* increased by 11% to EUR 3.9bn (3.5). Household deposits increased by 1% to EUR 0.6bn (0.6), and corporate deposits increased by 14% to EUR 3.2bn (2.8).

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

Handelsbanken Capital Markets

Handelsbanken Capital Markets consists of the Markets and Global Banking business areas. Markets offers products and services linked to risk management, securities, derivatives, research, debt capital markets, corporate finance and transaction banking. Global Banking consists of the international operations conducted from New York and Luxembourg, as well as Financial Infrastructure.

INCOME STATEMENT

SEK m	Q1 2022	Q4 2021	Change	Q1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Net interest income	64	60	7%	66	-3%	64	66	-3%	245
Net fee and commission income	259	248	4%	200	30%	259	200	30%	786
Net gains/losses on financial transactions	311	295	5%	322	-3%	311	322	-3%	1,185
Other income	1	-7		5	-80%	1	5	-80%	9
Total income	635	596	7%	593	7%	635	593	7%	2,225
Staff costs	-297	-284	5%	-321	-7%	-297	-321	-7%	-1,211
Other expenses	-74	-76	-3%	-91	-19%	-74	-91	-19%	-361
Internal purchased and sold services	-78	-98	-20%	-98	-20%	-78	-98	-20%	-317
Depreciation, amortisation and impairments of property, equipment and intangible assets	-61	-57	7%	-52	17%	-61	-52	17%	-233
Total expenses	-510	-515	-1%	-562	-9%	-510	-562	-9%	-2,122
Profit before credit losses, risk tax and resolution fee	125	81	54%	31	303%	125	31	303%	103
Net credit losses	-1	-1	0%	5		-1	5		11
Gains/losses on disposal of property, equipment and intangible assets	0	-		-7		0	-7		-10
Risk tax and resolution fee	-11	-5	120%	-5	120%	-11	-5	120%	-22
Operating profit	113	75	51%	24	371%	113	24	371%	82
Profit allocation	-135	-118	14%	-112	21%	-135	-112	21%	-434
Operating profit after profit allocation	-22	-43	49%	-88	75%	-22	-88	75%	-352
Internal income	-121	-57	-113%	52		-121	52		-362
Cost/income ratio, %	102.0	107.7		116.8		102.0	116.8		118.5
Credit loss ratio, %	0.00	0.01		-0.04		0.00	-0.04		-0.01
Allocated capital	2,302	2,575	-11%	2,312	0%	2,302	2,312	0%	2,575
Return on allocated capital, %	-3.0	-5.3		-12.0		-3.0	-12.0		-11.8
Average number of employees	589	615	-4%	679	-13%	589	679	-13%	647

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

JANUARY – MARCH 2022 COMPARED WITH JANUARY – MARCH 2021

Operating profit increased to SEK 113m (24).

Income grew by 7% to SEK 635m (593). Net fee and commission income rose by 30% to SEK 259m (200), which was exclusively attributable to increased income from the advisory business.

Net gains/losses on financial transactions went down by 3% to SEK 311m (322), due mainly to marginally lower share-related income.

Expenses decreased by 9% to SEK -510m (-562). Staff costs fell by 7% to SEK -297m (-321), due to a decrease in the number of employees. The average number of employees decreased by 13% to 589 (679).

Other types of expenses went down by SEK 28m to SEK -213m (-241), chiefly due to the restructuring of international operations. Other parts of the segment also reported lower expenses.

The risk tax was SEK -7m (-) and the resolution fee amounted to SEK -5m (-5).

Credit losses were SEK -1m (5), and the credit loss ratio was 0.00% (-0.04).

Q1 2022 COMPARED WITH Q4 2021

Operating profit was SEK 113m (75).

Income grew by 7% to SEK 635m (596). Net fee and commission income increased by 4% to SEK 259m (248). Net gains/losses on financial transactions increased by 5% to SEK 311m (295).

Expenses decreased by 1% to SEK -510m (-515). Staff costs rose by 5% to SEK -297m (-284), which included the annual salary review and a depreciated Swedish krona. The average number of employees decreased by 4% to 589 (615). Other types of expenses totalled SEK -213m (-231).

The risk tax was SEK -7m (-) and the resolution fee amounted to SEK -5m (-5).

Credit losses were SEK -1m (-1), and the credit loss ratio was 0.00% (0.01).

BUSINESS DEVELOPMENT

During the first quarter, the Bank arranged 28 bond issues at a value of EUR 4.0bn (3.2); green bonds accounted for EUR 0.5bn of this total, or 12% (20). There was a substantial interest in sustainability-linked and green financing among customers within both capital market and bank funding.

Other units not reported in the business segments

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

INCOME STATEMENT

SEK m	Q1 2022	Q4 2021	Change	Q1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Net interest income	252	218	16%	178	42%	252	178	42%	801
Net fee and commission income	56	37	51%	63	-11%	56	63	-11%	241
Net gains/losses on financial transactions	-71	-133	47%	-129	45%	-71	-129	45%	-242
Risk result - insurance	-	-		1		-	1		-
Share of profit of associates	2	17	-88%	18	-89%	2	18	-89%	63
Other income	1,072	15		10		1,072	10		51
Total income	1,312	154		141		1,312	141		914
Staff costs	-879	-878	0%	-954	-8%	-879	-954	-8%	-3,267
Other expenses	-860	-810	6%	-613	40%	-860	-613	40%	-2,684
Internal purchased and sold services	1,717	1,620	6%	1,532	12%	1,717	1,532	12%	6,204
Depreciation, amortisation and impairments of property, equipment and intangible assets	-168	-194	-13%	-171	-2%	-168	-171	-2%	-726
Total expenses	-190	-262	-27%	-206	-8%	-190	-206	-8%	-473
Profit before credit losses, risk tax and resolution fee	1,122	-108		-65		1,122	-65		441
Net credit losses	52	11	373%	-27		52	-27		-9
Gains/losses on disposal of property, equipment and intangible assets	0	1	-100%	-1		0	-1		-
Risk tax and resolution fee	-60	-3		-3		-60	-3		-14
Operating profit	1,113	-99		-96		1,113	-96		418
Profit allocation	9	8		9	0%	9	9	0%	37
Operating profit after profit allocation	1,123	-91		-87		1,123	-87		455
Internal income	1,053	717	47%	1,119	-6%	1,053	1,119	-6%	3,516
Average number of employees	2,836	2,878	-1%	2,895	-2%	2,836	2,895	-2%	2,905
Allocated capital Denmark and Finland	14,358	15,155	-5%	14,419	0%	14,358	14,419	0%	15,155

JANUARY – MARCH 2022 COMPARED WITH JANUARY – MARCH 2021

Operating profit in other units not reported in the business segments amounted to SEK 1,113m (-96).

Income increased to SEK 1,312m (141). Net interest income totalled SEK 252m (178); this was primarily linked to the Bank's liquidity management. The Group's euro liquidity has been placed with the Finnish central bank at a negative rate, which has led to a negative interest income of SEK -129m (-107) being recognised in the discontinued operations relating to Finland. The euro liquidity was transferred to the Netherlands at the end of the first quarter, which means that starting in the second quarter, most of the negative interest income will be included in continued operations and reported in other units.

The aforementioned sales of real estate holding subsidiaries resulted in an increase in other income to SEK 1,072m (10).

Expenses fell by 8%. Staff costs decreased to SEK -879m (-954), mainly due to the lower provision for Oktogonen of SEK -87m (-213). Other types of expenses decreased by 8% in total.

The average number of employees fell by 2% to 2,836 (2,895), with the number of employees at the IT department totalling 1,856 (1,934).

Q1 2022 COMPARED WITH Q4 2021

Operating profit was SEK 1,113m (-99).

Net interest income totalled SEK 252m (178). The previously mentioned negative interest income from the central bank placement in Finland, which was recognised in the discontinued operations, amounted to SEK -129m (-129).

The aforementioned sales of real estate holding subsidiaries resulted in an increase in other income to SEK 1,072m (15).

Expenses fell to SEK -190m (-262). Staff costs were virtually unchanged, in spite of a higher provision for Oktogonen of SEK -87m (-64). The average number of employees was 2,836 (2,878).

Key metrics – Group

	Q1 2022	Q4 2021	Q1 2021	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Return on equity, total operations	13.4%	12.5%	10.6%	13.4%	10.6%	11.8%
C/I ratio, Continuing operations	42.0%	44.0%	47.4%	42.0%	47.4%	44.8%
Earnings per share, SEK	2.85	2.64	2.21	2.85	2.21	9.86
<i>of which continuing operations</i>	2.70	2.68	2.10	2.70	2.10	9.51
<i>of which Discontinued operations</i>	0.15	-0.04	0.11	0.15	0.11	0.35
- after dilution	2.85	2.64	2.21	2.85	2.21	9.86
<i>of which continuing operations</i>	2.70	2.68	2.10	2.70	2.10	9.51
<i>of which Discontinued operations</i>	0.15	-0.04	0.11	0.15	0.11	0.35
Ordinary dividend, SEK						5.00
Adjusted equity per share, SEK	89.83	90.87	86.78	89.83	86.78	90.87
Common equity tier 1 ratio, CRR	18.7%	19.4%	20.2%	18.7%	20.2%	19.4%
Total capital ratio, CRR	22.5%	23.3%	24.3%	22.5%	24.3%	23.3%
Average number of employees	10,743	10,803	11,198	10,743	11,198	11,039

In addition to financial definitions according to IFRS, alternative performance measures are used to describe the performance of the underlying operations and to increase comparability between periods. For definitions and calculation of these performance measures, please see the Fact Book which is available at handelsbanken.com/ir.

THE HANDELSBANKEN SHARE

	Q1 2022	Q4 2021	Q1 2021	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Number of converted shares	-	-	-	-	-	-
Number of repurchased shares	-	-	-	-	-	-
Holding of own shares in trading book, end of period	-	-	-	-	-	-
Number of outstanding shares after repurchases and deduction for trading book, end of period	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494
Number of outstanding shares after dilution, end of period	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494
Average number of shares converted during the period	-	-	-	-	-	-
Average holdings of own shares (repurchased and holdings in trading book)	-	-	-	-	-	-
Average number of outstanding shares	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494
- after dilution	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494
Share price SHB class A, end of period, SEK	86.90	97.86	94.86	86.90	94.86	97.86
Share price SHB class B, end of period, SEK	99.35	107.80	106.80	99.35	106.80	107.80
Market capitalisation, end of period, SEK bn	172	194	188	172	188	194

Condensed set of financial statements – Group

INCOME STATEMENT - GROUP

SEK m		Q1 2022	Q4 2021	Change	Q1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Interest income		9,820	9,058	8%	8,958	10%	9,820	8,958	10%	35,832
<i>effective interest method and interest on derivatives in hedge accounting</i>		9,440	8,746	8%	8,585	10%	9,440	8,585	10%	34,483
Interest expense		-1,807	-1,323	37%	-1,529	18%	-1,807	-1,529	18%	-5,511
Net interest income	Note 2	8,013	7,735	4%	7,429	8%	8,013	7,429	8%	30,321
Net fee and commission income	Note 3	2,911	3,163	-8%	2,662	9%	2,911	2,662	9%	11,458
Net gains/losses on financial transactions	Note 4	240	395	-39%	341	-30%	240	341	-30%	1,699
Risk result - insurance		41	29	41%	67	-39%	41	67	-39%	179
Other dividend income		1	1	0%	1	0%	1	1	0%	2
Share of profit of associates		2	17	-88%	18	-89%	2	18	-89%	63
Other income		1,098	453	142%	23		1,098	23		555
Total income		12,305	11,793	4%	10,541	17%	12,305	10,541	17%	44,277
Staff costs		-3,173	-3,145	1%	-3,275	-3%	-3,173	-3,275	-3%	-12,452
Other administrative expenses	Note 5	-1,563	-1,594	-2%	-1,280	22%	-1,563	-1,280	22%	-5,577
Depreciation, amortisation and impairment of property, equipment and intangible assets		-431	-448	-4%	-441	-2%	-431	-441	-2%	-1,814
Total expenses		-5,167	-5,187	0%	-4,996	3%	-5,167	-4,996	3%	-19,843
Profit before credit losses, risk tax and resolution fee		7,138	6,606	8%	5,545	29%	7,138	5,545	29%	24,434
Net credit losses	Note 6	-6	-9	-33%	-11	-45%	-6	-11	-45%	-43
Gains/losses on disposal of property, equipment and intangible assets		14	4	250%	-5		14	-5		14
Risk tax and resolution fee		-559	-232	141%	-222	152%	-559	-222	152%	-930
Operating profit		6,586	6,369	3%	5,307	24%	6,586	5,307	24%	23,475
Taxes		-1,242	-1,058	17%	-1,152	8%	-1,242	-1,152	8%	-4,627
Profit for the period from continuing operations		5,344	5,311	1%	4,155	29%	5,344	4,155	29%	18,848
Net profit from discontinued operations	Note 9	307	-75		226	36%	307	226	36%	695
Profit for the period		5,650	5,236	8%	4,381	29%	5,650	4,381	29%	19,543
Attributable to										
Shareholders in Svenska Handelsbanken AB		5,650	5,223	8%	4,380	29%	5,650	4,380	29%	19,527
Non-controlling interest		1	13		1		1	1		16

EARNINGS PER SHARE - GROUP

	Q1 2022	Q4 2021	Change	Q1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Profit for the year, attributable to shareholders in Svenska Handelsbanken AB	5,650	5,223	8%	4,380	29%	5,650	4,380	29%	19,527
- of which interest expense on convertible subordinated loan after tax	-	-		-		-	-		-
Average number of outstanding shares, million	1,980.0	1,980.0		1,980.0		1,980.0	1,980.0		1,980.0
Average number of outstanding shares after dilution, million	1,980.0	1,980.0		1,980.0		1,980.0	1,980.0		1,980.0
Earnings per share, SEK	2.85	2.64	8%	2.21	29%	2.85	2.21	29%	9.86
- after dilution	2.85	2.64	8%	2.21	29%	2.85	2.21	29%	9.86
Earnings per share, continuing operations, SEK	2.70	2.68	1%	2.10	29%	2.70	2.10	29%	9.51
- after dilution	2.70	2.68	1%	2.10	29%	2.70	2.10	29%	9.51
Earnings per share, discontinued operations, SEK	0.15	-0.04		0.11	36%	0.15	0.11	36%	0.35
- after dilution	0.15	-0.04		0.11	36%	0.15	0.11	36%	0.35

Earnings per share after dilution are calculated by taking into account the effects of a conversion of outstanding convertible debt instruments. This means that the average number of shares is adjusted by potential shares and that the period's earnings are adjusted by the period's interest expense on the outstanding convertible debt instruments after tax.

STATEMENT OF COMPREHENSIVE INCOME – GROUP

SEK m	Q1 2022	Q4 2021	Change	Q1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Profit for the period	5,650	5,236	8%	4,381	29%	5,650	4,381	29%	19,543
Other comprehensive income									
Items that will not be reclassified to the income statement									
Defined benefit pension plans	1,678	2,275	-26%	5,528	-70%	1,678	5,528	-70%	6,820
Instruments measured at fair value through other comprehensive income - equity instruments	9	13		34		9	34		62
Tax on items that will not be reclassified to income statement	-344	-469	27%	-1,137	70%	-344	-1,137	70%	-1,401
<i>of which defined benefit pension plans</i>	-343	-468	27%	-1,136	70%	-343	-1,136	70%	-1,398
<i>of which equity instruments measured at fair value through other comprehensive income</i>	-2	-1		-1		-2	-1		-3
Total items that will not be reclassified to the income statement	1,343	1,819	-26%	4,425	-70%	1,343	4,425	-70%	5,481
Items that may subsequently be reclassified to the income statement									
Cash flow hedges	-1,287	-421	-206%	-545	-136%	-1,287	-545	-136%	-1,970
Instruments measured at fair value through other comprehensive income - debt instruments	-44	-13		17		-44	17		6
Translation differences for the period	883	1,213	-27%	2,812	-69%	883	2,812	-69%	3,201
<i>of which hedging net investment in foreign operations</i>	-43	-109	60%	-867	95%	-43	-867	95%	-910
Tax on items that may subsequently be reclassified to the income statement	276	113	144%	290	-5%	276	290	-5%	595
<i>of which cash flow hedges</i>	265	87	205%	112	137%	265	112	137%	406
<i>of which debt instruments measured at fair value through other comprehensive income</i>	3	3		-3		3	-3		-1
<i>of which hedging net investment in foreign operations</i>	9	23	-61%	181	-95%	9	181	-95%	190
Total items that may subsequently be reclassified to the income statement	-171	892		2,574		-171	2,574		1,832
Total other comprehensive income for the period	1,173	2,711	-57%	6,999	-83%	1,173	6,999	-83%	7,313
Total comprehensive income for the period	6,823	7,947	-14%	11,380	-40%	6,823	11,380	-40%	26,856
Attributable to									
Shareholders in Svenska Handelsbanken AB	6,821	7,934	-14%	11,379	-40%	6,821	11,379	-40%	26,840
Non-controlling interest	2	13	-85%	1	100%	2	1	100%	16

QUARTERLY PERFORMANCE - GROUP

SEK m	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Interest income	9,820	9,058	8,885	8,931	8,958
Interest expense	-1,807	-1,323	-1,299	-1,360	-1,529
Net interest income	8,013	7,735	7,586	7,571	7,429
Net fee and commission income	2,911	3,163	2,867	2,766	2,662
Net gains/losses on financial transactions	240	395	534	429	341
Risk result - insurance	41	29	49	34	67
Other dividend income	1	1	0	0	1
Share of profit of associates	2	17	18	10	18
Other income	1,098	453	33	46	23
Total income	12,305	11,793	11,087	10,856	10,541
Staff costs	-3,173	-3,145	-2,840	-3,192	-3,275
Other administrative expenses	-1,563	-1,594	-1,330	-1,373	-1,280
Depreciation, amortisation and impairment of property, equipment and intangible assets	-431	-448	-430	-495	-441
Total expenses	-5,167	-5,187	-4,600	-5,060	-4,996
Profit before credit losses, risk tax and resolution fee	7,138	6,606	6,487	5,796	5,545
Net credit losses	-6	-9	-131	108	-11
Gains/losses on disposal of property, equipment and intangible assets	14	4	4	11	-5
Risk tax and resolution fee	-559	-232	-233	-243	-222
Operating profit	6,586	6,369	6,127	5,672	5,307
Taxes	-1,242	-1,058	-1,252	-1,165	-1,152
Profit for the period from continuing operations	5,344	5,311	4,875	4,507	4,155
Profit for the period pertaining to discontinued operations, after tax	307	-75	318	226	226
Profit for the period	5,650	5,236	5,193	4,733	4,381
Earnings per share, SEK	2.85	2.64	2.62	2.39	2.21
- after dilution	2.85	2.64	2.62	2.39	2.21

BALANCE SHEET - GROUP

SEK m		31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
Assets						
Cash and balances with central banks		486,276	291,584	613,846	598,097	684,396
Other loans to central banks	Note 7	1,259	1,255	1,927	18,307	1,459
Interest-bearing securities eligible as collateral with central banks		121,996	100,538	95,694	89,197	83,447
Loans to other credit institutions	Note 7	35,510	21,745	31,035	37,543	43,378
Loans to the public	Note 7	2,209,362	2,163,135	2,361,498	2,337,419	2,321,695
Value change of interest-hedged item in portfolio hedge		-8,413	-1,900	-971	-465	-306
Bonds and other interest-bearing securities		43,779	33,317	30,291	33,404	41,101
Shares		19,167	19,471	20,966	21,619	21,899
Investments in associates		496	478	461	434	422
Assets where the customer bears the value change risk		221,993	235,761	235,313	230,511	216,766
Derivative instruments	Note 10,11	24,333	28,508	27,520	25,632	30,631
Intangible assets	Note 12	8,313	8,302	11,225	11,260	11,489
Property and equipment		5,016	5,272	5,935	6,019	6,208
Current tax assets		1,063	469	2,807	2,099	1,782
Deferred tax assets		986	845	673	670	1,048
Net pension assets		10,715	8,766	6,894	8,972	7,587
Assets held for sale	Note 9	343,217	421,417	591	1,229	1,699
Other assets		17,645	5,785	18,098	11,411	13,849
Prepaid expenses and accrued income		3,198	2,016	2,832	3,129	3,081
Total assets	Note 16	3,545,912	3,346,764	3,466,635	3,436,487	3,491,631
Liabilities and equity						
Due to credit institutions	Note 13	111,179	83,034	123,027	126,690	157,321
Deposits and borrowing from the public	Note 13	1,377,477	1,286,637	1,449,474	1,427,959	1,474,862
Liabilities where the customer bears the value change risk		221,993	235,761	235,313	230,511	216,766
Issued securities	Note 14	1,416,511	1,353,768	1,385,711	1,381,844	1,373,500
Derivative instruments	Note 10,11	19,819	13,784	12,697	14,252	17,633
Short positions		17,665	4,105	14,350	14,600	9,011
Insurance liabilities		511	532	527	544	573
Current tax liabilities		544	108	925	477	223
Deferred tax liabilities		5,622	5,276	5,304	5,788	6,051
Provisions		962	1,026	1,362	1,439	1,668
Liabilities held for sale	Note 9	135,788	133,922	-	-	-
Other liabilities		23,121	11,304	20,660	18,811	22,418
Accrued expenses and deferred income		4,634	3,519	3,423	3,988	5,784
Subordinated liabilities		31,434	32,257	31,579	30,961	31,067
Total liabilities	Note 16	3,367,258	3,165,033	3,284,352	3,257,864	3,316,877
Non-controlling interest		27	25	12	11	11
Share capital		3,069	3,069	3,069	3,069	3,069
Share premium		8,758	8,758	8,758	8,758	8,758
Reserves		17,017	15,845	13,134	14,625	15,531
Retained earnings		144,134	134,507	143,006	143,049	143,005
Profit for the period, attributable to shareholders in Svenska Handelsbanken AB		5,650	19,527	14,304	9,111	4,380
Total equity		178,655	181,731	182,283	178,623	174,754
Total liabilities and equity		3,545,912	3,346,764	3,466,635	3,436,487	3,491,631

STATEMENT OF CHANGES IN EQUITY – GROUP

January – March 2022 SEK m	Share capital	Share premium	Defined benefit plans	Hedge reserve	Fair value reserve	Translation reserve	Retained earnings incl profit for the year	Non-controlling interest	Total
Opening equity 2022	3,069	8,758	11,313	1,789	158	2,585	154,034	25	181,731
Profit for the period							5,650	1	5,651
Other comprehensive income <i>of which reclassified within equity</i>			1,336	-1,022	-34	892		1	1,173
Total comprehensive income for the period			1,336	-1,022	-34	892	5,650	2	6,824
Reclassified to retained earnings									-
Dividend							-9,900		-9,900
Change in non-controlling interest									0
Closing equity	3,069	8,758	12,649	767	124	3,477	149,784	27	178,655

January – December 2021 SEK m	Share capital	Share premium	Defined benefit plans	Hedge reserve	Fair value reserve	Translation reserve	Retained earnings incl profit for the year	Non-controlling interest	Total
Opening equity 2021	3,069	8,758	5,891	3,353	94	-806	151,105	9	171,473
Profit for the period							19,527	16	19,543
Other comprehensive income <i>of which reclassified within equity</i>			5,422	-1,564	64	3,391		0	7,313
Total comprehensive income for the period			5,422	-1,564	64	3,391	19,527	16	26,856
Reclassified to retained earnings							67		67
Dividend*							-16,666		-16,666
Share-based payments to employees of Handelsbanken Plc **							37		37
Repurchase own shares **							-36		-36
Change in non-controlling interest							-		-
Closing equity	3,069	8,758	11,313	1,789	158	2,585	154,034	25	181,731

January – March 2021 SEK m	Share capital	Share premium	Defined benefit plans	Hedge reserve	Fair value reserve	Translation reserve	Retained earnings incl profit for the year	Non-controlling interest	Total
Opening equity 2021	3,069	8,758	5,891	3,353	94	-806	151,105	9	171,473
Profit for the period							4,380	1	4,381
Other comprehensive income <i>of which reclassified within equity</i>			4,392	-433	47	2,993		0	6,999
Total comprehensive income for the period			4,392	-433	47	2,993	4,380	1	11,380
Reclassified to retained earnings							18		18
Dividend							-8,118		-8,118
Change in non-controlling interest								1	1
Closing equity	3,069	8,758	10,283	2,920	141	2,187	147,385	11	174,754

* Ordinary dividend amounted to SEK 8,118m whereas extra dividend was SEK 8,548m. The extra dividend was distributed as shares in AB Industrivärden that Svenska Handelsbanken AB had acquired from Svenska Handelsbankens Pensionsstiftelse.

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

CONDENSED STATEMENT OF CASH FLOWS – GROUP

SEK m	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Operating profit	6,586	5,612	23,475
Profit from discontinued operations, before tax	411	-	1,204
Adjustment for non-cash items in profit/loss and result from discontinued operations	1,190	-100	2,561
Paid income tax	-1,575	-1,784	-5,086
Changes in the assets and liabilities of operating activities	111,881	277,298	27,227
Cash flow from operating activities	118,493	281,026	49,381
Acquisition / disposal of subsidiaries	1,273	-	-
Change in shares	-30	-25	-82
Change in property and equipment	-108	-56	-131
Change in intangible assets	-141	-187	-539
Cash flow from investing activities	994	-268	-752
Repayment of subordinated loans	-	-9,811	-10,130
Dividend paid	-9,900	-8,118	-16,666
Cash flow from financing activities	-9,900	-17,929	-26,796
Liquid funds at beginning of the period	439,964	397,642	397,642
Cash flow for the period	109,587	262,829	21,833
Exchange rate difference on liquid funds	3,899	23,925	20,489
Liquid funds at end of the period*	553,450	684,396	439,964

* Liquid funds are defined as Cash and balances with central banks.

The cash flow statement in the table above includes the Denmark and Finland disposal groups, which have been reclassified on the balance sheet as Assets held for sale and Liabilities held for sale respectively.

Notes

Note 1 Accounting Policies

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated accounts have been prepared in accordance with international financial reporting standards (IFRS) and interpretations of these standards as adopted by the EU. The accounting policies also follow the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), and the regulations and general guidelines issued by the Swedish Financial Supervisory Authority, FFFS 2008:25 Annual reports in credit institutions and securities companies. RFR 1 Supplementary Accounting Rules for Groups, and statements from the Swedish Financial Reporting Board, are also applied in the consolidated accounts.

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

Changed accounting policies

The changes in accounting regulations applicable from 1 January 2022 have not had any impact on the Group's or the parent company's accounts.

As of 2022, the Bank pays risk tax to the Swedish government pursuant to the Act on Risk Tax for Credit Institutions (2021:1256). The tax expense for risk tax is presented together with the resolution fee as a separate item in the income statement, named Risk tax and resolution fee. In conjunction with this, the resolution fee – which was previously recognised in the income statement item Interest expenses under Net interest income – has thus been transferred to the income statement item Risk tax and resolution fee. The purpose of this is to present

government fees of a similar nature as a separate item in the income statement. The comparative figures have been adjusted.

In other respects, the interim report of the Group and the parent company has been prepared in accordance with the same accounting policies and calculation methods that were applied in the Annual Report and Sustainability Report for 2021.

Future regulatory changes

IFRS 17 Insurance Contracts

IFRS 17, which replaces IFRS 4 Insurance Contracts, has been published by the IASB and adopted by the EU. This standard is to be applied as of the 2023 financial year. IFRS 17 entails a change in how insurance contracts are recognised, presented and valued. It will also entail extended disclosure requirements.

In order to reduce discrepancies in the recognition of insurance contracts, IFRS 17 introduces uniform valuation principles based on three measurement approaches: the building block approach, the premium allocation approach, and the variable fee approach. IFRS 17 prescribes the building block approach for the valuation of insurance contracts, whereby the insurance commitment is valued on the basis of expected present values of future cash flows, with consideration given to a risk margin and a profit margin. The two other valuation approaches can be applied under specific circumstances. The choice of approach depends on the terms of the contract (long-term, short-term or profit-yielding). The Bank has a project for the implementation of IFRS 17 and is currently analysing the financial effects of the new standard on the Group's accounts.

Other changes in IFRS

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

Note 2 Net interest income

SEK m	Q1 2022	Q4 2021	Change	Q1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Interest income									
Loans to credit institutions and central banks	228	75	203%	64	256%	228	64	256%	284
Loans to the public	9,394	8,878	6%	8,742	7%	9,394	8,742	7%	35,094
Interest-bearing securities eligible as collateral with central banks	72	109	-34%	64	12%	72	64	12%	306
Bonds and other interest-bearing securities	112	77	46%	64	75%	112	64	75%	279
Derivative instruments	-257	-319	19%	-316	19%	-257	-316	19%	-1,245
Other interest income	280	272	3%	306	-8%	280	306	-8%	1,111
Total	9,829	9,092	8%	8,924	10%	9,829	8,924	10%	35,829
Deduction of interest income reported in Net gains/losses on financial transactions	9	34	-74%	-34		9	-34		-3
Total interest income	9,820	9,058	8%	8,958	10%	9,820	8,958	10%	35,832
<i>of which interest income according to the effective interest method and interest on derivatives in hedge accounting</i>	<i>9,440</i>	<i>8,746</i>	<i>8%</i>	<i>8,585</i>	<i>10%</i>	<i>9,440</i>	<i>8,585</i>	<i>10%</i>	<i>34,483</i>
Interest expense									
Due to credit institutions and central banks	-13	3		-48	-73%	-13	-48	-73%	-112
Deposits and borrowing from the public	-206	-90	129%	-85	142%	-206	-85	142%	-371
Issued securities	-1,636	-1,485	10%	-1,915	-15%	-1,636	-1,915	-15%	-6,569
Derivative instruments	464	582	-20%	989	-53%	464	989	-53%	3,073
Subordinated liabilities	-300	-261	15%	-356	-16%	-300	-356	-16%	-1,097
Deposit guarantee fee	-65	-6		-79	-18%	-65	-79	-18%	-241
Other interest expenses	-67	-100	-33%	-35	91%	-67	-35	91%	-232
Total	-1,823	-1,357	34%	-1,529	19%	-1,823	-1,529	19%	-5,549
Deduction of interest expense reported in Net gains/losses on financial transactions	-16	-34	-53%	0		-16	0		-38
Total interest expense	-1,807	-1,323	37%	-1,529	18%	-1,807	-1,529	18%	-5,511
<i>of which interest expense according to the effective interest method and interest on derivatives in hedge accounting</i>	<i>-1,667</i>	<i>-1,242</i>	<i>34%</i>	<i>-1,376</i>	<i>21%</i>	<i>-1,667</i>	<i>-1,376</i>	<i>21%</i>	<i>-5,011</i>
Net interest income	8,013	7,735	4%	7,429	8%	8,013	7,429	8%	30,321

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

Note 3 Net fee and commission income

SEK m	Q1 2022	Q4 2021	Change	Q1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Brokerage and other securities commissions	143	139	3%	147	-3%	143	147	-3%	555
Mutual funds	1,444	1,617	-11%	1,320	9%	1,444	1,320	9%	5,842
Custody and other asset management fees	251	245	2%	209	20%	251	209	20%	905
Advisory services	105	82	28%	63	67%	105	63	67%	230
Insurance	209	210	0%	189	11%	209	189	11%	803
Payments	601	638	-6%	601	0%	601	601	0%	2,647
Loans and deposits	277	294	-6%	286	-3%	277	286	-3%	1,155
Guarantees	51	50	2%	54	-6%	51	54	-6%	207
Other	134	152	-12%	134	0%	134	134	0%	560
Total fee and commission income	3,215	3,427	-6%	3,003	7%	3,215	3,003	7%	12,904
Securities	-57	-54	6%	-51	12%	-57	-51	12%	-211
Payments	-223	-198	13%	-272	-18%	-223	-272	-18%	-1,168
Other	-24	-12	100%	-18	33%	-24	-18	33%	-67
Total fee and commission expenses	-304	-264	15%	-341	-11%	-304	-341	-11%	-1,446
Net fee and commission income	2,911	3,163	-8%	2,662	9%	2,911	2,662	9%	11,458

Net fee and commission income per segment

January - March 2022								
SEK m	Home markets							Totalt Jan-mar 2022
	Sweden	UK	Norway	The Nether- lands	Capital Markets	Other	Adj. & elim.	
Brokerage and other securities commissions	64	1	4	3	65	6	-1	143
Mutual funds	1,248	87	64	15	3	52	-25	1,444
Custody and other asset management fees	186	8	30	17	12		-2	251
Advisory services		13			106	-7	-7	105
Insurance	202		7				0	209
Payments	465	74	61	1	4	-3	0	601
Loans and deposits	179	30	22	3	12	30	0	277
Guarantees	28	4	10		10		0	51
Other	127	2	3		78		-76	134
Total fee and commission income	2,499	219	200	39	290	78	-112	3,215
Total fee and commission expenses	-313	-17	-28	-5	-31	-21	112	-304
Net fee and commission income	2,186	202	172	35	259	57	0	2,911
<i>of which Net card commissions</i>	<i>198</i>	<i>11</i>	<i>18</i>		<i>0</i>	<i>-3</i>		<i>223</i>

January - March 2021								
SEK m	Home markets							Totalt Jan-mar 2021
	Sweden	UK	Norway	The Nether- lands	Capital Markets	Other	Adj. & elim.	
Brokerage and other securities commissions	77	1	5	3	68	-4	-3	147
Mutual funds	1,147	72	61	12	4	48	-24	1,320
Custody and other asset management fees	152	9	23	16	11	0	-2	209
Advisory services	2	11	1		53	-2	-2	63
Insurance	183		6			0	0	189
Payments	481	63	54	1	4	-2	0	601
Loans and deposits	182	32	21	5	12	34	0	286
Guarantees	25	4	11	0	14			54
Other	127	1	3	0	68	0	-65	134
Total fee and commission income	2,376	193	185	37	235	74	-96	3,003
Total fee and commission expenses	-344	-13	-30	-5	-35	-11	96	-341
Net fee and commission income	2,032	180	155	32	200	63	0	2,662
<i>of which Net card commissions</i>	<i>206</i>	<i>7</i>	<i>15</i>	<i>0</i>	<i>0</i>	<i>-3</i>		<i>225</i>

Note 4 Net gains/losses on financial transactions

SEK m	Q1 2022	Q4 2021	Change	Q1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Amortised cost	61	84	-27%	45	36%	61	45	36%	300
<i>of which loans</i>	80	103	-22%	80	0%	80	80	0%	396
<i>of which interest-bearing securities</i>	-	-		-		-	-		-
<i>of which issued securities</i>	-19	-19	0%	-35	46%	-19	-35	46%	-96
Fair value through other comprehensive income	0	0	0%	0	0%	0	0	0%	0
<i>of which expected credit losses</i>	0	0	0%	0	0%	0	0	0%	0
Fair value through profit or loss, fair value option	-1,811	-148		-436	-315%	-1,811	-436	-315%	-900
<i>of which interest-bearing securities</i>	-1,811	-148		-436	-315%	-1,811	-436	-315%	-900
Fair value through profit or loss, mandatory including FX effects	2,187	483	353%	762	187%	2,187	762	187%	2,347
Hedge accounting	-2	-22	91%	-25	92%	-2	-25	92%	0
<i>of which net gains/losses on fair value hedges</i>	2	-15		-25		2	-25		7
<i>of which cash flow hedge ineffectiveness</i>	-4	-7	43%	-		-4	-		-7
Result from financial components in insurance contract	-195	-2		-5		-195	-5		-48
Net gains/losses on financial transactions	240	395	-39%	341	-30%	240	341	-30%	1,699

Note 5 Other expenses

SEK m	Q1 2022	Q4 2021	Change	Q1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Property and premises	-131	-140	-6%	-145	-10%	-131	-145	-10%	-545
External IT costs	-685	-653	5%	-493	39%	-685	-493	39%	-2,188
Communication	-69	-61	13%	-70	-1%	-69	-70	-1%	-257
Travel and marketing	-38	-51	-25%	-22	73%	-38	-22	73%	-128
Purchased services	-469	-536	-13%	-420	12%	-469	-420	12%	-1,884
Supplies	-35	-38	-8%	-36	-3%	-35	-36	-3%	-140
Other expenses	-140	-115	22%	-94	49%	-140	-94	49%	-435
Other administrative expenses	-1,563	-1,594	-2%	-1,280	22%	-1,563	-1,280	22%	-5,577

Note 6 Credit losses

SEK m	Q1 2022	Q4 2021	Change	Q1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Expected credit losses on balance sheet items									
The period's provision Stage 3	-9	-46	-80%	-75	-88%	-9	-75	-88%	-403
Reversal of Stage 3 provisions previous years	46	40	15%	38	21%	46	38	21%	173
Total expected credit losses Stage 3	37	-6		-37		37	-37		-230
The period's net provision Stage 2	-13	63		-56	-77%	-13	-56	-77%	188
The period's net provision Stage 1	-4	-15	-73%	10		-4	10		-9
Total expected credit losses in Stage 1 and Stage 2	-17	48		-46	-63%	-17	-46	-63%	179
Total expected credit losses on balance sheet items	20	42	-52%	-83		20	-83		-51
Expected credit losses on off-balance sheet items									
The period's net provision Stage 3	6	2	200%	20	-70%	6	20	-70%	26
The period's net provision Stage 2	-44	7		31		-44	31		11
The period's net provision Stage 1	17	-1		6	183%	17	6	183%	-18
Total expected credit losses on off-balance sheet items	-21	8		57		-21	57		19
Write-offs									
Actual credit losses for the period	-542	-83		-129	320%	-542	-129	320%	-363
Utilised share of previous provision Stage 3	474	47		111	327%	474	111	327%	281
Total write-offs	-68	-36	89%	-18	278%	-68	-18	278%	-82
Recoveries	62	-23		33	88%	62	33	88%	71
Net credit losses	-6	-9	-33%	-11	-45%	-6	-11	-45%	-43
<i>of which loans to the public</i>	<i>12</i>	<i>-18</i>		<i>-70</i>		<i>12</i>	<i>-70</i>		<i>-65</i>

SEK m	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
1) Expected credit losses Stage 3 on and off balance sheet	43	-4	-185	2	-17
Change in model-based provision Stage 1 and Stage 2:					
Update of macroeconomic scenarios and risk factors	-16	1	6	14	34
Transfer of exposures in exposed sectors from Stage 1 to Stage 2*	9	10	5	-3	1
Change in probability of default in portfolio at beginning of quarter (net rating changes)	-14	5	1	-33	-70
Effects of changes in exposures (existing, new and terminated exposures)	14	24	17	6	18
Other in Stage 1 and Stage 2	-12	22	50	43	36
Deducted, discontinued operations	-12	-12	-8	4	4
Model-based credit losses in Stage 1 and Stage 2	-31	50	71	31	23
Expert based provision 2020-21 (relating to the Covid 19-pandemic)					
Expert based provision	-	-577	-605	-597	-603
<i>Deducted, discontinued operations</i>	-	78	102	103	75
Expert based provision in continuing operations	-	-499	-503	-494	-528
Quarterly change of provisions which affect credit losses in Stage 1 and Stage 2	499	4	-9	34	-32
Expert based provision Q1 2022					
Expert based provision	-599	-	-	-	-
<i>Deducted, discontinued operations</i>	87	-	-	-	-
Expert based provision in continuing operations	-512	-	-	-	-
Quarterly change of provisions which affect credit losses in Stage 1 and Stage 2	-512	-	-	-	-
Total expert based provisions in Stage 1 and Stage 2	-13	4	-9	34	-32
2) Expected credit losses in Stage 1 and Stage 2 on and off balance sheet	-44	54	62	65	-9
3) Write-offs	-68	-36	-17	-11	-18
4) Recoveries	62	-23	9	52	33
Net credit losses (1+2+3+4)	-6	-9	-131	108	-11

The total provision requirement has increased during the first quarter. The provision consists of a model-based provision which is affected by macroeconomic risk factors and customer migration. Both the probability weighting of 15%/70%/15% for a negative/neutral/positive scenario and the selection of macroeconomic risk factors are unchanged since the fourth quarter. The assumptions for macroeconomic risk factors reflect higher inflation, lower GDP and higher interest rates than the previous quarter. All in all on the basis of these factors, the model-based provision has increased by SEK 16m.

In addition, since the first quarter of 2020, the Bank has applied an expert-based provision for risks linked to the Covid-19 pandemic, which was not assessed as being fully considered in the Bank's risk models. For Q4 2021, this provision amounted to SEK 499m. In the first quarter, the provision was reversed. The decision to do so was based on the waning effects of the pandemic on the general economy. The spread and efficacy of vaccines have meant that restrictions have largely been lifted entirely in all of the Bank's home markets. The uncertainty related to the Omicron version prevailing at the end of Q4 2021 has subsided considerably. In spite of this, the pandemic may still affect the repayment capacity of the Bank's customers, and this should be reflected in the individual provision amount according to the Bank's internal risk ratings.

During the first quarter, the Bank has applied an expert-based provision for the elevated credit risks relating to the uncertainty caused by Russia's invasion of Ukraine, and which is not deemed to be captured by the Bank's risk models. The uncertainty factors and risks concerned are primarily related to supply chain disruptions, shortages of input goods and energy, and the availability of labour. The effects on individual companies vary, but considering the aforementioned uncertainty, together with the brief time to have passed since the risks arose, the Bank's assessment is that it may not be feasible to reliably assess the risk at individual company level. Nor are the risks deemed to have been considered in the forward-looking macroeconomic scenarios. The Bank has therefore applied an expert-based stress in addition to the model-based calculations in sectors at risk of extra sensitivity to supply and access, resulting in an additional provision requirement of SEK 512m.

The net effect of the changes to the expert-based provisions is therefore a SEK 13m increase to the reserved amount.

The impairment testing process for agreements in Stage 3 has not been changed as a result of the geopolitical situation, and the customary procedure with individual assessment has continued.

Loans to the public – Key metrics

	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
Credit loss ratio %, continuing operations, acc	0.00	0.00	0.00	-0.01	0.01
Total credit loss reserve ratio, %	0.11	0.13	0.14	0.14	0.15
Credit loss reserve ratio Stage 1, %	0.02	0.02	0.02	0.02	0.02
Credit loss reserve ratio Stage 2, %	1.25	1.07	1.06	1.16	1.20
Credit loss reserve ratio Stage 3, %	24.05	28.20	28.93	28.19	29.99
Proportion of loans Stage 3, %	0.20	0.22	0.22	0.22	0.22

For definitions, please see the Fact Book which is available at handelsbanken.com/ir. The reserve ratios and proportions of loans above include the Denmark and Finland disposal groups, which have been reclassified on the balance sheet as Assets held for sale (see Note 9).

Macroeconomic forecast in ECL calculations and sensitivity analysis

Sensitivity analysis macroeconomic scenarios

The calculation of expected credit losses applies forward-looking information in the form of macroeconomic scenarios. The expected credit loss is a probability-weighted average of the calculated forecasts over three scenarios. The forecast in the base case scenario is assigned a weight of 70% (70), while an upturn in the economy is assigned 15% (15), and a downturn 15% (15). These have formed the basis for the calculations of expected credit losses in Stage 1 and Stage 2 as at 31 March 2022.

		Downturn scenario			Basecase scenario			Upturn scenario		
Macroeconomic risk factor		2022	2023	2024	2022	2023	2024	2022	2023	2024
GDP growth, %	Sweden	-1.39	1.16	3.03	3.01	2.16	2.23	6.01	3.66	1.93
	Great Britain	-0.99	0.28	2.50	4.40	1.20	1.70	6.81	2.68	1.40
	Norway	-0.53	0.89	1.83	3.60	1.89	1.03	5.61	3.39	0.73
	Denmark	-2.41	0.44	2.33	1.88	1.44	1.53	4.89	2.94	1.23
	Finland	-2.40	0.50	2.30	1.99	1.50	1.50	5.00	3.00	1.20
	Euro area	-1.44	1.57	2.59	2.95	2.57	1.79	6.00	4.07	1.49
	United States	-0.92	1.50	2.98	3.26	2.50	2.18	6.71	4.10	1.88
Unemployment rate, %	Sweden	9.30	10.18	9.43	7.68	7.33	7.13	6.70	6.53	6.73
	Great Britain	6.84	8.30	7.50	4.50	4.70	5.00	3.34	3.30	3.80
	Norway	4.29	4.70	4.10	2.08	2.10	2.20	1.68	1.80	2.10
	Denmark	6.38	6.95	6.25	4.35	4.08	4.15	3.59	3.38	3.95
	Finland	9.04	9.50	8.60	6.80	6.60	6.40	5.74	5.80	5.90
	Euro area	10.04	10.60	9.10	7.50	7.20	6.90	6.73	6.60	6.30
	United States	6.20	6.78	5.45	3.56	3.28	3.50	2.89	2.68	3.00
Policy interest rate, %	Sweden	0.00	0.00	0.25	0.25	0.75	1.25	0.50	1.50	2.00
	Great Britain	0.25	0.25	0.85	1.00	1.25	1.25	1.50	2.00	2.25
	Norway	0.00	0.50	0.75	1.50	2.25	2.25	2.00	2.75	2.75
	Denmark	0.05	0.05	0.05	0.05	0.05	0.25	0.30	0.65	0.75
	Finland	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.65	0.75
	Euro area	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.65	0.75
	United States	0.38	0.38	1.12	1.63	2.13	2.38	2.13	2.58	2.63
Residential real estate, value change %	Sweden	-4.98	-5.30	-4.37	5.00	1.96	-2.77	11.11	7.86	-0.28
	Great Britain	-4.55	-2.58	1.37	5.74	1.21	2.40	10.52	2.71	2.19
	Norway	2.11	-5.30	4.44	2.99	1.48	0.37	8.35	2.62	1.21
	Denmark	-2.75	-2.07	1.23	3.67	2.51	1.89	8.50	6.92	3.18
	Finland	3.87	0.11	-0.11	4.66	1.26	0.95	5.45	2.13	1.70
	Euro area	3.56	2.95	2.35	2.63	2.40	2.00	2.14	2.10	1.70
	United States	3.56	2.95	2.35	2.63	2.40	2.00	2.14	2.10	1.70
Commercial real estate, value change %	Sweden	-11.15	-4.72	0.20	11.94	9.30	3.51	20.21	17.47	7.25
	Great Britain	-4.39	-8.23	-1.09	4.18	-1.50	-0.69	5.70	-1.76	-0.81
	Norway	-10.85	-5.69	-2.00	8.22	2.64	-2.67	13.62	8.04	-1.23
	Denmark	-8.53	-4.91	-1.62	6.51	4.23	1.28	11.04	8.85	4.05
	Finland	-11.60	-3.02	1.43	9.96	8.16	3.11	17.35	14.49	5.43
	Euro area	-13.11	-3.93	-0.14	6.02	5.97	1.55	11.63	11.82	4.01
	United States	3.26	2.50	2.18	3.26	-3.74	-0.90	3.26	2.50	2.18

31 March 2022			31 December 2021		
%	Procentual increase in the provision in a negative scenario	Procentual decrease in the provision in a positive scenario	Procentual increase in the provision in a negative scenario	Procentual decrease in the provision in a positive scenario	
Sweden	15.86	-9.53	18.30	-10.05	
Great Britain	9.63	-4.94	11.31	-6.30	
Norway	9.57	-6.25	12.31	-6.82	
Denmark	13.17	-6.73	15.00	-8.07	
Finland	2.19	-0.27	3.91	-1.95	
The Netherlands	8.01	-3.32	3.48	-1.80	
United States	38.73	-27.24	50.58	-32.07	
Other countries	3.14	-0.82	5.88	-2.76	

Note 7 Loans

Balance sheet items in the tables below include the Denmark and Finland disposal groups, which have been reclassified as Assets held for sale on the balance sheet as at 31 December 2021 (see note 9).

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

SEK m	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
Cash and balances with central banks	553,424	439,932	613,846	598,097	684,396
Other loans to central banks	1,468	1,462	1,927	18,307	1,459
Interest-bearing securities eligible as collateral with central banks	225	421	416	417	418
Loans to other credit institutions	35,606	21,838	31,035	37,543	43,378
of which reverse repos	17,351	12,127	15,075	15,542	19,728
Loans to the public	2,464,468	2,413,829	2,361,498	2,337,419	2,321,695
of which reverse repos	12,785	13,649	15,768	13,655	13,073
Bonds and interest-bearing securities	9,284	9,016	8,680	8,596	9,584
Total	3,064,475	2,886,498	3,017,402	3,000,379	3,060,930

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

SEK m	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
Volume, gross	3,067,163	2,889,681	3,020,690	3,003,650	3,064,428
of which Stage 1	3,004,694	2,817,860	2,941,211	2,922,590	2,981,585
of which Stage 2	55,892	64,400	72,089	73,809	75,478
of which Stage 3	6,577	7,421	7,390	7,251	7,365
Provisions	-2,692	-3,185	-3,290	-3,273	-3,501
of which Stage 1	-410	-399	-381	-372	-383
of which Stage 2	-700	-693	-771	-857	-909
of which Stage 3	-1,582	-2,093	-2,138	-2,044	-2,209

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

SEK m	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
Loans to the public, gross	2,467,153	2,417,007	2,364,779	2,340,683	2,325,187
of which Stage 1	2,404,698	2,345,196	2,285,309	2,259,639	2,242,371
of which Stage 2	55,879	64,390	72,080	73,793	75,451
of which Stage 3	6,577	7,421	7,390	7,251	7,365
Provisions	-2,686	-3,178	-3,281	-3,264	-3,492
of which Stage 1	-406	-395	-376	-366	-378
of which Stage 2	-698	-690	-767	-854	-905
of which Stage 3	-1,582	-2,093	-2,138	-2,044	-2,209

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

31 March 2022				
SEK m	Stage 1	Stage 2	Stage 3	Total
Provision at beginning of year	-399	-693	-2,093	-3,185
Derecognised assets	9	14	49	72
Write-offs	0	0	483	483
Remeasurements due to changes in credit risk	-31	154	-24	99
Changes due to update in the methodology for estimation	-	-	-	-
Foreign exchange effect, etc	-2	-3	10	5
Purchased or originated assets	-12	-3	-2	-17
Transfer to Stage 1	-36	46	4	14
Transfer to Stage 2	31	-254	2	-221
Transfer to Stage 3	30	39	-11	58
Provision at end of period	-410	-700	-1,582	-2,692

31 December 2021				
SEK m	Stage 1	Stage 2	Stage 3	Total
Provision at beginning of year	-389	-840	-2,238	-3,467
Derecognised assets	43	86	143	272
Write-offs	0	2	391	393
Remeasurements due to changes in credit risk	-123	151	-72	-44
Changes due to update in the methodology for estimation	-	-	-	-
Foreign exchange effect, etc	-13	-23	-60	-96
Purchased or originated assets	-61	-22	-21	-104
Transfer to Stage 1	-29	45	2	18
Transfer to Stage 2	59	-234	7	-168
Transfer to Stage 3	114	142	-245	11
Provision at end of period	-399	-693	-2,093	-3,185

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

31 March 2022				
SEK m	Stage 1	Stage 2	Stage 3	Total
Provision at beginning of year	-395	-690	-2,093	-3,178
Derecognised assets	9	14	49	72
Write-offs	0	0	483	483
Remeasurements due to changes in credit risk	-31	153	-24	98
Changes due to update in the methodology for estimation	-	-	-	-
Foreign exchange effect, etc	-2	-3	10	5
Purchased or originated assets	-12	-3	-2	-17
Transfer to Stage 1	-36	46	4	14
Transfer to Stage 2	31	-254	2	-221
Transfer to Stage 3	30	39	-11	58
Provision at end of period	-406	-698	-1,582	-2,686

31 December 2021				
SEK m	Stage 1	Stage 2	Stage 3	Total
Provision at beginning of year	-385	-834	-2,238	-3,457
Derecognised assets	43	86	143	272
Write-offs	0	2	391	393
Remeasurements due to changes in credit risk	-124	148	-72	-48
Changes due to update in the methodology for estimation	-	-	-	-
Foreign exchange effect, etc	-13	-23	-60	-96
Purchased or originated assets	-60	-22	-21	-103
Transfer to Stage 1	-29	45	2	18
Transfer to Stage 2	59	-234	7	-168
Transfer to Stage 3	114	142	-245	11
Provision at end of period	-395	-690	-2,093	-3,178

The change analysis shows the net effect on the provision for the stage in question for each explanatory item during the period. The impact of reversals and write-offs is calculated on the opening balance. The effect of revaluations arising as a result of changes due to updates in the methodology for estimation, foreign exchange effects, etc., is calculated before any transfer of net amounts between stages. Purchased or originated assets and amounts transferred between stages are recognised after the effects of other explanatory items are taken into account. The transfer rows present the effect on the provision for the stated stage.

Loans to the public – by sector

31 March 2022	Gross			Provisions			Net
SEK m	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Private individuals	1,231,500	19,405	3,153	-128	-101	-704	1,253,125
<i>of which mortgage loans</i>	1,032,838	14,455	1,029	-32	-23	-49	1,048,218
<i>of which other loans with property mortgages</i>	153,153	3,486	1,020	-21	-24	-133	157,481
<i>of which other loans to private individuals</i>	45,509	1,464	1,104	-75	-54	-522	47,426
Housing co-operative associations	272,924	1,043	49	-6	-1	-11	273,998
<i>of which mortgage loans</i>	249,698	707	11	-3	0	-7	250,406
Property management	678,207	17,654	1,760	-93	-89	-204	697,235
Manufacturing	21,777	5,011	65	-21	-95	-32	26,705
Retail	35,238	542	360	-10	-16	-87	36,027
Hotel and restaurant	6,007	1,816	64	-9	-14	-6	7,858
Passenger and goods transport by sea	2,222	600	234	-1	-2	-77	2,976
Other transport and communication	7,867	474	83	-16	-24	-63	8,321
Construction	16,912	3,138	123	-50	-149	-66	19,908
Electricity, gas and water	11,939	274	5	-2	-5	-3	12,208
Agriculture, hunting and forestry	20,793	1,985	78	-22	-82	-35	22,717
Other services	17,090	777	123	-10	-9	-89	17,882
Holding, investment and insurance companies, funds etc.	59,714	2,645	165	-11	-60	-113	62,340
Government and municipalities	4,734	302	-	0	-1	-	5,035
<i>of which Swedish national debt office</i>	115	-	-	-	-	-	115
Other corporate lending	17,774	213	315	-27	-50	-92	18,133
Total	2,404,698	55,879	6,577	-406	-698	-1,582	2,464,468

31 December 2021	Gross			Provisions			Net
SEK m	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Private individuals	1,219,581	16,838	3,057	-159	-107	-758	1,238,452
<i>of which mortgage loans</i>	1,022,645	12,832	1,021	-30	-20	-52	1,036,396
<i>of which other loans with property mortgages</i>	154,163	2,677	911	-10	-7	-144	157,590
<i>of which other loans to private individuals</i>	42,773	1,329	1,125	-119	-80	-562	44,466
Housing co-operative associations	266,467	931	22	-7	-2	-11	267,400
<i>of which mortgage loans</i>	245,393	515	11	-3	0	-7	245,909
Property management	643,423	32,704	1,734	-96	-207	-237	677,321
Manufacturing	21,106	1,735	65	-12	-13	-39	22,842
Retail	30,086	760	387	-19	-41	-94	31,079
Hotel and restaurant	3,933	4,986	59	-5	-137	-5	8,831
Passenger and goods transport by sea	2,369	604	1,205	-1	-8	-468	3,701
Other transport and communication	7,864	325	85	-10	-14	-63	8,187
Construction	17,873	852	135	-23	-16	-73	18,748
Electricity, gas and water	11,375	1,204	5	-4	-9	-3	12,568
Agriculture, hunting and forestry	22,029	979	73	-13	-11	-31	23,026
Other services	16,296	1,501	116	-20	-38	-91	17,764
Holding, investment and insurance companies, funds etc.	60,868	634	177	-16	-10	-125	61,528
Government and municipalities	7,305	89	-	0	-1	-	7,393
<i>of which Swedish national debt office</i>	2,173	-	-	-	-	-	2,173
Other corporate lending	14,621	248	301	-10	-76	-95	14,989
Total	2,345,196	64,390	7,421	-395	-690	-2,093	2,413,829

Specification of Loans to the public – Property management

31 March 2022	Gross			Provisions			Net
SEK m	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Loans in Sweden							
State-owned property companies	7,891	14	-	0	0	-	7,905
Municipal-owned property companies	8,181	-	-	0	-	-	8,181
Residential property companies	129,804	1,136	50	-4	-4	-7	130,975
<i>of which mortgage loans</i>	<i>118,217</i>	<i>1,054</i>	<i>25</i>	<i>-4</i>	<i>-3</i>	<i>-4</i>	<i>119,285</i>
Other property management	133,970	2,856	192	-13	-10	-66	136,929
<i>of which mortgage loans</i>	<i>67,323</i>	<i>2,002</i>	<i>16</i>	<i>-3</i>	<i>-6</i>	<i>0</i>	<i>69,332</i>
Total loans in Sweden	279,846	4,006	242	-17	-14	-73	283,990
Loans outside Sweden							
UK	142,331	6,677	825	-36	-40	-65	149,692
Norway	131,588	3,321	42	-22	-12	-3	134,914
Denmark	23,079	536	109	-6	-9	-28	23,681
Finland	43,721	2,553	532	-3	-12	-30	46,761
The Netherlands	56,751	558	-	-9	-2	-	57,298
Other countries	891	3	10	0	0	-5	899
Total loans outside Sweden	398,361	13,648	1,518	-76	-75	-131	413,245
Total loans - Property management	678,207	17,654	1,760	-93	-89	-204	697,235

31 December 2021	Gross			Provisions			Net
SEK m	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Loans in Sweden							
State-owned property companies	7,894	14	-	0	0	-	7,908
Municipal-owned property companies	8,174	160	-	0	0	-	8,334
Residential property companies	128,135	1,713	43	-5	-5	-7	129,874
<i>of which mortgage loans</i>	<i>115,843</i>	<i>1,613</i>	<i>18</i>	<i>-4</i>	<i>-4</i>	<i>-4</i>	<i>117,462</i>
Other property management	119,415	12,676	250	-11	-57	-101	132,172
<i>of which mortgage loans</i>	<i>63,522</i>	<i>3,130</i>	<i>21</i>	<i>-3</i>	<i>-8</i>	<i>-3</i>	<i>66,659</i>
Total loans in Sweden	263,618	14,563	293	-16	-62	-108	278,288
Loans outside Sweden							
UK	141,682	7,216	758	-38	-57	-66	149,495
Norway	120,215	7,101	41	-21	-57	-3	127,276
Denmark	23,186	594	99	-7	-13	-25	23,834
Finland	42,929	2,700	532	-5	-14	-30	46,112
The Netherlands	50,956	516	-	-9	-3	-	51,460
Other countries	837	14	11	0	-1	-5	856
Total loans outside Sweden	379,805	18,141	1,441	-80	-145	-129	399,033
Total loans - Property management	643,423	32,704	1,734	-96	-207	-237	677,321

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

31 March 2022							
SEK m, gross	Sweden	UK	Norway	Denmark	Finland	The Netherlands	Total
Government guarantees	2,028	-	26	-	26,661	-	28,715
Residential	154,647	81,612	21,469	13,171	6,191	38,404	315,494
Office, retail, hotel	69,504	46,144	95,056	4,453	7,745	5,695	228,597
Other real estate	12,426	1,470	67	3,079	1,135	11,900	30,077
Industry, logistics	16,321	12,258	163	508	2,472	508	32,230
Agriculture, forestry	1,790	798	39	89	1	-	2,717
Other collateral	10,186	3,037	2,153	1,722	604	525	18,227
Unsecured	17,192	4,234	15,088	561	1,638	277	38,990
Undeveloped	-	280	890	141	359	-	1,670
Total	284,094	149,833	134,951	23,724	46,806	57,309	696,717

31 December 2021							
SEK m, gross	Sweden	UK	Norway	Denmark	Finland	The Netherlands	Total
Government guarantees	2,218	-	25	-	25,959	-	28,202
Residential	152,648	82,432	20,149	13,125	6,347	35,914	310,615
Office, retail, hotel	67,556	46,710	90,014	4,287	7,709	3,891	220,167
Other real estate	12,829	929	91	3,169	1,218	10,836	29,072
Industry, logistics	16,463	12,395	144	517	3,618	290	33,427
Agriculture, forestry	1,768	828	38	88	1	-	2,723
Other collateral	8,453	3,131	2,052	1,824	603	278	16,341
Unsecured	16,539	2,837	13,888	656	404	263	34,587
Undeveloped	-	394	956	213	302	-	1,865
Total	278,474	149,656	127,357	23,879	46,161	51,472	676,999

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

31 March 2022							
LTV, %	Sweden	UK	Norway	Denmark	Finland	The Netherlands	Total
0-40	82.5	87.4	80.1	72.1	81.2	82.1	82.6
41-60	16.1	12.0	17.4	22.4	13.3	16.3	15.6
61-75	1.1	0.4	1.7	4.3	2.3	0.9	1.2
>75	0.3	0.2	0.8	1.2	3.2	0.7	0.6
Average LTV	47	44	51	55	46	49	48

31 December 2021							
LTV, %	Sweden	UK	Norway	Denmark	Finland	The Netherlands	Total
0-40	82.6	87.6	80.0	73.2	80.4	83.0	82.7
41-60	15.8	11.9	17.3	19.9	14.4	14.8	15.3
61-75	1.2	0.4	1.8	4.7	2.1	1.0	1.3
>75	0.4	0.1	0.9	2.2	3.1	1.2	0.7
Average LTV	47	44	51	56	47	49	48

Loan to value (LTV) shows lending in relation to the market value of the collateral.

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

31 March 2022							
LTV, %	Sweden	UK	Norway	Denmark	Finland	The Netherlands	Total
0-40	81.2	83.3	74.9	65.5	55.0	77.8	78.8
41-60	16.2	15.9	21.3	25.2	19.5	19.6	17.3
61-75	2.4	0.5	2.9	7.1	10.1	1.8	2.6
>75	0.2	0.3	0.9	2.2	15.4	0.8	1.3
Average LTV	48	48	54	62	83	53	51

31 December 2021							
LTV, %	Sweden	UK	Norway	Denmark	Finland	The Netherlands	Total
0-40	80.5	83.2	75.1	65.2	55.6	77.1	78.5
41-60	16.6	16.2	21.6	25.0	19.5	20.4	17.6
61-75	2.7	0.5	2.5	7.5	9.9	1.8	2.7
>75	0.2	0.1	0.8	2.3	15.0	0.7	1.2
Average LTV	49	48	54	63	82	53	52

Loan to value (LTV) shows lending in relation to the market value of the collateral.

Note 8 Credit risk exposure

SEK m	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
Cash and balances with central banks	553,450	439,964	613,846	598,097	684,396
Other loans to central banks	1,468	1,462	1,927	18,307	1,459
Interest-bearing securities eligible as collateral with central banks	122,020	100,562	95,694	89,197	83,447
Loans to other credit institutions	35,606	21,838	31,035	37,543	43,378
<i>of which reverse repos</i>	<i>17,351</i>	<i>12,127</i>	<i>15,075</i>	<i>15,542</i>	<i>19,728</i>
Loans to the public	2,464,468	2,413,829	2,361,498	2,337,419	2,321,695
<i>of which reverse repos</i>	<i>12,785</i>	<i>13,649</i>	<i>15,768</i>	<i>13,655</i>	<i>13,073</i>
Bonds and other interest-bearing securities	43,795	33,334	30,291	33,404	41,101
Derivative instruments*	24,343	28,518	27,520	25,632	30,631
Contingent liabilities	77,919	71,756	73,183	75,896	82,667
Commitments	480,812	486,517	486,808	478,732	484,966
Total	3,803,881	3,597,780	3,721,802	3,694,227	3,773,740

*Refers to the sum total of positive market values.

The balance sheet items above include the Denmark and Finland disposal groups, which have been reclassified on the balance sheet as Assets held for sale (see Note 9).

Note 9 Assets and liabilities held for sale, and discontinued operations

A process is under way for the divestment of the units in Denmark and Finland. Denmark and Finland previously constituted their own segments of operations. Assets and liabilities in the Bank's operations in Denmark and Finland constitute assets and liabilities held for sale, and are disposal groups in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The operations in Denmark and Finland also constitute discontinued operations.

The disposal group and discontinued operations in Denmark consist of the following units:

Handelsbanken AB (publ) branch in Denmark
Ejendomsselskabet af 1. maj 2009 A/S
Lokalbolig A/S
Handelsbanken Kredit (Stadshypotek AB (publ) branch in Denmark)
Handelsinvest Investeringsforvaltning A/S
Handelsbanken Forsikringsformidling A/S

The disposal group and discontinued operations in Finland consist of the following units:

Handelsbanken AB (publ) branch in Finland
Handelsbanken Asuntoluottopankki (Stadshypotek AB (publ) branch in Finland)
Handelsbanken Liv Försäkrings AB branch in Finland
Handelsbanken Liv Försäkrings AB in Finland

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

Assets and liabilities held for sale

31 March 2022 SEK m	Denmark	Finland	Other assets held for sale	Total
Assets				
Cash and balances with central banks	26,542	40,632	-	67,174
Other loans to central banks	209	-	-	209
Interest-bearing securities eligible as collateral with central banks	23	0	-	23
Loans to other credit institutions	36	60	-	96
Loans to the public	114,508	140,597	303	255,409
<i>Of which households</i>	64,163	42,632	-	106,797
<i>Of which corporates</i>	50,345	97,965	303	148,612
Bonds and other interest-bearing securities	16	0	-	16
Shares *	474	4	-	478
Assets where the customer bears the value change risk	5,992	9,640	-	15,633
Intangible assets	2,653	111	-	2,764
Property and equipment	241	344	-	585
Other assets	369	462	-	831
Total assets	151,064	191,850	303	343,217
Liabilities				
Due to credit institutions	218	979	-	1,197
Deposits and borrowing from the public	56,954	59,719	-	116,672
<i>Of which households</i>	23,695	20,093	-	43,788
<i>Of which corporates</i>	33,259	39,625	-	72,884
Liabilities where the customer bears the value change risk	5,992	9,640	-	15,633
Provisions	65	79	-	145
Other liabilities	509	1,632	-	2,141
Total liabilities	63,738	72,050	-	135,788

*An accumulated amount of SEK 52m (46) related to these assets has been recognised in Other comprehensive income and in the fair value reserve in equity.

Other assets held for sale amounting to SEK 303m (364) consist of finance leases in Handelsbanken Rahoitus Oy, which are recognised as loans on the balance sheet. The plan is to divest the leases during the first half of 2022.

31 December 2021 SEK m	Denmark	Finland	Other assets held for sale	Total
Assets				
Cash and balances with central banks	28,282	120,098	-	148,380
Other loans to central banks	207	0	-	207
Interest-bearing securities eligible as collateral with central banks	24	0	-	24
Loans to other credit institutions	36	57	-	93
Loans to the public	111,380	139,314	302	250,996
<i>Of which households</i>	64,292	43,253	1	107,546
<i>Of which corporates</i>	47,088	96,061	301	143,450
Bonds and other interest-bearing securities	17	0	-	17
Shares *	462	1	-	463
Assets where the customer bears the value change risk	6,770	10,457	-	17,227
Intangible assets	2,628	113	-	2,741
Property and equipment	241	336	62	639
Other assets	313	317	-	630
Total assets	150,360	270,693	364	421,417

Liabilities				
Due to credit institutions	230	344	-	574
Deposits and borrowing from the public	54,135	59,984	-	114,119
<i>Of which households</i>	23,662	19,699	-	43,361
<i>Of which corporates</i>	30,473	40,285	-	70,757
Liabilities where the customer bears the value change risk	6,770	10,457	-	17,227
Provisions	57	78	-	135
Other liabilities	514	1,353	-	1,867
Total liabilities	61,706	72,216	-	133,922

31 March 2022 SEK m	Kv 1 2022	Kv 4 2021	Change	Kv 1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change
Net interest income	646	642	1%	647	0%	646	647	0%
Net fee and commission income	307	310	-1%	301	2%	307	301	2%
Net gains/losses on financial transactions	37	54	-31%	56	-34%	37	56	-34%
Risk result - insurance	2	1	100%	2	0%	2	2	0%
Other income	5	167	-97%	3	56%	5	3	56%
Total income	997	1,174	-15%	1,009	-1%	997	1,009	-1%
Staff costs	-338	-372	-9%	-373	-9%	-338	-373	-9%
Other expenses	-225	-433	-48%	-283	-20%	-225	-283	-20%
Depreciation, amortisation and impairments of property, equipment and intangible assets	-1	-212	-100%	-31	-97%	-1	-31	-97%
Total expenses	-564	-1,017	-45%	-687	-18%	-564	-687	-18%
Net credit losses	16	41	-61%	19	-16%	16	19	-16%
Gains/losses on disposal of property, equipment and intangible assets	-	-2		0		-	0	
Risk tax and resolution fee	-38	-39	-3%	-36	6%	-38	-36	6%
Profit for the period from discontinued operations, before tax	411	157	163%	305	35%	411	305	35%
Taxes	-105	-232	-55%	-79	33%	-105	-79	33%
Profit for the period pertaining to discontinued operations, after tax	307	-75		226	36%	307	226	36%
Material internal transactions with continuing operations, which are eliminated in the income statement above*:								
Total income	140	139		80		140	80	
Total expenses	-61	-42		-58		-61	-58	

Income, expenses and profits, discontinued operations in Denmark and Finland

31 March 2022 SEK m	Kv 1 2022	Kv 4 2021	Change	Kv 1 2021	Change	Jan-mar 2022	Jan-mar 2021	Change	Helår 2021
Net interest income	646	642	1%	647	0%	646	647	0%	2 606
Net fee and commission income	307	310	-1%	301	2%	307	301	2%	1 190
Net gains/losses on financial transactions	37	54	-31%	56	-34%	37	56	-34%	225
Risk result - insurance	2	1	100%	2	0%	2	2	0%	8
Other income	5	167	-97%	3	56%	5	3	56%	180
Total income	997	1 174	-15%	1 009	-1%	997	1 009	-1%	4 209
Staff costs	-338	-372	-9%	-373	-9%	-338	-373	-9%	-1 427
Other expenses	-225	-433	-48%	-283	-20%	-225	-283	-20%	-1 184
Depreciation, amortisation and impairments of property, equipment and intangible assets	-1	-212	-100%	-31	-97%	-1	-31	-97%	-304
Total expenses	-564	-1 017	-45%	-687	-18%	-564	-687	-18%	-2 915
Net credit losses	16	41	-61%	19	-16%	16	19	-16%	64
Gains/losses on disposal of property, equipment and intangible assets	-	-2		0		-	0		-2
Risk tax and resolution fee	-38	-39	-3%	-36	6%	-38	-36	6%	-151
Profit for the period from discontinued operations, before tax	411	157	163%	305	35%	411	305	35%	1 205
Taxes	-105	-232	-55%	-79	33%	-105	-79	33%	-510
Profit for the period pertaining to discontinued operations, after tax	307	-75		226	36%	307	226	36%	695
Material internal transactions with continuing operations, which are eliminated in the income statement above*:									
Total income	140	139		80		140	80		452
Total expenses	-61	-42		-58		-61	-58		-225

Income, expenses and profits, discontinued operations in Denmark

31 March 2022 SEK m	Kv 1 2022	Kv 4 2021	Change	Kv 1 2021	Change	Jan-mar 2022	Jan-mar 2021	Change	Helår 2021
Net interest income	411	401	2%	392	5%	411	392	5%	1 602
Net fee and commission income	202	187	8%	196	3%	202	196	3%	757
Net gains/losses on financial transactions	27	43	-37%	44	-39%	27	44	-39%	171
Risk result - insurance	-	0		0		-	0		1
Other income	2	33	-94%	2	-9%	2	2	-9%	40
Total income	642	664	-3%	634	1%	642	634	1%	2 571
Staff costs	-206	-226	-9%	-241	-15%	-206	-241	-15%	-885
Other expenses	-135	-154	-12%	-154	-12%	-135	-154	-12%	-554
Depreciation, amortisation and impairments of property, equipment and intangible assets	1	0		-15		1	-15		-44
Total expenses	-340	-380	-11%	-410	-17%	-340	-410	-17%	-1 483
Net credit losses	17	8	113%	23	-26%	17	23	-26%	23
Gains/losses on disposal of property, equipment and intangible assets	-	-2		0		-	0		-2
Risk tax and resolution fee	-14	-16	-13%	-15	-7%	-14	-15	-7%	-62
Profit for the period from discontinued operations, before tax	304	274	11%	232	31%	304	232	31%	1 047
Tax	-67	-46	45%	-48	39%	-67	-48	39%	-193
Profit for the period from discontinued operations, after tax	238	228	5%	184	29%	238	184	29%	854
Material internal transactions with continuing operations, which are eliminated in the income statement above*:									
Total income	-22	-29		-45		-22	-45		-142
Total expenses	-24	-20		-21		-24	-21		-88

Income, expenses and profits, discontinued operations in Finland

31 March 2022 SEK m	Kv 1 2022	Kv 4 2021	Change	Kv 1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Net interest income	235	241	-2%	255	-8%	235	255	-8%	1,004
Net fee and commission income	105	123	-15%	105	0%	105	105	0%	433
Net gains/losses on financial transactions	10	11	-9%	12	-17%	10	12	-17%	54
Risk result - insurance	2	1	100%	2	0%	2	2	0%	7
Other income	3	134	-98%	1	200%	3	1	200%	140
Total income	356	510	-30%	375	-5%	356	375	-5%	1,638
Staff costs	-132	-146	-10%	-132	0%	-132	-132	0%	-542
Other expenses	-90	-279	-68%	-129	-30%	-90	-129	-30%	-630
Depreciation, amortisation and impairments of property, equipment and intangible assets	-2	-212	-99%	-16	-88%	-2	-16	-88%	-260
Total expenses	-224	-637	-65%	-277	-19%	-224	-277	-19%	-1,432
Net credit losses	-1	33		-4	75%	-1	-4	-75%	41
Gains/losses on disposal of property, equipment and intangible assets	-	0		0		-	0		0
Risk tax and resolution fee	-23	-23	0%	-21	10%	-23	-21	10%	-89
Profit for the period from discontinued operations, before tax	107	-117		73	47%	107	73	47%	158
Tax	-38	-186	-79%	-31	24%	-38	-31	24%	-317
Profit for the period from discontinued operations, after tax	69	-303		42	63%	69	42	63%	-159
Material internal transactions with continuing operations, which are eliminated in the income statement above*:									
Total income	162	168		125		162	125		594
Total expenses	-37	-22		-37		-37	-37		-137

* Only external income and expenses are included in profits from both continuing and discontinued operations. The discontinued operations have material internal transactions with the continuing operations, which are thus eliminated in the accounting. For example, all funding and liquidity management has been centralised at the Group Treasury unit. Thus, loans to the public in Denmark and Finland are funded through internal loans from Group Treasury. Interest expenses deriving from internal borrowing are eliminated in the accounting, and are therefore not included in the net interest income figure above.

Fee and commission income, discontinued operations in Denmark

31 March 2022 SEK m	Kv 1 2022	Kv 4 2021	Change	Kv 1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Brokerage and other securities commissions	13	13	0%	20	-35%	13	20	-35%	60
Mutual funds	43	46	-7%	39	10%	43	39	10%	173
Custody and other asset management fees	47	40	18%	50	-6%	47	50	-6%	179
Advisory services	11	3	267%	5	120%	11	5	120%	19
Insurance	12	6	100%	6	100%	12	6	100%	24
Payments	39	38	3%	37	5%	39	37	5%	171
Loans and depositors	15	17	-12%	17	-12%	15	17	-12%	61
Guarantees	18	18	0%	18	0%	18	18	0%	72
Other	22	17	29%	27	-19%	22	27	-19%	83
Total fee and commission income	220	198	11%	219	0%	220	219	0%	842

Fee and commission income, discontinued operations in Finland

31 March 2022 SEK m	Kv 1 2022	Kv 4 2021	Change	Kv 1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Brokerage and other securities commissions	3	11	-77%	7	-64%	3	7	-64%	27
Mutual funds	2	1	112%	2	6%	2	2	6%	7
Custody and other asset management fees	13	13	3%	11	21%	13	11	21%	48
Advisory services	-	2		-		-	-		4
Insurance	22	23	-4%	20	10%	22	20	10%	87
Payments	48	57	-15%	72	-33%	48	72	-33%	297
Loans and depositors	20	21	-4%	25	-19%	20	25	-19%	90
Guarantees	5	4	33%	5	7%	5	5	7%	20
Other	4	4	-3%	4	-3%	4	4	-3%	15
Total fee and commission income	118	136	-13%	146	-19%	118	146	-19%	595

Cash flows, discontinued operations

31 March 2022 SEK m	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Cash flow from operating activities	-82,997	-4,255	28,015
Cash flow from investing activities	-15	-38	-189
Cash flow from financing activities	-	-45	-45
Cash flow for the period from discontinued operations	-83,012	-4,338	27,781

Note 10 Derivatives

SEK m	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
Positive market values					
Trading	46,136	28,751	25,773	24,727	30,031
Fair value hedges	8,756	3,563	3,095	2,706	2,768
Cash flow hedges	12,332	16,229	18,917	19,128	20,421
Amounts offset	-42,891	-20,035	-20,265	-20,929	-22,589
Total	24,333	28,508	27,520	25,632	30,631
Negative market values					
Trading	42,735	23,729	21,699	22,444	26,619
Fair value hedges	10,690	2,428	1,439	1,082	1,279
Cash flow hedges	5,131	4,683	6,279	8,202	8,209
Amounts offset	-38,737	-17,056	-16,720	-17,476	-18,474
Total	19,819	13,784	12,697	14,252	17,633
Nominal value					
Trading	4,177,320	3,407,181	2,880,967	2,791,194	2,739,181
Fair value hedges	500,721	460,982	434,999	392,131	350,385
Cash flow hedges	561,381	588,069	653,614	649,098	669,434
Amounts offset	-2,760,110	-2,691,986	-2,321,741	-2,337,844	-2,213,093
Total	2,479,312	1,764,246	1,647,839	1,494,579	1,545,907

In this note, derivative contracts are presented on a gross basis. Amounts offset on the balance sheet consist of the offset market value of contracts for which there is a legal right and intention to settle contractual cash flows net (including cleared contracts). These contracts are presented on a net basis on the balance sheet per counterparty and currency.

Note 11 Offsetting of financial instruments

31 March 2022 SEK m	Derivatives	Repurchase agreements, securities borrowing and similar agreements	Total
Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements			
Gross amount	67,224	38,648	105,872
Amounts offset	-42,891	-7,277	-50,168
Carrying amount on the balance sheet	24,333	31,371	55,704
Related amounts not offset on the balance sheet			
Financial instruments, netting arrangements	-10,095	-	-10,095
Financial assets received as collateral	-10,424	-31,345	-41,769
Total amounts not offset on the balance sheet	-20,519	-31,345	-51,864
Net amount	3,814	26	3,840
Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements			
Gross amount	58,556	18,139	76,695
Amounts offset	-38,737	-7,277	-46,014
Carrying amount on the balance sheet	19,819	10,862	30,681
Related amounts not offset on the balance sheet			
Financial instruments, netting arrangements	-10,095	-	-10,095
Financial assets pledged as collateral	-2,529	-10,862	-13,391
Total amounts not offset on the balance sheet	-12,624	-10,862	-23,486
Net amount	7,195	-	7,195
31 December 2021 SEK m			
Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements			
Gross amount	48,543	33,836	82,379
Amounts offset	-20,035	-7,110	-27,145
Carrying amount on the balance sheet	28,508	26,726	55,234
Related amounts not offset on the balance sheet			
Financial instruments, netting arrangements	-9,294	-	-9,294
Financial assets received as collateral	-13,322	-26,700	-40,022
Total amounts not offset on the balance sheet	-22,616	-26,700	-49,316
Net amount	5,892	26	5,918
Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements			
Gross amount	30,840	7,323	38,163
Amounts offset	-17,056	-7,110	-24,166
Carrying amount on the balance sheet	13,784	213	13,997
Related amounts not offset on the balance sheet			
Financial instruments, netting arrangements	-9,294	-	-9,294
Financial assets pledged as collateral	-1,467	-213	-1,680
Total amounts not offset on the balance sheet	-10,761	-213	-10,974
Net amount	3,023	-	3,023

Derivative instruments are offset on the balance sheet when the settlement of two or more derivatives reflects the Bank's anticipated cash flows. Repurchase agreements and reverse repurchase agreements with central counterparty clearing houses are offset on the balance sheet when this reflects the Bank's anticipated cash flows in the settlement of two or more agreements. This occurs when the Bank has both a contractual right and intention to settle the agreed cash flows with a net amount. The remaining counterparty risk in derivatives is reduced through netting agreements if payments are suspended, i.e. netting positive values against negative values in all derivative transactions with the same counterparty in a bankruptcy situation. Handelsbanken's policy is to sign netting agreements with all bank counterparties. Netting agreements are supplemented with agreements for issuing collateral for the net exposure. The collateral used is mainly cash, but government securities are also used. Collateral for repurchase agreements and borrowing and lending of securities is normally in the form of cash or other securities.

The amount offset for derivative assets includes offset cash collateral of SEK 9,293m (3,315) derived from the balance sheet item Deposits and borrowing from the public. The amount set off for derivative liabilities includes offset cash collateral of SEK 5,140m (335), derived from the balance sheet item Loans to the public.

Note 12 Goodwill and other intangible assets

SEK m	Goodwill			Other intangible assets			Total		
	Jan-Mar 2022	Jan-Mar 2021	Full year 2021	Jan-Mar 2022	Jan-Mar 2021	Full year 2021	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Opening residual value	4,357	6,822	6,822	3,945	4,508	4,508	8,302	11,330	11,330
Additional during the period	-	-	-	142	186	539	142	186	539
Reclassified as assets held for sale	-	-	-2,569	-	-	-172	-	-	-2,741
The period's amortisation	-	-	-	-164	-165	-669	-164	-165	-669
The period's impairments	-	-	-18	-	-25	-313	-	-25	-331
Foreign exchange effect	29	113	122	4	50	52	33	163	174
Closing residual value	4,386	6,935	4,357	3,927	4,554	3,945	8,313	11,489	8,302

Note 13 Due to credit institutions, deposits and borrowing from the public

SEK m	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
Due to credit institutions	111,179	83,034	123,027	126,690	157,321
<i>of which repos</i>	-	-	138	58	326
Deposits and borrowing from the public	1,377,477	1,286,637	1,449,474	1,427,959	1,474,862
<i>of which repos</i>	10,863	213	18,702	12,749	10,691

Note 14 Issued securities

SEK m	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Issued securities at beginning of year	1,353,768	1,310,737	1,310,737
Issued	285,145	253,275	1,015,801
Repurchased	-9,847	-21,769	-54,381
Matured	-217,580	-206,811	-939,884
Foreign exchange effect etc.	5,025	38,068	21,495
Issued securities at end of period	1,416,511	1,373,500	1,353,768

Note 15 Pledged assets, contingent liabilities and commitments

SEK m	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
Assets pledged for own debt	1,000,172	971,433	979,024	933,844	894,646
Other pledged assets	15,041	14,230	47,701	51,563	48,447
Contingent liabilities	77,919	71,756	73,183	75,896	82,667
Commitments	480,812	486,517	486,808	478,732	484,966

Note 16 Classification of financial assets and liabilities

31 March 2022	Fair value through profit or loss			Fair value through other comprehensive income	Amortised cost	Total carrying amount	Fair value
	Mandatory	Fair value option	Derivatives identified as hedge instruments				
SEK m							
Assets							
Cash and balances with central banks					553,450	553,450	553,450
Other loans to central banks					1,468	1,468	1,468
Interest-bearing securities eligible as collateral with central banks	3,471	118,324		202	23	122,020	122,020
Loans to other credit institutions					35,606	35,606	35,609
Loans to the public					2,464,468	2,464,468	2,446,294
Value change of interest-hedged item in portfolio hedge					-8,413	-8,413	
Bonds and other interest-bearing securities	13,490	21,021		9,284		43,795	43,795
Shares	18,713			932		19,645	19,645
Assets where the customer bears the value change risk	237,561				65	237,626	237,626
Derivative instruments	15,020		9,323			24,343	24,343
Other assets	42				18,127	18,167	18,167
Total	288,295	139,345	9,323	10,417	3,064,794	3,512,176	3,502,417
Investments in associates						496	
Non-financial assets						33,241	
Total assets						3,545,912	
Liabilities							
Due to credit institutions					112,376	112,376	112,653
Deposits and borrowing from the public					1,494,149	1,494,149	1,494,195
Liabilities where the customer bears the value change risk		237,561			65	237,626	237,626
Issued securities	1,363				1,415,148	1,416,511	1,399,192
Derivative instruments	13,618		6,222			19,840	19,840
Short positions	17,665					17,665	17,665
Other liabilities	34				24,590	24,624	24,624
Subordinated liabilities					31,434	31,434	32,341
Total	32,680	237,561	6,222		3,077,762	3,354,225	3,338,136
Non-financial liabilities						13,033	
Total liabilities						3,367,258	

31 December 2021	Fair value through profit or loss			Fair value through other comprehensive income	Amortised cost	Total carrying amount	Fair value
SEK m	Mandatory	Fair value option	Derivatives identified as hedge instruments				
Assets							
Cash and balances with central banks					439,964	439,964	439,964
Other loans to central banks					1,462	1,462	1,462
Interest-bearing securities eligible as collateral with central banks	2,513	97,628		397	24	100,562	100,562
Loans to other credit institutions					21,838	21,838	21,839
Loans to the public					2,413,829	2,413,829	2,416,796
Value change of interest-hedged item in portfolio hedge					-1,900	-1,900	
Bonds and other interest-bearing securities	5,310	19,008		9,016		33,334	33,334
Shares	19,026			908		19,934	19,934
Assets where the customer bears the value change risk	252,924				64	252,988	252,988
Derivative instruments	17,300		11,218			28,518	28,518
Other assets	18				6,147	6,165	6,165
Total	297,091	116,636	11,218	10,321	2,881,428	3,316,694	3,321,562
Investments in associates						478	
Non-financial assets						29,592	
Total assets						3,346,764	
Liabilities							
Due to credit institutions					83,608	83,608	83,992
Deposits and borrowing from the public					1,400,757	1,400,757	1,400,721
Liabilities where the customer bears the value change risk		252,924			64	252,988	252,988
Issued securities	1,681				1,352,087	1,353,768	1,359,934
Derivative instruments	8,843		4,966			13,809	13,809
Short positions	4,105					4,105	4,105
Other liabilities	7				12,405	12,412	12,412
Subordinated liabilities					32,257	32,257	33,645
Total	14,636	252,924	4,966		2,881,178	3,153,704	3,161,606
Non-financial liabilities						11,329	
Total liabilities					133,922	3,165,033	

The assets and liabilities in the tables above include the Denmark and Finland disposal groups, which were reclassified on the balance sheet as at 31 December 2021 as Assets held for sale and Liabilities held for sale respectively (see Note 9).

Note 17 Fair value measurement of financial instruments

31 March 2022 SEK m	Level 1	Level 2	Level 3	Total
Assets				
Interest-bearing securities eligible as collateral with central banks	121,588	408	-	121,996
Bonds and other interest-bearing securities	32,786	11,009	-	43,795
Shares	18,298	693	654	19,645
Assets where the customer bears the value change risk	236,638	430	493	237,561
Derivative instruments	39	24,274	30	24,343
Total	409,349	36,814	1,177	447,340
Liabilities				
Liabilities where the customer bears the value change risk	236,638	430	493	237,561
Issued securities	-	1,363	-	1,363
Derivative instruments	34	19,776	30	19,840
Short positions	17,470	195	-	17,665
Total	254,142	21,764	523	276,429

31 December 2021 SEK m	Level 1	Level 2	Level 3	Total
Assets				
Interest-bearing securities eligible as collateral with central banks	100,213	325	-	100,538
Bonds and other interest-bearing securities	25,561	7,773	-	33,334
Shares	18,386	909	639	19,934
Assets where the customer bears the value change risk	251,977	463	484	252,924
Derivative instruments	22	28,453	43	28,518
Total	396,159	37,923	1,166	435,248
Liabilities				
Liabilities where the customer bears the value change risk	251,977	463	484	252,924
Issued securities	-	1,681	-	1,681
Derivative instruments	46	13,720	43	13,809
Short positions	3,903	202	-	4,105
Total	255,926	16,066	527	272,519

The financial instruments in the tables above include the Denmark and Finland disposal groups, which were reclassified on the balance sheet on 31 December 2021 as Assets held for sale and Liabilities held for sale respectively (see Note 9).

Valuation process

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

For financial instruments traded on an active market, the fair value is the same as the quoted market price. An active market is one where quoted prices are readily and regularly available from a regulated market, execution venue, reliable news service or equivalent, and where the price information received can be verified by means of regularly occurring transactions. The current market price corresponds to the price between the bid price and the offer price which is most representative of fair value under the circumstances. For groups of financial instruments which are managed on the basis of the Bank's net exposure to market risk, the current market price is presumed to be the same as the price which would be received or paid if the net position were divested.

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

Valuation hierarchy

In the tables, financial instruments at fair value have been categorised in terms of how the valuations have been carried out and the degree of transparency regarding market data used in the valuation. The categorisation is shown as levels 1-3 in the tables. Financial instruments which are valued at a direct and liquid market price are categorised as level 1. These financial instruments mainly comprise government instruments and other interest-bearing securities that are traded actively, listed shares and short-term positions in corresponding assets. Level 1 also includes the majority of shares in mutual funds and other

assets which are related to unit-linked insurance contracts and similar agreements and the corresponding liabilities. Financial instruments which are valued using valuation models which substantially are based on market data are categorised as level 2. Level 2 mainly includes interest-bearing securities and interest- and currency-related derivatives. Financial instruments whose valuation to a material extent is affected by input data that cannot be verified using external market information are categorised as level 3. Level 3 includes unlisted shares, certain holdings of private equity funds and certain derivatives.

The categorisation is based on the valuation method used on the balance sheet date. If the category for a specific instrument has changed since the previous balance sheet date (31 December 2021), the instrument has been moved between the levels in the table. During January – March 2022, some of the volumes have been moved between level 1 and level 2, as a result of a new assessment of market activity. On the assets side, derivative assets worth SEK 384 and interest-bearing securities worth SEK 55m were transferred from level 1 to level 2. No assets were transferred from level 2 to level 1. On the liabilities side, no transfers from level 1 to level 2 or from level 2 to level 1 have taken place. No transfers between levels took place during the period January – March 2022 due solely to Russia's invasion of Ukraine. Changes in level 3 holdings during the year are shown in a separate table below.

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

changes for these holdings are thus reported in Other comprehensive income.

Certain holdings of private equity funds are categorised in level 3. These are valued using valuation models mainly based on a relative valuation of comparable listed companies in the same sector. The performance measurements used in the comparison are adjusted for factors which distort the comparison between the investment and the company used for comparison. Subsequently, the valuation is based on earnings multiples, such as P/E ratios. Most of these holdings represent investment assets in the Group's insurance operations. Value changes in the investment assets are included in the basis for calculating the yield split in the insurance operations and are therefore not reported directly in the income statement.

The derivatives component in some of the Bank's issued structured bonds and the related hedging derivatives are also categorised as belonging to level 3. For these derivatives, internal assumptions have a material impact on calculation of the fair value. Hedging derivatives in level 3 are traded under CSA agreements where the market values are checked and verified with the Bank's counterparties on a daily basis.

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

The models use input data in the form of market prices and other variables that are deemed to affect pricing. The models and input data which form the basis of the valuations are regularly validated to ensure that they are consistent with market practice and established financial theory. In cases where there are positive differences between the value calculated with the help of a valuation model at initial recognition and the transaction price (day 1 gains/losses), the difference is accrued over the life of the financial instrument. Such differences occur when the applied valuation model does not fully capture all the components which affect the value of the instrument. Day 1 gains/losses are comprised of the Bank's profit margin and remuneration for, for example, capital costs and administrative costs. During the period January – March 2022, an accrual effect of SEK 50m (57) was recognised under Net gains/losses on financial transactions. At the end of the period, non-recognised day 1 gains/losses totalled SEK 472m; at year-end 2021, the corresponding figure was SEK 489m.

Changes in level 3 holdings

		Derivative assets	Derivative liabilities	Assets where the customer bears the value change risk	Liabilities where the customer bears the value change risk
January - March 2022 SEK m					
Carrying amount at beginning of year	639	43	-43	484	-484
Acquisitions	9	1	-2	-	-
Repurchases/sales	-1	14	-	-	-
Matured during the period	-	-	-	-	-
Unrealised value change in income statement	7	-58	44	9	-9
Unrealised value change in other comprehensive income	-	-	-	-	-
Transfer from level 1 or 2	-	25	-24	-	-
Transfer to level 1 or 2	-	5	-5	-	-
Carrying amount at end of period	654	30	-30	493	-493

		Derivative assets	Derivative liabilities	Assets where the customer bears the value change risk	Liabilities where the customer bears the value change risk
January - December 2021 SEK m					
Carrying amount at beginning of year	550	80	-80	474	-474
Acquisitions	33	1	-2	-	-
Repurchases/sales	-3	9	-7	-	-
Matured during the period	-	-	-	-	-
Unrealised value change in income statement	51	-131	130	10	-10
Unrealised value change in other comprehensive income	8	-	-	-	-
Transfer from level 1 or 2	-	10	-10	-	-
Transfer to level 1 or 2	-	74	-74	-	-
Carrying amount at end of period	639	43	-43	484	-484

Note 18 Assets and liabilities by currency

31 March 2022 SEK m	SEK	EUR	NOK	DKK	GBP	USD	Other currencies	Total
Assets								
Cash and balances with central banks	121,302	156,425	4,389	26,542	95,411	149,299	82	553,450
Other loans to central banks	-	-	-	209	1,259	-	0	1,468
Loans to other credit institutions	1,511	8,353	17,368	10	1,160	6,563	641	35,606
Loans to the public	1,514,576	257,583	312,192	109,359	252,269	15,285	3,203	2,464,468
<i>of which corporates</i>	545,671	158,931	195,237	45,248	176,172	15,095	1,728	1,138,082
<i>of which households</i>	968,905	98,651	116,955	64,111	76,098	191	1,475	1,326,386
Interest-bearing securities eligible as collateral with central banks	107,915	5,633	433	25	-	8,013	-	122,020
Bonds and other interest-bearing securities	31,889	496	10,920	16	-	474	-	43,795
Other items not broken down by currency	325,106							325,106
Total assets	2,102,299	428,490	345,302	136,162	350,099	179,635	3,926	3,545,912
Liabilities								
Due to credit institutions	30,417	44,072	19,585	534	2,825	14,778	166	112,376
Deposits and borrowing from the public	875,808	155,602	102,735	55,041	235,682	65,766	3,514	1,494,149
<i>of which corporates</i>	402,205	123,177	70,170	31,619	168,705	61,522	2,791	860,188
<i>of which households</i>	473,603	32,425	32,565	23,422	66,978	4,245	724	633,961
Issued securities	516,352	374,338	31,378	7	63,154	409,702	21,579	1,416,511
Subordinated liabilities	3,008	15,524	-	-	0	12,902	-	31,434
Other items not broken down by currency, incl. equity	491,443							491,443
Total liabilities and equity	1,917,028	589,535	153,698	55,581	301,661	503,149	25,259	3,545,912
Other assets and liabilities broken down by currency (net)		161,144	-191,538	-80,516	-48,400	323,412	21,386	
Net foreign currency position		98	65	64	38	-101	52	216

Assets and liabilities in the table above include the disposal groups Denmark and Finland, which were reclassified as Assets held for sale and Liabilities held for sale in the balance sheet as of 2021-12-31. See note 9.

31 December 2021 SEK m	SEK	EUR	NOK	DKK	GBP	USD	Other currencies	Total
Assets								
Cash and balances with central banks	93,293	149,547	4,578	28,282	101,196	63,008	60	439,964
Other loans to central banks	-	-	-	207	1,255	-	-	1,462
Loans to other credit institutions	1,073	3,587	12,122	51	1,140	3,335	530	21,838
Loans to the public	1,496,800	245,760	294,946	107,914	251,793	13,567	3,049	2,413,829
<i>of which corporates</i>	537,399	149,031	183,442	43,663	174,344	13,376	1,555	1,102,810
<i>of which households</i>	959,401	96,729	111,504	64,251	77,449	191	1,494	1,311,019
Interest-bearing securities eligible as collateral with central banks	91,630	5,658	335	26	-	2,913	-	100,562
Bonds and other interest-bearing securities	23,131	965	8,741	17	-	480	-	33,334
Other items not broken down by currency	335,775							335,775
Total assets	2,041,702	405,517	320,722	136,497	355,384	83,303	3,639	3,346,764
Liabilities								
Due to credit institutions	12,903	49,968	14,376	248	79	5,984	50	83,608
Deposits and borrowing from the public	842,173	151,481	89,516	52,166	231,861	31,233	2,327	1,400,757
<i>of which corporates</i>	386,274	120,367	59,662	28,818	162,303	26,964	1,605	785,993
<i>of which households</i>	455,899	31,114	29,854	23,348	69,558	4,269	722	614,764
Issued securities	500,864	385,000	30,207	7	69,192	351,169	17,329	1,353,768
Subordinated liabilities	3,003	15,547	-	-	0	13,707	-	32,257
Other items not broken down by currency, incl. equity	476,374							476,374
Total liabilities and equity	1,835,317	601,996	134,099	52,421	301,132	402,093	19,706	3,346,764
Other assets and liabilities broken down by currency (net)		196,428	-186,467	-84,073	-54,145	318,781	16,124	
Net foreign currency position		-51	156	3	107	-9	57	263

Assets and liabilities in the tables above include the Denmark and Finland disposal groups, which were reclassified on the balance sheet on 31 December 2021 as Assets held for sale and Liabilities held for sale respectively (see Note 9).

Note 19 Own funds and capital requirements in the consolidated situation

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

Key metrics

	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
Available own funds					
Common equity tier 1 (CET1) capital	152,665	149,709	147,628	152,867	151,151
Tier 1 capital	166,578	163,222	160,704	165,555	164,148
Total capital	183,956	180,458	177,819	182,578	181,385
Risk-weighted exposure amounts					
Total risk-weighted exposure amount	816,394	773,158	759,375	744,288	747,273
Capital ratios (as a percentage of risk-weighted exposure amount)					
Common equity tier 1 ratio (%)	18.7%	19.4%	19.4%	20.5%	20.2%
Tier 1 ratio (%)	20.4%	21.1%	21.2%	22.2%	22.0%
Total capital ratio (%)	22.5%	23.3%	23.4%	24.5%	24.3%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.9%	1.9%	1.9%		
of which: to be made up of CET1 capital (percentage points)	1.2%	1.2%	1.2%		
of which: to be made up of Tier 1 capital (percentage points)	1.5%	1.5%	1.5%		
Total SREP own funds requirements (%)	9.9%	9.9%	9.9%	8.0%	8.0%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
Capital conservation buffer (%)	2.5%	2.5%	2.5%	2.5%	2.5%
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)					
Institution specific countercyclical capital buffer (%)	0.1%	0.1%	0.1%	0.1%	0.1%
Systemic risk buffer (%)	3.0%	3.0%	3.0%	3.0%	3.0%
Global Systemically Important Institution buffer (%)					
Other Systemically Important Institution buffer	1.0%	1.0%	1.0%	1.0%	1.0%
Combined buffer requirement (%)	6.6%	6.6%	6.6%	6.6%	6.6%
Overall capital requirements (%)	16.6%	16.5%	16.5%	14.6%	14.6%
CET1 available after meeting the total SREP own funds requirements (%)	12.6%	13.9%	13.9%		
Leverage ratio					
Leverage ratio total exposure measure	3,441,379	3,232,291	3,374,819	3,374,515	3,406,820
Leverage ratio	4.8%	5.0%	4.8%	4.9%	4.8%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
Additional own funds requirements to address the risk of excessive leverage (%)					
of which: to be made up of CET1 capital (percentage points)					
Total SREP leverage ratio requirements (%)	3.0%	3.0%	3.0%	3.0%	3.0%
Liquidity coverage ratio (LCR)					
Total high-quality liquid assets (HQLA) (Weighted value-average)	784,150	778,654	751,877	736,563	743,754
Cash outflows - Total weighted value	591,031	595,289	567,668	562,019	562,308
Cash inflows - Total weighted value	69,965	68,295	67,079	64,596	63,201
Total net cash outflows (adjusted value)	521,066	526,994	500,589	497,423	499,107
Liquidity coverage ratio	151%	149%	151%	149%	150%
Net stable funding ratio (NSFR)					
Total available stable funding	2,059,479	2,026,413	1,993,554	1,983,117	1,990,234
Total required stable funding	1,803,072	1,774,542	1,732,605	1,728,332	1,721,117
NSFR ratio	114%	114%	115%	115%	116%

Overview of risk-weighted exposure amounts

	RWEA		Own funds requirements	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
Credit risk (excluding CCR)	698,566	684,075	55,885	54,727
Of which standardised approach	186,350	178,552	14,908	14,284
Of which foundation IRB (FIRB) approach	52,882	48,100	4,231	3,849
Of which slotting approach				
Of which equities under simple risk-weighted approach	3,517	3,427	281	274
Of which advanced IRB (AIRB) approach	221,727	224,096	17,738	17,928
Of which risk weight floors	234,091	229,900	18,727	18,392
Counterparty credit risk - CCR	14,229	12,255	1,138	980
Of which standardised approach	9,484	8,924	759	714
Of which internal model method (IMM)				
Of which exposures to a CCP	219	212	18	17
Of which credit valuation adjustment - CVA	3,746	2,614	300	209
Of which other CCR	781	505	62	40
Settlement risk		15		1

Securitisation exposures in the non-trading book (after the cap)

Of which SEC-IRBA approach
Of which SEC-ERBA (including IAA)
Of which SEC-SA approach
Of which 1,250%/ deduction

Position, foreign exchange and commodities risks (market risk)	31,948	7,145	2,556	572
Of which standardised approach	31,948	7,145	2,556	572
Of which IMA				
Large exposures				
Operational risk	71,651	69,668	5,732	5,573
Of which basic indicator approach				
Of which standardised approach	71,651	69,668	5,732	5,573
Of which advanced measurement approach				
Amounts below the thresholds for deduction (subject to 250% risk weight)				
Total	816,394	773,158	65,312	61,853

Capital requirement credit risk

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

In the IRB Approach without own estimates of LGD and CCF, the Bank uses its own method to determine the probability of the customer defaulting within one year (PD), while the other parameters are set out in CRR rules. In the IRB Approach with own estimates of LGD and CCF, the Bank uses its own methods to calculate the loss given default (LGD) and the exposure amount.

Handelsbanken uses the IRB Approach without own estimates of LGD and CCF for exposures to sovereigns and institutions, for certain product and collateral and counterparty types for corporate exposures in the whole of the branch operations, and in the following subsidiaries: Stadshypotek AB, Handelsbanken Finans AB and Ecster AB. As of Q1 2021, the Bank's exposures in the UK at Group level are reported according to the standardised approach.

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

At the end of the quarter, the IRB Approach was applied to 73% of the total risk-weighted exposure amount for credit risk, including the effect

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

Of Handelsbanken's corporate exposures, 99% were to customers with a repayment capacity assessed as normal or better than normal, i.e. with a rating grade between 1 and 5 on the Bank's nine-point risk rating scale. The IRB approach is based on historical losses from both the financial crisis of recent years and the Swedish banking crisis in the early 1990s. These risk weights reflect the fact that Handelsbanken has reported low credit losses over a long period. The risk measurements applied contain margins of conservatism to ensure that the risk is not underestimated.

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

Capital requirement market risk

The capital requirement for market risks is calculated for the Bank's consolidated situation. The capital requirements for interest rate risk and equity price risk are, however, only calculated for positions in the trading book. When calculating the capital requirement for market risks, the standardised approach is applied.

Capital requirement operational risk

Handelsbanken uses the standardised approach to calculate the capital requirement for operational risk. According to the standardised approach, the capital requirement is calculated by multiplying a factor specified in the regulations by the average operating income during the last three years of operation. Different factors are applied in different business segments.

Note 20 Risk and liquidity

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

Risk and uncertainty factors

Handelsbanken provides credit through its branch operations, exercising a low risk tolerance. The credit process is based on the conviction that a decentralised organisation with local presence ensures high quality in credit decisions. Handelsbanken's exposure to market risks is also low. Essentially, market risks in the Bank's business operations are only taken as part of meeting customers' investment and risk management needs. The situation with regard to regulatory developments continues to evolve rapidly. This rate of change, combined with the scope and complexity of the financial regulations, is the source of compliance risks for the Bank. Handelsbanken devotes significant resources to ensuring that the Bank follows applicable regulations at any given time. The Bank's low tolerance of risk means

that Handelsbanken is also well-equipped to operate under difficult market conditions. Russia's invasion of Ukraine has given rise to new and substantial uncertainty factors in the European and global economies. Handelsbanken has no direct exposures to Russia, Ukraine or Belarus. Nonetheless, geopolitical developments may entail indirect risks for the Bank. Given this situation, Handelsbanken is maintaining its strict view of credit risks and the normal credit process established at the Bank.

Liquidity and funding

Handelsbanken has a low tolerance of liquidity risks and works actively to minimise them, at aggregate level and also in each individual currency. The aim is to have good access to liquidity, a low level of variation in results and a considerable capacity to meet customers' funding requirements, even in difficult times. This is achieved by maintaining a good matching of incoming and outgoing cash flows over time in all currencies essential to the Bank and by maintaining large liquidity reserves of good quality. The Bank thus minimises the economic risks in funding and can thereby maintain stable and long-term internal interest rates to the business-operating units. Furthermore, the Bank aims for breadth in its funding programmes and their use. This ensures that the Bank can keep its core business intact for a long period of time, even if there is extensive disruption in the financial markets.

To ensure sufficient liquidity to support its core operations in stressed financial conditions, the Bank holds large liquidity reserves in all currencies of relevance to the Bank. The liquidity reserve comprises several different parts. Cash, balances and other lending to central banks are components which can provide the Bank with immediate liquidity. The reserve also comprises liquid securities, such as government bonds, covered bonds and other securities of very high credit quality. These can also provide the Bank with immediate liquidity. These parts of the liquidity reserve are illustrated in the table and amounted to SEK 733bn at 31 March 2022. The remainder of the liquidity reserve comprises an unutilised issue amount for covered bonds and other liquidity-creating measures.

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

Market value, SEK m	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
Level 1 assets	730,345	592,976	745,795	740,391	812,430
Cash and balances with central banks	552,115	438,668	614,597	615,219	684,692
Securities issued or guaranteed by sovereigns, central banks, MDBs and international organisations	130,753	110,326	94,312	94,452	82,904
Securities issued by municipalites and PSEs	590	616	748	656	625
Extremely high quality covered bonds	46,887	43,366	36,138	30,064	44,209
Level 2 assets	2,960	2,649	5,612	4,661	6,425
Level 2A assets	2,659	2,449	5,501	4,204	6,259
<i>Securities issued or guaranteed by sovereigns, central banks, municipalities and PSEs</i>	<i>844</i>	<i>617</i>	<i>3,215</i>	<i>1,402</i>	<i>1,841</i>
<i>High quality covered bonds</i>	<i>1,815</i>	<i>1,832</i>	<i>2,286</i>	<i>2,802</i>	<i>4,418</i>
<i>Corporate debt securities (lowest rating AA-)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Level 2B assets	301	200	111	457	166
<i>Asset-backed securities</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>High quality covered bonds</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Corporate debt securities (rated A+ to BBB-)</i>	<i>301</i>	<i>200</i>	<i>111</i>	<i>457</i>	<i>166</i>
<i>Shares (major stock index)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Total liquid assets	733,305	595,625	751,407	745,052	818,855
<i>of which in SEK</i>	<i>252,423</i>	<i>211,451</i>	<i>284,564</i>	<i>272,596</i>	<i>241,054</i>
<i>of which in EUR</i>	<i>165,307</i>	<i>158,159</i>	<i>170,099</i>	<i>141,714</i>	<i>123,888</i>
<i>of which in USD</i>	<i>157,091</i>	<i>65,596</i>	<i>147,934</i>	<i>152,291</i>	<i>292,005</i>
<i>of which in other currencies</i>	<i>158,484</i>	<i>160,419</i>	<i>148,810</i>	<i>178,451</i>	<i>161,908</i>

31 March 2022					
Market value, SEK m	SEK	EUR	USD	Other	Total
Level 1 assets	251,571	164,897	156,620	157,257	730,345
Cash and balances with central banks	120,632	156,262	149,264	125,957	552,115
Securities issued or guaranteed by sovereigns, central banks, MDBs and international organisations	107,537	8,635	7,356	7,225	130,753
Securities issued by municipalites and PSEs	590	-	-	-	590
Extremely high quality covered bonds	22,812	-	-	24,075	46,887
Level 2 assets	852	410	471	1,227	2,960
Level 2A assets	754	207	471	1,227	2,659
<i>Securities issued or guaranteed by sovereigns, central banks, municipalities and PSEs</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>844</i>	<i>844</i>
<i>High quality covered bonds</i>	<i>754</i>	<i>207</i>	<i>471</i>	<i>383</i>	<i>1,815</i>
<i>Corporate debt securities (lowest rating AA-)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Level 2B assets	98	203	-	-	301
<i>Asset-backed securities</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>High quality covered bonds</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Corporate debt securities (rated A+ to BBB-)</i>	<i>98</i>	<i>203</i>	<i>-</i>	<i>-</i>	<i>301</i>
<i>Shares (major stock index)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Total liquid assets	252,423	165,307	157,091	158,484	733,305

Maturities for financial assets and liabilities

31 March 2022 SEK m	Up to 30 days	31 days - 6 mths	6 - 12 mths	1 - 2 yrs	2 - 5 yrs	5 yrs -	Unspec. maturity	Total
Assets								
Cash and balances with central banks	553,427	-	-	-	-	-	-	553,427
Interest-bearing securities eligible as collateral with central banks *	121,756	-	-	-	-	-	-	121,756
Bonds and other interest-bearing securities *	43,641	-	-	-	-	-	-	43,641
Loans to credit institutions	33,126	91	429	312	851	2,252	-	37,061
<i>of which reverse repos</i>	17,350	-	-	-	-	-	-	17,350
Loans to the public	54,249	237,186	245,972	232,072	449,185	1,242,898	-	2,461,562
<i>of which reverse repos</i>	12,784	-	-	-	-	-	-	12,784
Other **	34,815	-	-	-	-	-	293,650	328,465
<i>of which shares and participating interests</i>	19,645	-	-	-	-	-	-	19,645
<i>of which claims on investment banking settlements</i>	15,170	-	-	-	-	-	-	15,170
Total	841,014	237,277	246,401	232,384	450,036	1,245,150	293,650	3,545,912
Other trading liabilities								
Due to credit institutions ***	49,075	49,201	2,655	976	138	843	9,470	112,358
<i>of which repos</i>	-	-	-	-	-	-	-	-
<i>of which deposits from central banks</i>	23,985	47,726	-	-	-	-	1	71,712
Deposits and borrowing from the public ***	83,462	26,305	4,755	473	367	6,160	1,372,255	1,493,777
<i>of which repos</i>	10,863	-	-	-	-	-	-	10,863
Issued securities	65,341	453,265	201,758	199,497	383,449	108,167	-	1,411,477
<i>of which covered bonds</i>	16,892	75,596	20,771	156,074	309,671	65,256	-	644,260
<i>of which bank certificates (CDs) with original maturity of less than one year</i>	18,879	164,094	57,559	-	-	-	-	240,532
<i>of which corporate certificates (CPs) with original maturity of less than one year</i>	29,365	192,184	89,611	-	-	-	-	311,160
<i>of which bank certificates (CDs) and corporate certificates (CPs) with original maturity above one year</i>	123	935	6,453	935	-	-	-	8,446
<i>of which Senior Non-Preferred Bonds</i>	-	-	-	-	17,249	26,110	-	43,359
<i>of which senior bonds and other securities with original maturity of more than one year</i>	82	20,456	27,364	42,488	56,529	16,801	-	163,720
Subordinated liabilities	-	-	10,740	12,030	4,289	4,289	-	31,348
Other **	31,796	-	-	-	-	-	465,156	496,952
<i>of which short positions</i>	17,665	-	-	-	-	-	-	17,665
<i>of which investment banking settlement debts</i>	14,131	-	-	-	-	-	-	14,131
Total	229,674	528,771	219,908	212,976	388,243	119,459	1,846,881	3,545,912

* The table shows holdings of bonds and other interest-bearing securities in the time intervals in which they can be converted to liquidity if they are pledged as collateral or sold. This means that the table does not reflect the actual maturities for the securities included. In "Other", assets and liabilities are reported as maturing in the time intervals that correspond to the contractual maturity dates, taking into account contractual amortisation plans.

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

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

Liquidity coverage ratio (LCR)

	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
Liquidity coverage ratio (LCR) - sub-components, SEK m					
High quality liquidity assets	729,474	592,122	747,998	742,088	814,738
Cash outflows					
Retail deposits and deposits from small business customers	68,982	66,550	64,465	63,619	62,408
Unsecured wholesale funding	338,241	289,879	391,599	402,434	478,173
Secured wholesale funding	12,139	11,305	8,988	7,716	5,204
Other cash outflows	64,559	63,566	67,344	64,578	67,882
Total cash outflows	483,921	431,300	532,396	538,347	613,667
Cash inflows					
Inflows from fully performing exposures	26,785	22,375	28,502	29,095	29,973
Other cash inflows	25,706	19,474	31,514	31,621	33,335
Total cash inflows	52,491	41,849	60,016	60,716	63,308
Liquidity coverage ratio (LCR)	169%	152%	158%	155%	148%

Net stable funding ratio (NSFR)

	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
Net stable funding ratio (NSFR) - sub-components, SEK m					
Available stable funding (ASF)					
Capital items and instruments	206,938	202,877	199,264	206,021	204,073
Retail deposits	718,486	704,382	691,608	687,227	666,027
Wholesale funding	1,128,476	1,113,915	1,097,418	1,084,121	1,114,123
Other liabilities	5,578	5,239	5,264	5,748	6,011
Total Available stable funding (ASF)	2,059,478	2,026,413	1,993,554	1,983,117	1,990,234
Required stable funding (RSF)					
Total high-quality liquid assets (HQLA)	8,658	7,927	6,158	6,135	5,417
Assets encumbered for more than 12 months in cover pool	461,542	449,323	419,349	440,915	444,594
Performing loans and securities	1,249,790	1,223,354	1,214,465	1,184,665	1,171,443
Other assets	58,547	69,258	67,913	72,058	74,594
Off-balance sheet items	24,535	24,680	24,720	24,559	25,069
Total Required stable funding (RSF)	1,803,072	1,774,542	1,732,605	1,728,332	1,721,117
Net stable funding ratio (NSFR)	114%	114%	115%	115%	

The liquidity coverage ratio (LCR) has been a binding requirement for banks in the EU since the European Commission introduced its Delegated Regulation. The figure states the ratio between the Bank's liquidity buffer and net cash flows in a very stressed scenario during a 30-day period. The requirement applies to LCR at aggregate level and the ratio must be at least 100%. Minimum requirements for the net stable funding ratio (NSFR) – the structural liquidity measure that is the ratio between available stable funding and the stable funding required – came into force in the EU on 28 June 2021. These mean that the Bank must have, on a one-year horizon, sufficiently stable funding to cover its funding requirements under both normal and stressed conditions. The minimum requirement applies to LCR at aggregate level, and the ratio must be at least 100%.

At the end of the quarter, the Group's aggregated LCR was 169%, which shows that the Bank has substantial resistance to short-term disruptions in the funding markets. At the same date, the Group's NSFR amounted to 114%.

gradually in the first month. It is further assumed that the Bank will continue to conduct its core activities, i.e. that fixed-term deposits from and loans to households and companies will be renewed at maturity and that issued commitments and credit facilities will be partly utilised by customers. The Bank also takes into account that balances with central banks and banks will be utilised and that Group Treasury's securities can immediately supply liquidity if provided as collateral, primarily in the market and as a last resort in central banks. In addition, the Bank can create liquidity through utilising the unutilised issue amount for covered bonds and by implementing other liquidity-creating measures to gradually provide the Bank with liquidity. With these conditions, the Bank will be liquid for more than three years.

Stress test with liquidity-creating measures

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

Resistance to more long-term disruptions in the market is measured on a daily basis through stress testing of cash flows based on certain assumptions. For example, it is assumed that the Bank cannot obtain funding in the financial markets, at the same time as 10% of non-fixed-term deposits from households and companies disappears

Non-encumbered assets, NEA

31 mars 2022		
mdkr	IPT (NEA)	Ack. andel av icke säkerställd upplåning*
Behållning i centralbanker samt värdepapper i likviditetsportföljen***	733	84%
Hypotekslån	803	176%
Övrig hushållsutlåning	164	195%
Fastighetsföretagsutlåning lägsta riskklass (1-3)	316	232%
Övrig företagsutlåning lägsta riskklass (1-3)	139	248%
Utlåning till kreditinstitut lägsta riskklass (1-3)	7	248%
Övrig företagsutlåning	292	282%
Övriga tillgångar	77	291%
Summa icke pantsatta tillgångar	2 531	291%
Pantsatta tillgångar utan underliggande skuld**	70	
Pantsatta tillgångar med underliggande skuld	945	
Summa tillgångar, koncernen	3 546	

31 december 2021		
mdkr	IPT (NEA)	Ack. andel av icke säkerställd upplåning*
Behållning i centralbanker samt värdepapper i likviditetsportföljen***	596	68%
Hypotekslån	792	158%
Övrig hushållsutlåning	192	180%
Fastighetsföretagsutlåning lägsta riskklass (1-3)	298	213%
Övrig företagsutlåning lägsta riskklass (1-3)	122	227%
Utlåning till kreditinstitut lägsta riskklass (1-3)	28	230%
Övrig företagsutlåning	298	264%
Övriga tillgångar	36	268%
Summa icke pantsatta tillgångar	2 362	268%
Pantsatta tillgångar utan underliggande skuld**	65	
Pantsatta tillgångar med underliggande skuld	920	
Summa tillgångar, koncernen	3 347	

* Emitterad kort och lång icke säkerställd upplåning samt skulder till kreditinstitut.

** Overpantsättning i Cover pool (OC) och medel avsatta för Operational Continuity in Resolution krav i UK (from 2021).

*** Avser i centralbank pantsättningsbart värde.

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

Note 21 Related-party transactions

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

Note 22 Segment reporting

Information about the Bank's segment reporting is provided on pages 12-21.

Note 23 Events after the balance sheet date

No significant events occurred after the balance sheet date.

Condensed set of financial statements – Parent company

INCOME STATEMENT – PARENT COMPANY

SEK m	Q1 2022	Q4 2021	Change	Q1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Net interest income	3,551	3,492	2%	3,302	8%	3,551	3,302	8%	13,502
Dividends received	150	16,796	-99%	212	-29%	150	212	-29%	17,611
Net fee and commission income	1,381	1,460	-5%	1,261	10%	1,381	1,261	10%	5,230
Net gains/losses on financial transactions	254	-14		523	-51%	254	523	-51%	1,808
Other operating income	781	1,381	-43%	710	10%	781	710	10%	3,576
Total income	6,117	23,115	-74%	6,008	2%	6,117	6,008	2%	41,727
Staff costs	-2,871	-2,244	28%	-2,708	6%	-2,871	-2,708	6%	-10,242
Other administrative expenses	-1,617	-1,804	-10%	-1,413	14%	-1,617	-1,413	14%	-6,002
Depreciation, amortisation and impairment of property, equipment and intangible assets	-606	-826	-27%	-693	-13%	-606	-693	-13%	-2,803
Total expenses before credit losses	-5,094	-4,874	5%	-4,814	6%	-5,094	-4,814	6%	-19,047
Profit before credit losses, risk tax and resolution fee	1,023	18,241	-94%	1,194	-14%	1,023	1,194	-14%	22,680
Net credit losses	-56	18		-35	59%	-56	-35	59%	-55
Impairment of financial assets	-25	-1,180	-98%	-		-25	-		-1,180
Risk tax and resolution fee	-387	-43		-136	185%	-387	-136	185%	-366
Operating profit	556	17,036	-97%	1,023	-46%	556	1,023	-46%	21,079
Appropriations	1	196	-100%	23	-97%	1	23	-97%	227
Profit before tax	557	17,232	-97%	1,046	-47%	557	1,046	-47%	21,306
Taxes	-135	-3,740	-96%	-286	-53%	-135	-286	-53%	-4,618
Profit for the period	421	13,492	-97%	760	-45%	421	760	-45%	16,688

STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

SEK m	Q1 2022	Q4 2021	Change	Q1 2021	Change	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Profit for the period	421	13,492	-97%	760	-45%	421	760	-45%	16,688
Other comprehensive income									
Items that will not be reclassified to the income statement									
Instruments measured at fair value through other comprehensive income - equity instruments	9	13		34		9	34		62
Tax on items that will not be reclassified to income statement	-2	-1		-1		-2	-1		-3
<i>of which equity instruments measured at fair value through other comprehensive income</i>	-2	-1		-1		-2	-1		-3
Total items that will not be reclassified to the income statement	7	12		33		7	33		59
Items that may subsequently be reclassified to the income statement									
Cash flow hedges	1,113	200	457%	235	374%	1,113	235	374%	246
Instruments measured at fair value through other comprehensive income - debt instruments	-44	-13		17		-44	17		6
Translation differences for the period	628	223	182%	1,111	-43%	628	1,111	-43%	1,034
<i>of which hedging net investment in foreign operations</i>	-18	4		-72	75%	-18	-72	75%	-63
Tax on items that may subsequently be reclassified to the income statement	-224	-39	-474%	-37		-224	-37		-39
<i>of which cash flow hedges</i>	-229	-41	-459%	-49	-368%	-229	-49	-368%	-51
<i>of which debt instruments measured at fair value through other comprehensive income</i>	3	3		-3		3	-3		-1
<i>of which hedging net investment in foreign operations</i>	4	-1		15	-76%	4	15	-76%	13
Total items that may subsequently be reclassified to the income statement	1,474	371	297%	1,326	11%	1,474	1,326	11%	1,247
Total other comprehensive income for the period	1,482	383	287%	1,359	9%	1,482	1,359	9%	1,306
Total comprehensive income for the period	1,903	13,875	-86%	2,119	-10%	1,903	2,119	-10%	17,994

Comment on results – Parent company January – March 2022 compared with January – March 2021

The parent company's accounts cover parts of the operations that, in organisational terms, are included in branch operations within and outside Sweden, Capital Markets, and central departments and staff functions. Although most of Handelsbanken's business comes from the local branches and is co-ordinated by them, in legal terms a sizeable part of business volumes are outside the parent company in wholly owned subsidiaries – particularly in the Stadshypotek AB mortgage institution and Handelsbanken plc. Thus, the performance of the parent company is not equivalent to the performance of business operations in the Group as a whole.

A process is under way for the divestment of the units in Denmark and Finland. As of 31 December 2021, the operations in Denmark and Finland constitute disposal groups and discontinued operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. In addition, the shares in the subsidiaries Ejendomsselskabet af 1. maj 2009 A/S, Handelsinvest investeringsforvaltning A/S, Handelsbanken Forsikringsformidling A/S, and Lokalbolig A/S constitute assets held for sale.

The parent company's profit fell by 46% to SEK 556m (1,023), mainly due to a SEK 269m decrease in net gains/losses on financial transactions, as well as the addition of an expense for risk tax of SEK 249m compared with the previous year. The negative change in net gains/losses on financial transactions during the first quarter is explained by the effects of substantially increased spreads in the market on the Bank's holdings of subordinated loans issued by the subsidiary Stadshypotek, which are valued at fair value on the balance sheet and income statement. Net interest income increased by 8% to SEK 3,551m (3,302), and net fee and commission income increased by 10% to SEK 1,381m (1,261). Profit for the period decreased by 45% to SEK 421m (760). Since year-end 2021, the parent company's equity has decreased to SEK 136,224m (144,220).

BALANCE SHEET – PARENT COMPANY

SEK m	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
Assets					
Cash and balances with central banks	458,039	338,768	526,001	496,649	580,494
Interest-bearing securities eligible as collateral with central banks	121,996	100,538	95,676	89,179	83,428
Loans to credit institutions	1,012,434	986,897	987,255	1,029,553	1,001,210
Loans to the public	643,007	611,852	584,229	580,018	574,469
Value change of interest hedged item in portfolio hedge	-8,413	-1,904	-977	-473	-316
Bonds and other interest-bearing securities	44,963	34,323	30,578	34,340	42,229
Shares	13,470	13,481	14,239	14,791	15,002
Shares in subsidiaries and investments in associates	72,537	71,967	73,123	73,109	73,095
Assets where the customer bears the value change risk	8,338	8,952	8,388	8,176	7,787
Derivative instruments	31,222	30,946	29,693	27,898	32,548
Intangible assets	3,110	3,129	3,313	3,332	3,452
Property, equipment and leasing assets	6,956	7,043	7,268	7,435	7,446
Current tax assets	1,143	0	2,675	1,908	1,198
Deferred tax assets	726	668	424	429	875
Other assets	16,262	22,287	16,751	8,958	10,852
Prepaid expenses and accrued income	1,970	1,187	1,784	1,999	1,993
Total assets	2,427,762	2,230,134	2,380,420	2,377,301	2,435,762
Liabilities and equity					
Due to credit institutions	191,834	153,490	211,792	208,629	213,672
Deposits and borrowing from the public	1,266,050	1,173,172	1,230,745	1,203,977	1,249,625
Liabilities where the customer bears the value change risk	8,338	8,952	8,388	8,176	7,787
Issued securities	725,832	679,808	702,738	730,768	739,879
Derivative instruments	25,131	21,033	21,463	23,865	28,762
Short positions	17,665	4,105	14,350	14,600	9,011
Current tax liabilities	0	264	-	-	-
Deferred tax liabilities	678	436	210	180	651
Provisions	984	1,011	1,204	1,297	1,504
Other liabilities	19,448	7,631	15,689	13,486	12,659
Accrued expenses and deferred income	3,438	3,049	2,520	3,005	3,394
Subordinated liabilities	31,434	32,257	31,579	30,961	31,067
Total liabilities	2,290,832	2,085,208	2,240,678	2,238,944	2,298,011
Untaxed reserves	706	706	902	902	911
Share capital	3,069	3,069	3,069	3,069	3,069
Share premium	8,758	8,758	8,758	8,758	8,758
Other funds	9,132	7,651	7,431	7,017	8,088
Retained earnings	114,844	108,054	116,386	116,381	116,165
Profit for the period	421	16,688	3,196	2,230	760
Total equity	136,224	144,220	138,840	137,455	136,840
Total liabilities and equity	2,427,762	2,230,134	2,380,420	2,377,301	2,435,762

CHANGE IN EQUITY – PARENT COMPANY

January – March 2022 SEK m	Restricted equity			Unrestricted equity				Retained earnings incl. profit for the year	Total
	Share capital	Statutory reserve	Fund for internally developed software	Share premium	Hedge reserve *	Fair value reserve *	Translation reserve *		
Opening equity 2022	3,069	2,682	2,913	8,758	823	158	1,075	124,742	144,220
Profit for the period								421	421
Other comprehensive income <i>of which reclassified within equity</i>					884	-33	632		1,483
Total comprehensive income for the period					884	-33	632	421	1,904
Reclassified to retained earnings									-
Dividend								-9,900	-9,900
Fund for internally developed software			-2					2	
Closing equity	3,069	2,682	2,910	8,758	1,707	125	1,708	115,265	136,224

January – December 2021 SEK m	Restricted equity			Unrestricted equity				Retained earnings incl. profit for the year	Total
	Share capital	Statutory reserve	Fund for internally developed software	Share premium	Hedge reserve *	Fair value reserve *	Translation reserve *		
Opening equity 2020	3,069	2,682	3,274	8,758	628	94	28	124,306	142,839
Profit for the period								16,688	16,688
Other comprehensive income <i>of which reclassified within equity</i>					195	64	1,047		1,306
Total comprehensive income for the period					195	64	1,047	16,688	17,994
Reclassified to retained earnings								53	53
Dividend**								-16,666	-16,666
Fund for internally developed software			-361					361	
Closing equity	3,069	2,682	2,913	8,758	823	158	1,075	124,742	144,220

January – March 2021 SEK m	Restricted equity			Unrestricted equity				Retained earnings incl. profit for the year	Total
	Share capital	Statutory reserve	Fund for internally developed software	Share premium	Hedge reserve *	Fair value reserve *	Translation reserve *		
Opening equity 2020	3,069	2,682	3,274	8,758	628	94	28	124,306	142,839
Profit for the period								760	760
Other comprehensive income <i>of which reclassified within equity</i>					186	47	1,126		1,359
Total comprehensive income for the period					186	47	1,126	760	2,119
Dividend								-8,118	-8,118
Fund for internally developed software			23					-23	
Closing equity	3,069	2,682	3,297	8,758	814	141	1,154	116,925	136,840

* Included in fair value fund.

** The ordinary dividend amounted to SEK 8,118m, whereas the extra dividend was SEK 8,548m. The extra dividend was distributed as shares in AB Industrivärden that Svenska Handelsbanken AB had acquired from Svenska Handelsbankens Pensionsstiftelse.

CONDENSED STATEMENT OF CASH FLOWS – PARENT COMPANY

SEK m	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Operating profit	556	1,023	21,079
Adjustment for non-cash items in profit/loss	1,205	96	-12,199
Paid income tax	-1,600	-1,191	-4,269
Changes in the assets and liabilities of operating activities	109,405	270,930	39,735
Cash flow from operating activities	109,566	270,858	44,346
Change in shares	-30	-25	-107
Change in property and equipment	-380	-577	-1,562
Change in intangible assets	-116	-158	-450
Cash flow from investing activities	-526	-760	-2,119
Repayment of subordinated loans	-	-9,811	-10,130
Dividend paid	-9,900	-8,118	-16,666
Received Group contributions	16,685	15,135	15,135
Cash flow from financing activities	6,785	-2,794	-11,661
Liquid funds at beginning of the year	338,768	297,362	297,362
Cash flow for the period	115,825	267,304	30,566
Exchange rate difference on liquid funds	3,446	15,828	10,840
Liquid funds at end of year*	458,039	580,494	338,768

* Liquid funds are defined as Cash and balances with central banks.

OWN FUNDS AND CAPITAL REQUIREMENTS – PARENT COMPANY

Key metrics

	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
Available own funds					
Common equity tier 1 (CET1) capital	129,805	129,054	123,915	131,488	130,897
Tier 1 capital	143,718	142,567	136,991	144,175	143,894
Total capital	161,096	159,803	154,106	161,199	161,131
Risk-weighted exposure amounts					
Total risk-weighted exposure amount	464,811	426,749	423,452	417,216	472,629
Capital ratios (as a percentage of risk-weighted exposure amount)					
Common equity tier 1 ratio (%)	27.9%	30.2%	29.3%	31.5%	30.6%
Tier 1 ratio (%)	30.9%	33.4%	32.4%	34.6%	33.6%
Total capital ratio (%)	34.7%	37.4%	36.4%	38.6%	37.7%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.6%	1.6%	1.6%		
of which: to be made up of CET1 capital (percentage points)	0.9%	0.9%	0.9%		
of which: to be made up of Tier 1 capital (percentage points)	1.2%	1.2%	1.2%		
Total SREP own funds requirements (%)	9.6%	9.6%	9.6%	8.0%	8.0%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
Capital conservation buffer (%)	2.5%	2.5%	2.5%	2.5%	2.5%
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)					
Institution specific countercyclical capital buffer (%)	0.2%	0.2%	0.2%	0.1%	0.1%
Systemic risk buffer (%)					
Global Systemically Important Institution buffer (%)					
Other Systemically Important Institution buffer					
Combined buffer requirement (%)	2.7%	2.7%	2.7%	2.6%	2.6%
Overall capital requirements (%)	12.3%	12.2%	12.2%	10.6%	10.6%
CET1 available after meeting the total SREP own funds requirements (%)	25.1%	23.8%	23.8%		
Leverage ratio					
Leverage ratio total exposure measure	1,696,968	1,500,320	1,695,039	1,701,210	1,751,124
Leverage ratio	8.5%	9.5%	8.1%	8.5%	8.2%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
Additional own funds requirements to address the risk of excessive leverage (%)					
of which: to be made up of CET1 capital (percentage points)					
Total SREP leverage ratio requirements (%)	3.0%	3.0%	3.0%	3.0%	3.0%
Liquidity coverage ratio (LCR)					
Total high-quality liquid assets (HQLA) (Weighted value-average)	690,055	682,980	656,441	638,982	634,101
Cash outflows - Total weighted value	592,160	593,559	566,475	555,433	545,836
Cash inflows - Total weighted value	122,643	118,459	115,295	115,017	110,268
Total net cash outflows (adjusted value)	469,517	475,100	451,180	440,416	435,568
Liquidity coverage ratio	148%	144%	146%	146%	146%
Net stable funding ratio (NSFR)					
Total available stable funding	1,318,109	1,271,284	1,258,863	1,252,902	1,241,627
Total required stable funding	1,274,734	1,293,235	1,228,027	1,255,476	1,244,023
NSFR ratio	103%	98%	103%	100%	100%

Overview of risk-weighted exposure amounts

	RWEA		Own funds requirements	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
Credit risk (excluding CCR)	372,230	356,666	29,778	28,534
Of which standardised approach	151,837	146,667	12,147	11,734
Of which foundation IRB (FIRB) approach	45,460	40,123	3,637	3,209
Of which slotting approach				
Of which equities under simple risk-weighted approach	3,405	3,310	272	265
Of which advanced IRB (AIRB) approach	138,772	136,021	11,102	10,882
Of which risk weight floors	32,756	30,545	2,620	2,444
Counterparty credit risk - CCR	14,225	12,255	1,138	980
Of which standardised approach	9,480	8,924	758	714
Of which internal model method (IMM)				
Of which exposures to a CCP	219	212	18	17
Of which credit valuation adjustment - CVA	3,746	2,614	300	209
Of which other CCR	781	505	62	40
Settlement risk		15		1
Securitisation exposures in the non-trading book (after the cap)				
Of which SEC-IRBA approach				
Of which SEC-ERBA (including IAA)				
Of which SEC-SA approach				
Of which 1,250% deduction				
Position, foreign exchange and commodities risks (market risk)	41,263	18,696	3,301	1,496
Of which standardised approach	41,263	18,696	3,301	1,496
Of which IMA				
Large exposures				
Operational risk	37,092	39,118	2,967	3,129
Of which basic indicator approach				
Of which standardised approach	37,092	39,118	2,967	3,129
Of which advanced measurement approach				
Amounts below the thresholds for deduction (subject to 250% risk weight)				
Total	464,811	426,749	37,185	34,140

SUBMISSION OF REPORT

I hereby submit this report.

Stockholm, 27 April 2022

Carina Åkerström
President and Group Chief Executive

Information regarding the Press- and Telephone Conference

An online press conference will be held on 27 April 2022 at 08:30 a.m.

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

The interim report for January – June 2022 will be published on 15 July 2022.

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Review report by the Auditors

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

INTRODUCTION

We have reviewed the condensed interim financial information (interim report) for Svenska Handelsbanken AB (publ) as at 31 March 2022 and for the three-month period ending as at this date. The Board of Directors and the Chief Executive are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

FOCUS AND SCOPE OF THE REVIEW

We have conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review differs from and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

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

Stockholm, 27 April 2022

PricewaterhouseCoopers AB
Johan Rippe
Authorised Public Accountant

Ernst & Young AB
Åsa Lundvall
Authorised Public Accountant

Share price performance and other information

The Swedish stock market (OMX Stockholm 30 index) went down by 13% during the first three months of the year. The Stockholm stock exchange's bank index was down 17%. Handelsbanken's class A shares closed at SEK 86.90, a decline of 11%. Including the distributed dividend of SEK 5.00 per share, the total return was -6%.

Over the last five years, the Swedish stock market (OMX Stockholm 30) has gone up by 32%, while the bank index (OMX Stockholm Banks SS) has fallen by 16%. During the same period, the price of Handelsbanken's class A share has declined by 26%.

SHARE PRICE PERFORMANCE PREVIOUS 5 YEARS

Index 100 = 31 March 2017



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