

# Interim Report

January-September

# 2022

# Handelsbanken's Interim Report

## January – September 2022

### Q3 2022

- COMPARED WITH Q2 2022

- Operating profit increased by 39% to SEK 7,277m (5,246).
- Return on equity increased to 13.2% (9.9).
- Income grew by 17% to SEK 12,897m (11,040).
- Net interest income increased by 14% to SEK 9,578m (8,389) to its highest ever level.
- Expenses decreased by 1% to SEK -5,121m (-5,148).
- The C/I ratio improved to 39.7% (46.6).
- The credit loss ratio was -0.01% (0.01).
- The common equity tier 1 ratio increased to 19.0% (18.7).

### JANUARY – SEPTEMBER 2022

- COMPARED WITH JANUARY – SEPTEMBER 2021

- Operating profit increased by 12% to SEK 19,109m (17,106). Adjusted for items affecting comparability\* and the impact of the Swedish risk tax introduced at the start of the year, operating profit increased by 11%.
- Return on equity increased to 12.2% (11.5).
- Income increased by 12%. Adjusted for items affecting comparability\*, income increased by 7%.
- The Net interest income increased by 15% due to higher business volumes and recovered interest rate margins.
- Expenses rose by 5%. Adjusted for items affecting comparability\*, expenses increased by 2%, which was entirely attributable to increased development investments focusing on efficiency improvements and business growth.
- The C/I ratio improved to 42.6% (45.1).
- The credit loss ratio was 0.00% (0.00).

| SEK m  | Q3 2022       | Q2 2022       | Change %   | Change after adjustment of items affecting comparability, | Jan-Sep 2022   | Jan-Sep 2021   | Change %   | Change after adjustment of items affecting comparability, |
|--|---------------|---------------|------------|---|----------------|----------------|------------|---|
| Net interest income  | 9,578         | 8,389         | 14%        | 14%   | 25,980         | 22,586         | 15%        | 13%   |
| Net fee and commission income  | 2,730         | 2,741         | 0%         | -1%   | 8,382          | 8,295          | 1%         | 0%  |
| Net gains/losses on financial transactions   | 471           | -147          |            |   | 564            | 1,304          | -57%       | -58%  |
| Other income, etc.   | 119           | 54            | 120%       | 119%  | 1,315          | 299            | 340%       | -15%  |
| <b>Total income</b>  | <b>12,897</b> | <b>11,040</b> | <b>17%</b> | <b>16%</b>  | <b>36,242</b>  | <b>32,484</b>  | <b>12%</b> | <b>7%</b>   |
| Staff costs, excl. Oktogonen   | -3,222        | -3,114        | 3%         | 3%  | -9,422         | -9,323         | 1%         | -1%   |
| Oktogonen  | -61           | -50           | 22%        |   | -198           | 16             |            |   |
| Other expenses   | -1,425        | -1,602        | -11%       | -11%  | -4,590         | -3,983         | 15%        | 12%   |
| Depreciation, amortisation and impairment of property, equipment and intangible assets | -413          | -382          | 8%         | 8%  | -1,226         | -1,366         | -10%       | -11%  |
| <b>Total expenses</b>  | <b>-5,121</b> | <b>-5,148</b> | <b>-1%</b> | <b>-1%</b>  | <b>-15,436</b> | <b>-14,656</b> | <b>5%</b>  | <b>2%</b>   |
| of which development costs   | -791          | -841          | -6%        |   | -2,479         | -2,010         | 23%        |   |
| <b>Total expenses, excl. items affecting comparability* and development costs</b>      | <b>-4,251</b> | <b>-4,257</b> | <b>0%</b>  | <b>0%</b>   | <b>-12,423</b> | <b>-12,662</b> | <b>-2%</b> | <b>-2%</b>  |
| Credit losses  | 69            | -56           |            |   | 7              | -34            |            |   |
| Gains/losses on disposal of property, equipment and intangible assets                  | 6             | 4             | 50%        |   | 24             | 10             | 140%       |   |
| Risk tax and resolution fee  | -576          | -594          | -3%        |   | -1,729         | -698           | 148%       |   |
| <b>Operating profit</b>  | <b>7,277</b>  | <b>5,246</b>  | <b>39%</b> | <b>38%</b>  | <b>19,109</b>  | <b>17,106</b>  | <b>12%</b> | <b>6%</b>   |
| <b>Key performance indicators</b>  |               |               |            |   |                |                |            |   |
| Earnings per share, SEK  | 2.89          | 2.11          |            |   | 7.85           | 7.22           |            |   |
| Return on equity, total operations   | 13.2%         | 9.9%          |            |   | 12.2%          | 11.5%          |            |   |

\* Foreign exchange effects and other items affecting comparability, consisting of:

Q3 2022: Special item: SEK -61m Oktogonen (staff costs).

Q2 2022: Special item: SEK -50m Oktogonen (staff costs).

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

Q3 2021: Special item: SEK +263m Reversal of previous provision for Oktogonen (staff costs)

Q2 2021: Special item: SEK -34m Oktogonen (staff costs).

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

## Comments on Q3 2022 by the Group CEO



**Handelsbanken stands well-equipped to handle an increasingly uncertain environment. Profit for the first nine months, as well as for the third quarter, was the highest ever in the Bank's history. Business volumes are growing and net interest income is rising, we are strengthening our market position in the savings business, and costs are under good control. The quality in our lending portfolio is high and credit losses remain at a low level.**

We are a growing bank. Continued good volume growth, on both the private and corporate sides, together with recovering margins, has contributed to improved net interest income and to profits reaching a new all-time high. Net fee and commission income has stayed stable at high levels, in spite of falling stock markets. This is partly attributable to stronger growth in the net inflow to the Bank's mutual funds compared to the market as a whole. This is a pattern we have seen continuously over the past decade.

Step by step, we have moved the Bank forwards in recent years and are constantly improving our market position. Over several quarters, we have seen robust growth in lending volumes, particularly in Sweden where corporate lending is increasing and we are advancing our position. Moreover, we see good incoming flows in our savings business, and our UK operations are again contributing to the Bank's growth and profitability.

Costs are under control and investments in IT development have continued to climb across the Bank, entirely as planned. We are investing to ensure ongoing enhancements to efficiency, increase growth and profitability, and last but not least, to continue refining customer meetings. Given the Bank's movement, the outcome of this and the potential we see, the Bank will maintain a high pace in IT development.

Our credit portfolio is of high quality and credit losses remain at a low level.

Our capital situation is strong, giving us the capacity to support our customers while simultaneously growing our business.

Sustainability work is becoming more and more integrated into everything we do. As a means to expand opportunities to fund projects that lead to climate change adaptations, the Bank's Green Bond Framework was updated and broadened during the quarter. The Bank also issued its third green bond, which was oversubscribed by more than three times.

The Bank's overall credit rating with the leading rating agencies is the best in the world, an accolade shared with but a few other commercial banks, and the Bank was named "Safest European Bank" by Global Finance during the quarter. A high credit rating is of particular importance during times of macroeconomic uncertainty, and creates access to funding at competitive levels.

To conclude, it is also very satisfying that the Bank has once again been named "Business Bank of the Year" and "Sweden's Small Enterprise Bank" and that customer satisfaction remains at a higher level than the sector average on both the corporate and private sides, in all home markets.

Carina Åkerström  
President and Group Chief Executive Officer

# Contents

|   |    |
|---|----|
| Group – Overview .....  | 4  |
| Handelsbanken Group – Business segments in continuing operations .....          | 10 |
| Handelsbanken Sweden.....   | 11 |
| Handelsbanken UK.....   | 13 |
| Handelsbanken Norway .....  | 15 |
| Handelsbanken the Netherlands.....  | 17 |
| Handelsbanken Capital Markets .....   | 19 |
| Other units not reported in the business segments.....                          | 20 |
| Key metrics – Group.....  | 21 |
| Condensed set of financial statements – Group.....                              | 22 |
| Income Statement - Group.....   | 22 |
| Earnings per Share - Group.....   | 22 |
| Statement of Comprehensive Income – Group .....                                 | 23 |
| Quarterly Performance - Group .....   | 24 |
| Balance Sheet - Group.....  | 25 |
| Statement of Changes in Equity – Group.....                                     | 26 |
| Condensed Statement of Cash Flows – Group.....                                  | 27 |
| Notes.....  | 28 |
| Note 1 Accounting Policies.....   | 28 |
| Note 2 Net interest income.....   | 29 |
| Note 3 Net fee and commission income.....                                       | 30 |
| Note 4 Net gains/losses on financial transactions .....                         | 31 |
| Note 5 Other expenses .....   | 31 |
| Note 6 Credit losses.....   | 32 |
| Note 7 Loans .....  | 35 |
| Note 8 Credit risk exposure.....  | 40 |
| Note 9 Assets and liabilities held for sale, and discontinued operations .....  | 41 |
| Note 10 Derivatives .....   | 45 |
| Note 11 Offsetting of financial instruments.....                                | 46 |
| Note 12 Goodwill and other intangible assets.....                               | 47 |
| Note 13 Due to credit institutions, deposits and borrowing from the public..... | 47 |
| Note 14 Issued securities .....   | 47 |
| Note 15 Pledged assets, contingent liabilities and commitments .....            | 47 |
| Note 16 Classification of financial assets and liabilities.....                 | 48 |
| Note 17 Fair value measurement of financial instruments.....                    | 50 |
| Note 18 Assets and liabilities by currency.....                                 | 52 |
| Note 19 Own funds and capital requirements in the consolidated situation.....   | 53 |
| Note 20 Risk and liquidity .....  | 55 |
| Note 21 Related-party transactions .....  | 59 |
| Note 22 Segment reporting .....   | 59 |
| Note 23 Events after the balance sheet date .....                               | 59 |
| Condensed set of financial statements – Parent company .....                    | 60 |
| Information regarding the Press Conference and Telephone Conference .....       | 67 |
| Review report by the auditors.....  | 68 |
| Share price performance and other information .....                             | 69 |

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](https://handelsbanken.com/ir).

## Group – Overview

| SEK m  | Q3<br>2022    | Q2<br>2022    | Change     | Q3<br>2021    | Change     | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Change     | Full year<br>2021 |
|--|---------------|---------------|------------|---------------|------------|-----------------|-----------------|------------|-------------------|
| <b>Summary income statement</b>  |               |               |            |               |            |                 |                 |            |                   |
| Net interest income  | 9,578         | 8,389         | 14%        | 7,586         | 26%        | 25,980          | 22,586          | 15%        | 30,321            |
| Net fee and commission income  | 2,730         | 2,741         | 0%         | 2,867         | -5%        | 8,382           | 8,295           | 1%         | 11,458            |
| Net gains/losses on financial transactions   | 471           | -147          |            | 534           | -12%       | 564             | 1,304           | -57%       | 1,699             |
| Risk result - insurance  | 81            | 41            | 98%        | 49            | 65%        | 163             | 150             | 9%         | 179               |
| Other dividend income  | -14           | 15            |            | 0             |            | 2               | 1               | 100%       | 2                 |
| Share of profit of associates  | 27            | -40           |            | 18            | 50%        | -11             | 46              |            | 63                |
| Other income   | 25            | 38            | -34%       | 33            | -24%       | 1,161           | 102             |            | 555               |
| <b>Total income</b>  | <b>12,897</b> | <b>11,040</b> | <b>17%</b> | <b>11,087</b> | <b>16%</b> | <b>36,242</b>   | <b>32,484</b>   | <b>12%</b> | <b>44,277</b>     |
| Staff costs  | -3,283        | -3,164        | 4%         | -2,840        | 16%        | -9,620          | -9,307          | 3%         | -12,452           |
| Other expenses   | -1,425        | -1,602        | -11%       | -1,330        | 7%         | -4,590          | -3,983          | 15%        | -5,577            |
| Depreciation, amortisation and impairment of property, equipment and intangible assets | -413          | -382          | 8%         | -430          | -4%        | -1,226          | -1,366          | -10%       | -1,814            |
| <b>Total expenses</b>  | <b>-5,121</b> | <b>-5,148</b> | <b>-1%</b> | <b>-4,600</b> | <b>11%</b> | <b>-15,436</b>  | <b>-14,656</b>  | <b>5%</b>  | <b>-19,843</b>    |
| <b>Profit before credit losses, risk tax and resolution fee</b>                        | <b>7,776</b>  | <b>5,892</b>  | <b>32%</b> | <b>6,487</b>  | <b>20%</b> | <b>20,806</b>   | <b>17,828</b>   | <b>17%</b> | <b>24,434</b>     |
| Net credit losses  | 69            | -56           |            | -131          |            | 7               | -34             |            | -43               |
| Gains/losses on disposal of property, equipment and intangible assets                  | 6             | 4             | 50%        | 4             | 50%        | 24              | 10              | 140%       | 14                |
| Risk tax and resolution fee  | -576          | -594          | -3%        | -233          | 147%       | -1,729          | -698            | 148%       | -930              |
| <b>Operating profit</b>  | <b>7,277</b>  | <b>5,246</b>  | <b>39%</b> | <b>6,127</b>  | <b>19%</b> | <b>19,109</b>   | <b>17,106</b>   | <b>12%</b> | <b>23,475</b>     |
| Taxes  | -1,718        | -1,144        | 50%        | -1,252        | 37%        | -4,104          | -3,569          | 15%        | -4,627            |
| <b>Profit for the period from continuing operations</b>                                | <b>5,558</b>  | <b>4,102</b>  | <b>35%</b> | <b>4,875</b>  | <b>14%</b> | <b>15,004</b>   | <b>13,537</b>   | <b>11%</b> | <b>18,848</b>     |
| Profit for the period from discontinued operations after tax                           | 165           | 73            | 126%       | 318           | -48%       | 545             | 770             | -29%       | 695               |
| <b>Profit for the period</b>   | <b>5,723</b>  | <b>4,176</b>  | <b>37%</b> | <b>5,193</b>  | <b>10%</b> | <b>15,549</b>   | <b>14,307</b>   | <b>9%</b>  | <b>19,543</b>     |
| <b>Summary balance sheet *</b>   |               |               |            |               |            |                 |                 |            |                   |
| Loans to the public  | 2,275,414     | 2,249,615     | 1%         | 2,361,498     | -4%        | 2,275,414       | 2,361,498       | -4%        | 2,163,135         |
| <i>of which mortgage loans</i>   | 1,478,487     | 1,459,202     | 1%         | 1,506,039     | -2%        | 1,478,487       | 1,506,039       | -2%        | 1,417,639         |
| <i>of which other loans</i>  | 796,927       | 790,413       | 1%         | 855,459       | -7%        | 796,927         | 855,459         | -7%        | 745,496           |
| Deposits and borrowing from the public   | 1,465,457     | 1,448,836     | 1%         | 1,449,474     | 1%         | 1,465,457       | 1,449,474       | 1%         | 1,286,637         |
| <i>of which households</i>   | 612,604       | 615,114       | 0%         | 605,588       | 1%         | 612,604         | 605,588         | 1%         | 571,402           |
| Total equity   | 192,002       | 185,679       | 3%         | 182,283       | 5%         | 192,002         | 182,283         | 5%         | 181,731           |
| Total assets   | 3,728,638     | 3,689,057     | 1%         | 3,466,635     | 8%         | 3,728,638       | 3,466,635       | 8%         | 3,346,764         |
| <b>Summary of key figures</b>  |               |               |            |               |            |                 |                 |            |                   |
| Return on equity, total operations   | 13.2%         | 9.9%          |            | 12.4%         |            | 12.2%           | 11.5%           |            | 11.8%             |
| C/I ratio, Continuing operations   | 39.7%         | 46.6%         |            | 41.5%         |            | 42.6%           | 45.1%           |            | 44.8%             |
| Earnings per share, SEK  | 2.89          | 2.11          |            | 2.62          |            | 7.85            | 7.22            |            | 9.86              |
| - after dilution   | 2.89          | 2.11          |            | 2.62          |            | 7.85            | 7.22            |            | 9.86              |
| Common equity tier 1 ratio, CRR  | 19.0%         | 18.7%         |            | 19.4%         |            | 19.0%           | 19.4%           |            | 19.4%             |
| Total capital ratio, CRR   | 23.2%         | 23.4%         |            | 23.4%         |            | 23.2%           | 23.4%           |            | 23.3%             |

\* As of 31 December 2021, 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 8%, and deposits and borrowing from the public by 10%, compared with 30 September 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.

### Q3 2022 COMPARED WITH Q2 2022

Operating profit increased by 39% to SEK 7,277m (5,246). Adjusted for foreign exchange effects of SEK 18m and Oktogonen, operating profit increased by 38%. The improvement was mainly due to higher net interest income, but improved net gains/losses on financial transactions was also a factor.

Income increased by 17%, or SEK 1,857m, to SEK 12,897m (11,040), primarily due to a 14% improvement to net interest income, corresponding to SEK 1,189m. Adjusted for foreign exchange effects of SEK 37m, income increased by 16%.

Expenses decreased by 1% to SEK -5,121m (-5,148). Adjusted for Oktogonen and foreign exchange effects, which increased expenses by SEK 18m, expenses decreased by 1%.

The C/I ratio improved to 39.7% (46.6).

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

Return on equity was 13.2% (9.9).

Earnings per share amounted to SEK 2.89 (2.11).

#### Non-recurring items and special items in operating profit

| SEK m                             | Q3<br>2022 | Q2<br>2022 |
|-----------------------------------|------------|------------|
| <b>Special items</b>              |            |            |
| Oktogonen: provision current year | -61        | -50        |
| <b>Total special items</b>        | <b>-61</b> | <b>-50</b> |
| <b>Total</b>                      | <b>-61</b> | <b>-50</b> |

#### Income

| SEK m                                | Q3<br>2022    | Q2<br>2022    | Change     |
|--------------------------------------|---------------|---------------|------------|
| Net interest income                  | 9,578         | 8,389         | 14%        |
| Net fee and commission income        | 2,730         | 2,741         | 0%         |
| Net gains/losses on financial trans. | 471           | -147          |            |
| Other                                | 119           | 54            | 120%       |
| <b>Total income</b>                  | <b>12,897</b> | <b>11,040</b> | <b>17%</b> |

Net interest income grew by 14%, or SEK 1,189m, to SEK 9,578m (8,389), as a result of increased business volumes in the home markets and recovered interest rate margins. All in all, the net effect of margins and funding costs had a SEK 1,185m positive impact. Higher business volumes contributed SEK 92m. The liquidity portfolio contributed negatively by SEK -48m. The day effect made a positive contribution of SEK 21m. Foreign exchange effects had a positive impact of SEK 31m. Other net effects had an impact of SEK -92m on net interest income.

Net fee and commission income was essentially unchanged at SEK 2,730m (2,741). Mutual fund commissions fell by 1% to SEK 1,348m (1,355). All in all, fund management, custody and other asset management commissions decreased by 2% to SEK 1,552m (1,579). Net payment commissions increased by 7% to SEK 463m (432), with net card commissions totalling SEK 285m (252). Brokerage income decreased by 11% to SEK 97m (109), while advisory commissions increased slightly to SEK 34m (33). Lending and deposit commissions fell by -1% to SEK 281m (285). Income from insurance was SEK 196m (199).

Net gains/losses on financial transactions totalled SEK 471m (-147). As the yield within traditionally managed insurance at Handelsbanken Liv fell below contractually guaranteed rates, the period was negatively impacted by a provision for a deferred capital contribution, amounting to

SEK -70m (-172). The customer-driven business in Handelsbanken Capital Markets generated net gains/losses on financial transactions that were SEK 103m higher, at SEK 317m (214). The Bank's liquidity portfolio had a positive effect quarter-on-quarter of SEK 142m, and the hedging of the Bank's funding and lending contributed SEK 282m.

Other income items totalled SEK 119m (54), with risk result – insurance improving to SEK 81m (41).

#### Expenses

| SEK m  | Q3<br>2022    | Q2<br>2022    | Change        |
|--|---------------|---------------|---------------|
| Staff costs  | -3,283        | -3,164        | -119 4%       |
| of which Oktogonen   | -61           | -50           | -11 22%       |
| of which Development expenses  | -258          | -322          | 64 -20%       |
| of which Currency effects  | -12           | -12           |               |
| of which Other   | -2,952        | -2,792        | -160 6%       |
| Other expenses   | -1,425        | -1,602        | 177 -11%      |
| of which Development expenses  | -370          | -371          | 1 0%          |
| of which Currency effects  | -6            | -6            |               |
| of which Other   | -1,049        | -1,231        | 182 -15%      |
| Depreciation and amortisation  | -413          | -382          | -31 8%        |
| of which Development expenses  | -163          | -148          | -15 10%       |
| of which Currency effects  | -1            | -1            |               |
| of which Other   | -249          | -234          | -15 7%        |
| <b>Total expenses</b>  | <b>-5,121</b> | <b>-5,148</b> | <b>27 -1%</b> |
| of which Oktogonen   | -61           | -50           | -11 22%       |
| of which Currency effects  | -18           | -18           |               |
| of which Development expenses  | -791          | -841          | 50 -6%        |
| of which Other   | -4,251        | -4,257        | 6 0%          |
| <b>Change after adjustment of foreign<br/>exchange effects and Oktogonen</b> |               |               | <b>-1%</b>    |

#### Development expenses

| SEK m  | Q3<br>2022  | Q2<br>2022  | Change     |
|--|-------------|-------------|------------|
| Development spend                                    | -762        | -853        | -11%       |
| of which staff costs                                 | -324        | -393        | -18%       |
| of which other costs                                 | -438        | -460        | -5%        |
| Capitalised costs                                    | 134         | 160         | -16%       |
| of which staff costs                                 | 66          | 71          | -7%        |
| of which other costs                                 | 68          | 89          | -24%       |
| <b>Development spend after<br/>capitalised costs</b> | <b>-628</b> | <b>-693</b> | <b>-9%</b> |
| Amortisation and impairment                          | -163        | -148        | 10%        |
| <b>Development expenses</b>                          | <b>-791</b> | <b>-841</b> | <b>-6%</b> |

Staff costs were SEK -3,283m (-3,164). Adjusted for Oktogonen and foreign exchange effects, which increased staff costs by SEK 12m, staff costs increased by 3%. The average number of employees in continuing operations was 11,105 (10,791).

Other expenses, including depreciation, amortisation and impairment, decreased by 7% to SEK -1,838m (-1,984). Depreciation, amortisation and impairment increased to SEK -413m (-382), but this was counteracted by seasonally lower other expenses amounting to SEK -1,425m (-1,602). Adjusted for foreign exchange effects, other expenses including depreciation, amortisation and impairment, decreased by 8%.

Development expenses totalled SEK -791m (-841). The Bank's total development spend amounted to SEK -762m (-853). Capitalised costs amounted to SEK 134m (160), corresponding to a capitalisation rate of 18% (19).

## Credit losses

| SEK m   | Q3    | Q2   | Change |
|---|-------|------|--------|
|   | 2022  | 2022 |        |
| Net credit losses                             | 69    | -56  | 125    |
| of which additional provision requirements    | 16    | -81  | 97     |
| Credit loss ratio as % of loans to the public | -0.01 | 0.01 |        |

Credit losses amounted to net recoveries of SEK 69m (-56), and the credit loss ratio was -0.01% (0.01). The expert-based provision was SEK 577m (593).

## Risk tax and resolution fee

The risk tax and resolution fee totalled SEK -576m (-594). The risk tax amounted to SEK -329m (-329), and the resolution fee amounted to SEK -247m (-265).

## Taxes

The effective tax rate in total operations was 23.0% (22.5). The effective tax rate in continuing operations was 23.6% (21.8).

The higher tax rate compared with the 20.6% corporate tax rate in Sweden is due to the fact that interest expenses on subordinated loans are not tax-deductible, which had an impact of 1.1 percentage points on the tax rate. A higher tax rate in the business outside Sweden had an equivalent impact of 1.0 percentage points 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. An agreement regarding the sale of the Danish operations was signed in June, with the transfer expected to be completed during Q4.

Profit from discontinued operations, after tax, amounted to SEK 165m (73).

Income increased to SEK 1,185m (1,024).

Expenses rose to SEK -966m (-896). Staff costs of SEK -226m were recognised in Denmark during the third quarter. This expenditure was made to ensure that personnel resources would be in place for the duration of the divestment process.

Credit losses totalled SEK -20m (58).

## JANUARY – SEPTEMBER 2022 COMPARED WITH JANUARY – SEPTEMBER 2021

Operating profit increased by 12% to SEK 19,109m (17,106). Adjusted for foreign exchange effects of SEK 215m and other items affecting comparability, operating profit increased by 6%. The Swedish risk tax introduced at the beginning of the year amounted to SEK -987m (-). Adjusted for the item stated above, operating profit increased by 11%. The improvement was mainly due to higher net interest income, but improved net gains/losses on financial transactions were also a factor.

Income grew by 12% to SEK 36,242m (32,484). Adjusted for foreign exchange effects of SEK 548m and other items affecting comparability, income increased by 7%. The increase was due to higher net interest income as a result of increased volumes and recovered margins.

Expenses rose by 5% to SEK -15,436m (-14,656). Adjusted for foreign exchange effects, which increased expenses by SEK 336m, and Oktogonen, expenses went up by 2%. The entire increase was attributable to higher development expenses, which rose by SEK 469m. Excluding development expenses the expenses decreased by 2%.

The C/I ratio improved to 42.6% (45.1). Adjusted for non-recurring items, the C/I ratio improved to 43.9% (45.1).

The credit loss ratio was 0.00% (0.00).

Profit for the period from continuing operations climbed by 11% to SEK 15,004m (13,537).

Return on equity increased to 12.2% (11.5).

Earnings per share grew by 9% to SEK 7.85 (7.22).

The common equity tier 1 ratio was 19.0% (19.4).

## Non-recurring items and special items in operating profit

| SEK m                                    | Jan-Sep      | Jan-Sep   |
|--|--------------|-----------|
|  | 2022         | 2021      |
| <b>Non-recurring items</b>               |              |           |
| Capital gains from sales of properties   | 1,059        | -         |
| <b>Total non-recurring items</b>         | <b>1,059</b> | <b>-</b>  |
| <b>Special items</b>                     |              |           |
| Oktogonen: adjustment of allocation 2021 | -53          | 21        |
| Oktogonen: provision current year        | -145         | -5        |
| <b>Total special items</b>               | <b>-198</b>  | <b>16</b> |

## Income

| SEK m                                | Jan-Sep       | Jan-Sep       | Change     |
|--------------------------------------|---------------|---------------|------------|
|                                      | 2022          | 2021          |            |
| Net interest income                  | 25,980        | 22,586        | 15%        |
| Net fee and commission income        | 8,382         | 8,295         | 1%         |
| Net gains/losses on financial trans. | 564           | 1,304         | -57%       |
| Other                                | 1,315         | 299           | 340%       |
| <b>Total income</b>                  | <b>36,242</b> | <b>32,484</b> | <b>12%</b> |

Net interest income grew by 15%, or SEK 3,394m, to SEK 25,980m (22,586), as a result of increased business volumes in the home markets and recovered interest rate margins. All in all, the net effect of margins and funding costs had a SEK 1,489m positive impact. Higher business volumes contributed SEK 1,394m. The liquidity portfolio contributed positively, in the amount of SEK 106m. Foreign exchange effects had a positive impact of SEK 458m. Other net effects had an impact of SEK -53m on net interest income.

Net fee and commission income increased by 1% to SEK 8,382m (8,295). Mutual fund commission income declined by SEK -78m, or -2%, to SEK 4,147m (4,225), due to a downturn in the market capitalisation. All in all, fund management, custody and other asset management

commissions totalled SEK 4,826m (4,885), a decrease of 1%. Brokerage income declined by 16% to SEK 349m (416). Net payment commissions grew by 23% to SEK 1,273m (1,039). Lending and deposit commissions fell by 2% to SEK 843m (861). Income from insurance grew by 2% to SEK 604m (593). Advisory commissions increased by 16% to SEK 172m (148).

*Net gains/losses on financial transactions* totalled SEK 564m (1,304). Profit was impacted by a provision for a deferred capital contribution of SEK -437m (-46) in Handelsbanken Liv's operations. The customer-driven business in Handelsbanken Capital Markets generated net gains/losses on financial transactions that were SEK -48m lower, at SEK 842m (890). A volatile market, with increased interest rates and credit spreads, burdened both the Bank's liquidity portfolio, in the amount of SEK -236m, and the hedging of the Bank's funding and lending, in the amount of SEK -486m.

*Risk result insurance* totalled SEK 163m (150).

*Other income items* increased to SEK 1,152m (149), as a result of capital gains from the sale of real estate owning subsidiaries.

## Expenses

| SEK m                         | Jan-Sep 2022   | Jan-Sep 2021   | Change      |           |
|-------------------------------|----------------|----------------|-------------|-----------|
| Staff costs                   | -9,620         | -9,307         | -313        | 3%        |
| of which Oktogonen            | -198           | 16             | -214        |           |
| of which Development expenses | -932           | -821           | -111        | 14%       |
| of which Currency effects     | -206           |                | -206        |           |
| of which Other                | -8,284         | -8,502         | 218         | -3%       |
| Other expenses                | -4,590         | -3,983         | -607        | 15%       |
| of which Development expenses | -1,089         | -677           | -412        | 61%       |
| of which Currency effects     | -121           |                | -121        |           |
| of which Other                | -3,380         | -3,306         | -74         | 2%        |
| Depreciation and amortisation | -1,226         | -1,366         | 140         | -10%      |
| of which Development expenses | -458           | -512           | 54          | -11%      |
| of which Currency effects     | -8             |                | -8          |           |
| of which Other                | -760           | -854           | 94          | -11%      |
| <b>Total expenses</b>         | <b>-15,436</b> | <b>-14,656</b> | <b>-780</b> | <b>5%</b> |
| of which Oktogonen            | -198           | 16             | -214        |           |
| of which Currency effects     | -336           |                | -336        |           |
| of which Development expenses | -2,479         | -2,010         | -469        | 23%       |
| of which Other                | -12,423        | -12,662        | 239         | -2%       |

**Change after adjustment of foreign exchange effects and Oktogonen** **2%**

## Development expenses

| SEK m  | Jan-Sep 2022  | Jan-Sep 2021  | Change     |
|--|---------------|---------------|------------|
| Development spend                                | -2,458        | -1,861        | 32%        |
| of which staff costs                             | -1,133        | -1,013        | 12%        |
| of which other costs                             | -1,325        | -848          | 56%        |
| Capitalised costs                                | 437           | 363           | 20%        |
| of which staff costs                             | 201           | 192           | 5%         |
| of which other costs                             | 236           | 171           | 38%        |
| <b>Development spend after capitalised costs</b> | <b>-2,021</b> | <b>-1,498</b> | <b>35%</b> |
| Amortisation and impairment                      | -458          | -512          | -11%       |
| <b>Development expenses</b>                      | <b>-2,479</b> | <b>-2,010</b> | <b>23%</b> |

*Staff costs* climbed by 3% to SEK -9,620m (-9,307). Adjusted for Oktogonen and foreign exchange effects, which increased staff costs by SEK 206m, staff costs decreased by 1%. The average number of employees in continuing operations fell by 236 to 10,880 (11,116).

*Other expenses*, including depreciation, amortisation and impairment, amounted to SEK -5,816m (-5,349), an increase of SEK 467m, or 9%. Of this increase, SEK 358m was attributable to increased IT development. Depreciation and amortisation of property, equipment and intangible assets went down by 10% to SEK -1,226m (-1,366). Adjusted for foreign exchange effects, other expenses including depreciation, amortisation and impairment, increased by 6%.

Development expenses rose by 23% to SEK -2,479m (-2,010). Total development spend increased by 32% to SEK -2,458m (-1,861). The capitalisation rate was 18% (20%) and capitalisations amounted to SEK 437m (363). 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.

## Credit losses

| SEK m   | Jan-Sep 2022 | Jan-Sep 2021 | Change |
|---|--------------|--------------|--------|
| Net credit losses                             | 7            | -34          | 41     |
| of which additional provision requirements    | -78          | -7           | -71    |
| Credit loss ratio as % of loans to the public | 0.00         | 0.00         |        |

*Credit losses* were SEK 7m (-34), and the credit loss ratio was 0.00% (0.00) of loans to the public. The expert-based provision was SEK 577m (503).

## Risk tax and resolution fee

The *risk tax and resolution fee* totalled SEK -1,729m (-698). The risk tax amounted to SEK -987m (-), and the resolution fee amounted to SEK -742m (-698).

## Taxes

The effective tax rate in total operations was 21.6% (21.2). The effective tax rate in continuing operations was 21.5% (20.9).

The fact that interest expenses on subordinated loans are not tax-deductible had an impact of 1.1 percentage points on the tax rate, compared with the corporate tax rate, which has been 20.6% in Sweden since 2021.

## Discontinued operations

*Profit from discontinued operations, after tax*, amounted to SEK 545m (770).

*Income* climbed by 6% to SEK 3,206m (3,035).

*Expenses* increased by 28% to SEK -2,426m (-1,898).

*Credit losses* consisted of net recoveries of SEK 54m (23).

Page 30 of the Fact Book shows the results for the operations in Denmark and Finland in accordance with the previous business segment reporting.



## BUSINESS DEVELOPMENT

### Q3 2022 compared with Q2 2022

*Loans to the public* in the home markets (Sweden, Norway, the UK and the Netherlands) grew by 1.5%, and the average volume was SEK 2,237bn (2,204), an increase of SEK 33bn.

*Deposits and borrowing from the public* in the home markets grew by 1.2% to SEK 1,286bn during the quarter (1,271), an increase of SEK 16bn.

As a result of the ongoing stock market uncertainty during the quarter, total *assets under management* in the Group decreased by -2% to SEK 882bn (900), of which SEK 827bn (844) was invested in the Bank's mutual funds. The net flow to the Bank's mutual funds during the quarter was SEK 1.8bn (2.6).

### January – September 2022 compared with January – September 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 2,203bn (2,050), an increase of SEK 153bn.

*Deposits and borrowing from the public* in the home markets grew by 13%, and the average volume was SEK 1,268bn (1,126), an increase of SEK 142bn.

The total *volume of assets under management* in the Group at the end of the period amounted to SEK 882bn (996). Of the assets under management, SEK 827bn (909) was invested in the Bank's funds. New savings in the Group's funds during the period amounted net to SEK 0.5bn (50.4). The Bank's share of the total fund volume in the Swedish mutual fund market rose to 12.2% (12.0).

## FUNDING AND LIQUIDITY

During the year, 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 nine-month period amounted to SEK 162bn (139), of which SEK 103bn (106) was covered bonds and SEK 48bn (33) was senior bonds, with approximately SEK 13bn (11) constituting eligible liabilities. Moreover, two non-perpetual subordinated loans of SEK 11bn (-) were issued during the period.

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 275% at the end of the quarter (268% at year-end 2021). At the end of the third quarter, cash funds and liquid assets deposited with central banks amounted to SEK 639bn (compared with SEK 439bn at year-end 2021). The volume of liquid bonds and other liquid assets totalled SEK 206bn (157 at year-end 2021). Thus, the Bank has further reinforced its resistance to future market disruptions during the period.

At the end of the period, the Group's liquidity coverage ratio, (LCR), calculated according to the European Commission's delegated regulation, was 162% (180% at the end of the preceding quarter). At the end of the period, the net stable funding ratio (NSFR) according to CRR2 was 116% (116%).

## CAPITAL

At the end of the period, the common equity tier 1 ratio was 19.0%. In the Bank's assessment, the overall common equity tier 1 capital requirement at the end of the quarter according to the Swedish Financial Supervisory Authority was 14.1%,

corresponding to SEK 117bn. An amount of 2.3 percentage points (1.0 percentage points Pillar 2 guidance and 1.3 percentage points Pillar 2 requirement), corresponding to SEK 19bn, comprises the common equity tier 1 capital requirement in Pillar 2.

At the end of the period, the total capital ratio was 23.2%. The Bank's estimation is that the Swedish Financial Supervisory Authority's total capital requirement amounted to 18.3% (SEK 152bn) on the same date. An amount of 3.1 percentage points, corresponding to SEK 25bn, comprises the total capital requirement in Pillar 2.

As reported during previous quarters, the Swedish Financial Supervisory Authority has resolved that, starting in 2022, the Bank's structural foreign exchange positions are no longer exempted from capital requirements. At the end of the quarter, the Bank's risk-weighted exposure amount for these positions amounted to SEK 31bn.

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. The Bank's capitalisation was thus above the target range.

### Capital for consolidated situation 30 September 2022 compared with 30 June 2022

| SEK m                           | 30 Sep<br>2022 | 30 Jun<br>2022 | Change |
|---------------------------------|----------------|----------------|--------|
| Common equity tier 1 ratio, CRR | 19.0%          | 18.7%          | 0.3    |
| Total capital ratio, CRR        | 23.2%          | 23.4%          | -0.2   |
| Risk exposure amount, CRR       | 829,860        | 830,705        | 0%     |
| Common equity tier 1 capital    | 157,550        | 155,434        | 1%     |
| Total own funds                 | 192,695        | 194,039        | -1%    |
| Equity, Group                   | 192,002        | 185,679        | 3%     |

Total own funds amounted to SEK 193bn (194) and the total capital ratio was 23.2% (23.4). The common equity tier 1 capital was SEK 158bn (155), while the common equity tier 1 ratio was 19.0% (18.7).

Earnings added 0.3 percentage points to the common equity tier 1 ratio, after a deduction for the anticipated dividend.

### Capital for consolidated situation 30 September 2022 compared with 30 September 2021

| SEK m                           | 30 Sep<br>2022 | 30 Sep<br>2021 | Change |
|---------------------------------|----------------|----------------|--------|
| Common equity tier 1 ratio, CRR | 19.0%          | 19.4%          | -0.4   |
| Total capital ratio, CRR        | 23.2%          | 23.4%          | -0.2   |
| Risk exposure amount, CRR       | 829,860        | 759,375        | 9%     |
| Common equity tier 1 capital    | 157,550        | 147,628        | 7%     |
| Total own funds                 | 192,695        | 177,819        | 8%     |
| Equity, Group                   | 192,002        | 182,283        | 5%     |

Total own funds were SEK 193bn (178), and the Bank's total capital ratio amounted to 23.2% (23.4). The common equity tier 1 capital was SEK 158bn (148), while the common equity tier 1 ratio was 19.0% (19.4).

Earnings raised the common equity tier 1 capital ratio by 0.9 percentage points, after a deduction for distributed and anticipated dividends. A dividend pay-out ratio of 56% was anticipated in the period, in line with regulatory practice. 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 was neutral, while rating migrations had a negative effect in the amount of 0.1

percentage points. Foreign exchange effects were neutral. The additional risk-weighted exposure amount for structural foreign exchange risk, of SEK 31bn, had a negative effect of 0.7 percentage points on the common equity tier 1 ratio. Other effects gave a positive impact of 0.1 percentage points.

### 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 58.5bn (56.7), while AFR was SEK 240.2bn (205.1). Thus, the ratio between AFR and EC was 411% (362). For the consolidated situation, EC totalled SEK 34.5bn (28.9), and AFR was SEK 230.3bn (199.1).

### RATING

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

During the period, 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.

### SUSTAINABILITY

During the third quarter, Handelsbanken updated and expanded its Green Bond Framework. The new financing framework is partly adapted to the EU Taxonomy and broadens the Bank's opportunities to fund projects that lead to climate change adaptations and improved energy efficiency. With the new Green Framework, Handelsbanken will thus be able to take further steps towards its goal that, by 2025, 20% of the Bank's financing for customers must consist of green financing, social financing or financing that contributes to a sustainable, measurable transition by the borrower.

Handelsbanken issued its third green bond in late August: a seven-year green senior bond of EUR 750m – the Bank's largest green bond up to this point. Thanks to the Bank's high credit quality, the issue was oversubscribed by three times.

As a further means to promote energy-efficient living, in addition to the Bank's loan offerings for solar panels and other energy efficiency measures, Handelsbanken's customers in Sweden with a mortgage for an energy-efficient single-family home or second home (energy class A or B according to the Swedish National Board of Housing, Building and Planning) had these converted to a green mortgage in late September, incurring 0.10 percentage points less interest.

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 in remaining operations increased by 120% to SEK 53.8bn (24.5); as part of this total, green mortgages grew by 208% to SEK 24.0bn (7.8). In addition, sustainability-linked loan facilities amounted to SEK 43.2bn (16.1).

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, 17% 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 77% in the second highest (article 8), i.e. funds that promote environmental or social aspects.

# Handelsbanken Group - Business segments in continuing operations

| January - September 2022  | Home markets  |               |               |                         |                    |             |                 | Total<br>Jan-sep<br>2022 |
|---|---------------|---------------|---------------|-------------------------|--------------------|-------------|-----------------|--------------------------|
|   | Sweden        | UK            | Norway        | The<br>Nether-<br>lands | Capital<br>Markets | Other       | Adj. &<br>elim. |                          |
| SEK m   |               |               |               |                         |                    |             |                 |                          |
| Net interest income   | 16,218        | 5,222         | 3,173         | 944                     | 196                | 227         |                 | 25,980                   |
| Net fee and commission income   | 6,370         | 611           | 528           | 107                     | 580                | 185         |                 | 8,382                    |
| Net gains/losses on financial transactions  | -31           | 178           | 59            | 18                      | 842                | -502        |                 | 564                      |
| Risk result - insurance   | 141           |               | 22            |                         |                    |             |                 | 163                      |
| Share of profit of associates   |               |               |               |                         |                    |             | -11             | -11                      |
| Other income  | 60            | 0             | 9             | 1                       | 8                  | 1,086       |                 | 1,163                    |
| <b>Total income</b>   | <b>22,759</b> | <b>6,012</b>  | <b>3,791</b>  | <b>1,070</b>            | <b>1,626</b>       | <b>985</b>  |                 | <b>36,242</b>            |
| Staff costs   | -3,021        | -2,018        | -762          | -325                    | -868               | -2,638      | 13              | -9,620                   |
| Other expenses  | -1,041        | -559          | -195          | -67                     | -229               | -2,499      |                 | -4,590                   |
| Internal purchased and sold services  | -3,433        | -796          | -469          | -170                    | -266               | 5,134       |                 |                          |
| Depreciation, amortisation and impairments of property, equipment and intangible assets | -315          | -239          | -68           | -37                     | -111               | -433        | -23             | -1,226                   |
| <b>Total expenses</b>   | <b>-7,810</b> | <b>-3,613</b> | <b>-1,494</b> | <b>-599</b>             | <b>-1,474</b>      | <b>-436</b> | <b>-10</b>      | <b>-15,436</b>           |
| <b>Profit before credit losses, risk tax and resolution fee</b>                         | <b>14,949</b> | <b>2,399</b>  | <b>2,297</b>  | <b>471</b>              | <b>152</b>         | <b>548</b>  | <b>-10</b>      | <b>20,806</b>            |
| Net credit losses   | 137           | -4            | -139          | -3                      | -12                | 28          |                 | 7                        |
| Gains/losses on disposal of property, equipment and intangible assets                   | 6             | 10            | 4             | -                       | -                  | 4           |                 | 24                       |
| Risk tax and resolution fee   | -1,242        | -             | -269          | -62                     | -25                | -131        |                 | -1,729                   |
| <b>Operating profit</b>   | <b>13,850</b> | <b>2,405</b>  | <b>1,894</b>  | <b>406</b>              | <b>114</b>         | <b>449</b>  | <b>-10</b>      | <b>19,109</b>            |
| Profit allocation   | 276           | 34            | 51            | 0                       | -389               | 29          |                 |                          |
| <b>Operating profit after profit allocation</b>   | <b>14,126</b> | <b>2,439</b>  | <b>1,946</b>  | <b>405</b>              | <b>-275</b>        | <b>478</b>  | <b>-10</b>      | <b>19,109</b>            |
| Internal income   | 728           | -280          | -2,234        | -374                    | 88                 | 2,072       |                 |                          |

  

| January - September 2021  | Home markets  |               |               |                         |                    |             |                 | Total<br>Jan-sep<br>2021 |
|---|---------------|---------------|---------------|-------------------------|--------------------|-------------|-----------------|--------------------------|
|   | Sweden        | UK            | Norway        | The<br>Nether-<br>lands | Capital<br>Markets | Other       | Adj. &<br>elim. |                          |
| SEK m   |               |               |               |                         |                    |             |                 |                          |
| Net interest income   | 14,089        | 4,073         | 2,866         | 790                     | 185                | 583         |                 | 22,586                   |
| Net fee and commission income   | 6,405         | 561           | 481           | 106                     | 538                | 204         |                 | 8,295                    |
| Net gains/losses on financial transactions  | 331           | 135           | 37            | 20                      | 890                | -109        |                 | 1,304                    |
| Risk result - insurance   | 143           |               | 7             |                         |                    |             |                 | 150                      |
| Share of profit of associates   |               |               |               |                         |                    |             | 46              | 46                       |
| Other income  | 47            | 0             | 4             | 0                       | 16                 | 36          |                 | 103                      |
| <b>Total income</b>   | <b>21,015</b> | <b>4,769</b>  | <b>3,395</b>  | <b>916</b>              | <b>1,629</b>       | <b>760</b>  |                 | <b>32,484</b>            |
| Staff costs   | -3,064        | -1,837        | -667          | -298                    | -927               | -2,389      | -125            | -9,307                   |
| Other expenses  | -882          | -763          | -126          | -53                     | -285               | -1,874      |                 | -3,983                   |
| Internal purchased and sold services  | -3,185        | -674          | -381          | -125                    | -219               | 4,584       |                 |                          |
| Depreciation, amortisation and impairments of property, equipment and intangible assets | -280          | -238          | -63           | -38                     | -176               | -532        | -39             | -1,366                   |
| <b>Total expenses</b>   | <b>-7,411</b> | <b>-3,512</b> | <b>-1,237</b> | <b>-514</b>             | <b>-1,607</b>      | <b>-211</b> | <b>-164</b>     | <b>-14,656</b>           |
| <b>Profit before credit losses, risk tax and resolution fee</b>                         | <b>13,604</b> | <b>1,257</b>  | <b>2,158</b>  | <b>402</b>              | <b>22</b>          | <b>549</b>  | <b>-164</b>     | <b>17,828</b>            |
| Net credit losses   | 27            | 80            | -132          | -1                      | 12                 | -20         |                 | -34                      |
| Gains/losses on disposal of property, equipment and intangible assets                   | 7             | 9             | 5             | -                       | -10                | -1          |                 | 10                       |
| Risk tax and resolution fee   | -522          | -             | -125          | -23                     | -17                | -11         |                 | -698                     |
| <b>Operating profit</b>   | <b>13,116</b> | <b>1,346</b>  | <b>1,906</b>  | <b>378</b>              | <b>7</b>           | <b>517</b>  | <b>-164</b>     | <b>17,106</b>            |
| Profit allocation   | 217           | 32            | 37            | 1                       | -316               | 29          |                 |                          |
| <b>Operating profit after profit allocation</b>   | <b>13,333</b> | <b>1,378</b>  | <b>1,943</b>  | <b>379</b>              | <b>-309</b>        | <b>546</b>  | <b>-164</b>     | <b>17,106</b>            |
| Internal income   | -428          | -721          | -1,044        | -300                    | -306               | 2,799       |                 |                          |

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 comparative figures 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

## INCOME STATEMENT

| SEK m   | Q3<br>2022    | Q2<br>2022    | Change     | Q3<br>2021    | Change     | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Change     | Full year<br>2021 |
|---|---------------|---------------|------------|---------------|------------|-----------------|-----------------|------------|-------------------|
| Net interest income   | 6,373         | 5,048         | 26%        | 4,703         | 36%        | 16,218          | 14,089          | 15%        | 18,880            |
| Net fee and commission income   | 2,097         | 2,086         | 1%         | 2,239         | -6%        | 6,370           | 6,405           | -1%        | 8,800             |
| Net gains/losses on financial transactions  | 86            | -40           |            | 113           | -24%       | -31             | 331             |            | 480               |
| Risk result - insurance   | 60            | 41            | 46%        | 49            | 22%        | 141             | 143             | -1%        | 168               |
| Other income  | 16            | 20            | -20%       | 15            | 7%         | 60              | 47              | 28%        | 471               |
| <b>Total income</b>   | <b>8,633</b>  | <b>7,154</b>  | <b>21%</b> | <b>7,119</b>  | <b>21%</b> | <b>22,759</b>   | <b>21,015</b>   | <b>8%</b>  | <b>28,799</b>     |
| Staff costs   | -1,010        | -1,004        | 1%         | -980          | 3%         | -3,021          | -3,064          | -1%        | -4,035            |
| Other expenses  | -354          | -368          | -4%        | -267          | 33%        | -1,041          | -882            | 18%        | -1,216            |
| Internal purchased and sold services  | -1,106        | -1,146        | -3%        | -1,027        | 8%         | -3,433          | -3,185          | 8%         | -4,289            |
| Depreciation, amortisation and impairments of property, equipment and intangible assets | -103          | -130          | -21%       | -68           | 51%        | -315            | -280            | 13%        | -358              |
| <b>Total expenses</b>   | <b>-2,573</b> | <b>-2,649</b> | <b>-3%</b> | <b>-2,342</b> | <b>10%</b> | <b>-7,810</b>   | <b>-7,411</b>   | <b>5%</b>  | <b>-9,898</b>     |
| <b>Profit before credit losses, risk tax and resolution fee</b>                         | <b>6,060</b>  | <b>4,506</b>  | <b>34%</b> | <b>4,777</b>  | <b>27%</b> | <b>14,949</b>   | <b>13,604</b>   | <b>10%</b> | <b>18,901</b>     |
| Net credit losses   | 21            | -10           |            | -57           |            | 137             | 27              | 407%       | 15                |
| Gains/losses on disposal of property, equipment and intangible assets                   | 2             | 3             | -33%       | 2             | 0%         | 6               | 7               | -14%       | 9                 |
| Risk tax and resolution fee   | -416          | -445          | -7%        | -175          | 138%       | -1,242          | -522            | 138%       | -696              |
| <b>Operating profit</b>   | <b>5,667</b>  | <b>4,053</b>  | <b>40%</b> | <b>4,547</b>  | <b>25%</b> | <b>13,850</b>   | <b>13,116</b>   | <b>6%</b>  | <b>18,229</b>     |
| Profit allocation   | 90            | 87            | 3%         | 69            | 30%        | 276             | 217             | 27%        | 296               |
| <b>Operating profit after profit allocation</b>   | <b>5,757</b>  | <b>4,140</b>  | <b>39%</b> | <b>4,616</b>  | <b>25%</b> | <b>14,126</b>   | <b>13,333</b>   | <b>6%</b>  | <b>18,525</b>     |
| Internal income   | 767           | 9             |            | -65           |            | 728             | -428            |            | -345              |
| Cost/income ratio, %  | 29.5          | 36.6          |            | 32.6          |            | 33.9            | 34.9            |            | 34.0              |
| Credit loss ratio, %  | 0.00          | 0.00          |            | 0.00          |            | -0.01           | 0.00            |            | 0.00              |
| Allocated capital   | 103,395       | 99,607        | 4%         | 99,183        | 4%         | 103,395         | 99,183          | 4%         | 104,414           |
| Return on allocated capital, %  | 17.7          | 13.3          |            | 14.8          |            | 14.7            | 14.5            |            | 14.8              |
| Average number of employees   | 4,004         | 3,836         | 4%         | 3,892         | 3%         | 3,877           | 3,955           | -2%        | 3,899             |

## BUSINESS VOLUMES

| Average volumes, SEK bn                | Q3<br>2022   | Q2<br>2022   | Change    | Q3<br>2021   | Change    | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Change     | Full year<br>2021 |
|--|--------------|--------------|-----------|--------------|-----------|-----------------|-----------------|------------|-------------------|
| Loans to the public*                   |              |              |           |              |           |                 |                 |            |                   |
| Household                              | 982          | 973          | 1%        | 944          | 4%        | 973             | 930             | 5%         | 937               |
| <i>of which mortgage loans</i>         | 942          | 933          | 1%        | 903          | 4%        | 933             | 890             | 5%         | 896               |
| Corporates                             | 612          | 595          | 3%        | 536          | 14%       | 592             | 532             | 11%        | 536               |
| <i>of which mortgage loans</i>         | 404          | 392          | 3%        | 374          | 8%        | 393             | 371             | 6%         | 373               |
| <b>Total</b>                           | <b>1,594</b> | <b>1,568</b> | <b>2%</b> | <b>1,480</b> | <b>8%</b> | <b>1,565</b>    | <b>1,462</b>    | <b>7%</b>  | <b>1,473</b>      |
| Deposits and borrowing from the public |              |              |           |              |           |                 |                 |            |                   |
| Household                              | 487          | 482          | 1%        | 447          | 9%        | 477             | 435             | 10%        | 439               |
| Corporates                             | 393          | 399          | -2%       | 361          | 9%        | 398             | 348             | 14%        | 357               |
| <b>Total</b>                           | <b>880</b>   | <b>881</b>   | <b>0%</b> | <b>808</b>   | <b>9%</b> | <b>875</b>      | <b>783</b>      | <b>12%</b> | <b>796</b>        |

\* Excluding loans to the National Debt Office.

### Q3 2022 COMPARED WITH Q2 2022

*Operating profit* increased by 40% to SEK 5,667m (4,053). Return on allocated capital increased to 17.7% (13.3). The C/I ratio improved further to 29.5% (36.6).

*Net interest income* grew by 26% to SEK 6,373m (5,048). Increasing business volumes made a positive contribution of SEK 61m. The net amount of changed margins and funding costs increased net interest income by SEK 1,168m. The day effect was SEK 8m, while other effects amounted to SEK 88m. The fee for the Swedish deposit guarantee scheme was SEK -60m (-59).

*Net fee and commission income* climbed by 1% to SEK 2,097m (2,086), where the negative performance of savings-related commissions was compensated for by improved net fee and commission income within payments and deposit and lending commissions.

*Net gains/losses on financial transactions* totalled SEK 86m (-40).

*Other income items* totalled SEK 76m (61).

*Expenses* decreased by 3% to SEK -2,573m (-2,649). *Staff costs* rose by 1% to SEK -1,010m (-1,004). The average number of employees grew by 4% to 4,004 (3,836). *Other expense items* declined by 5% to SEK 1,563m (-1,644).

*Credit losses* consisted of net recoveries of SEK 21m (-10), and the credit loss ratio was 0.00% (0.00).

The *risk tax* amounted to SEK -230m (-249), and the *resolution fee* amounted to SEK -187m (-196).

### JANUARY – SEPTEMBER 2022 COMPARED WITH JANUARY – SEPTEMBER 2021

*Operating profit* increased by 6% to SEK 13,850m (13,116). Adjusted for the risk tax, operating profit increased by 11%, driven by higher business volumes, increased net interest income and net recoveries. Return on allocated capital was 14.7% (14.5). The C/I ratio improved further to 33.9% (34.9).

*Net interest income* grew by 15% to SEK 16,218m (14,089). Higher business volumes had a SEK 1,111m positive impact on net interest income. The net effect of changed margins and funding costs was positive, amounting to SEK 832m. The fee for the Swedish deposit guarantee scheme decreased by SEK 35m to SEK -178m (-214). Other effects in net interest income contributed SEK 151m.

*Net fee and commission income* fell by SEK -35m, or 1%, to SEK 6,370m (6,405), where mutual fund commissions decreased by 3% to SEK 3,579m (3,672). Custody and other asset management commissions increased by 2% to SEK 486m (479), and insurance commissions increased by 2% to SEK 588m (575). Net payment commissions increased by 23% to SEK 928m (756).

*Net gains/losses on financial transactions* totalled SEK -31m (331). The entire difference can be explained by an increase in the deferred capital contribution in Handelsbanken Liv's traditional insurance operations, which amounted to SEK -437m (-46).

*Other income items* totalled SEK 201m (190).

*Expenses* rose by 5% to SEK -7,810m (-7,411). *Staff costs* decreased by 1% to SEK -3,021m (-3,064). The average

number of employees fell by 2% to 3,877 (3,955). *Other expense items* rose by 10% to SEK -4,789m (-4,347), mainly due to increased IT investments and business development.

*Credit losses* consisted of net recoveries of SEK 137m (27). The credit loss ratio was -0.01% (0.00).

The *risk tax* was SEK -689m (-) and the *resolution fee* amounted to SEK -554m (-522).

### BUSINESS DEVELOPMENT

Swedish Quality Index (SKI), in its major survey, found that Handelsbanken remained in the position of having the most satisfied customers among major banks. Among private customers, Handelsbanken received the score of 68.5, which can be compared with the scores of the other major Swedish banks, which were in the 63.1-66.5 range, and the sector average of 67.9. Among corporate customers, Handelsbanken received the score of 67.2, which can be compared with the scores of the other major Swedish banks, which were in the 61.9-67.9 range, and the sector average of 65.9.

Customers named Handelsbanken "Business Bank of the Year" and – for the 11th consecutive year – "Sweden's Small Enterprise Bank" in this year's independent Finansbarometern survey.

### Q3 2022 compared with Q2 2022

The total *average volume of lending* grew by 2% to SEK 1,594bn (1,568). Household lending increased by 1% to SEK 982bn (973) and corporate lending increased by 3% to SEK 612bn (595).

The total *average volume of deposits* was unchanged at SEK 880bn (881). Household deposits went up by 1% to SEK 487bn (482), while corporate deposits decreased by 2% to SEK 393bn (399).

The net flow in the Bank's mutual funds in Sweden was SEK 3.9bn (3.1) and the total volume of assets under management was SEK 702bn (710) at the end of the period.

### January – September 2022 compared with January – September 2021

The total *average volume of lending* grew by 7% to SEK 1,565bn (1,462). Household lending increased by 5% to SEK 973bn (930) and corporate lending increased by 11% to SEK 592bn (532).

The total *average volume of deposits* increased by 12% to SEK 875bn (783). Household deposits went up by 10% to SEK 477bn (435), while corporate deposits increased by 14% to SEK 398bn (348).

The Bank's share of the Swedish mutual fund market rose to 12.2% (12.0). The *total volume of assets under management* was SEK 702bn (710) at the end of the period. 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 nine months of the year, the Swedish fund market as a whole saw a net outflow. During the same period, Handelsbanken had a positive net inflow of SEK 3.6bn (34.6).

# Handelsbanken UK

## INCOME STATEMENT

| SEK m   | Q3<br>2022    | Q2<br>2022    | Change     | Q3<br>2021    | Change      | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Change     | Full year<br>2021 |
|---|---------------|---------------|------------|---------------|-------------|-----------------|-----------------|------------|-------------------|
| Net interest income   | 1,953         | 1,734         | 13%        | 1,377         | 42%         | 5,222           | 4,073           | 28%        | 5,452             |
| Net fee and commission income   | 202           | 208           | -3%        | 195           | 4%          | 611             | 561             | 9%         | 751               |
| Net gains/losses on financial transactions  | 66            | 61            | 8%         | 47            | 40%         | 178             | 135             | 32%        | 189               |
| Other income  | 0             | 0             | 0%         | 0             | 0%          | 0               | 0               | 0%         | 0                 |
| <b>Total income</b>   | <b>2,222</b>  | <b>2,003</b>  | <b>11%</b> | <b>1,619</b>  | <b>37%</b>  | <b>6,012</b>    | <b>4,769</b>    | <b>26%</b> | <b>6,392</b>      |
| Staff costs   | -729          | -643          | 13%        | -623          | 17%         | -2,018          | -1,837          | 10%        | -2,467            |
| Other expenses  | -165          | -170          | -3%        | -282          | -41%        | -559            | -763            | -27%       | -1,045            |
| Internal purchased and sold services  | -257          | -273          | -6%        | -222          | 16%         | -796            | -674            | 18%        | -912              |
| Depreciation, amortisation and impairments of property, equipment and intangible assets | -89           | -72           | 24%        | -96           | -7%         | -239            | -238            | 0%         | -316              |
| <b>Total expenses</b>   | <b>-1,242</b> | <b>-1,156</b> | <b>7%</b>  | <b>-1,223</b> | <b>2%</b>   | <b>-3,613</b>   | <b>-3,512</b>   | <b>3%</b>  | <b>-4,740</b>     |
| <b>Profit before credit losses, risk tax and resolution fee</b>                         | <b>980</b>    | <b>847</b>    | <b>16%</b> | <b>396</b>    | <b>147%</b> | <b>2,399</b>    | <b>1,257</b>    | <b>91%</b> | <b>1,652</b>      |
| Net credit losses   | 22            | 1             |            | 30            | -27%        | -4              | 80              |            | 95                |
| Gains/losses on disposal of property, equipment and intangible assets                   | 0             | -             |            | 0             |             | 10              | 9               | 11%        | 9                 |
| <b>Operating profit</b>   | <b>1,002</b>  | <b>847</b>    | <b>18%</b> | <b>426</b>    | <b>135%</b> | <b>2,405</b>    | <b>1,346</b>    | <b>79%</b> | <b>1,756</b>      |
| Profit allocation   | 12            | 12            | 0%         | 11            | 9%          | 34              | 32              | 6%         | 46                |
| <b>Operating profit after profit allocation</b>   | <b>1,014</b>  | <b>859</b>    | <b>18%</b> | <b>437</b>    | <b>132%</b> | <b>2,439</b>    | <b>1,378</b>    | <b>77%</b> | <b>1,802</b>      |
| Internal income   | 21            | -109          |            | -254          |             | -280            | -721            | 61%        | -961              |
| Cost/income ratio, %  | 55.6          | 57.4          |            | 75.0          |             | 59.8            | 73.2            |            | 73.6              |
| Credit loss ratio, %  | -0.04         | 0.00          |            | -0.05         |             | -0.01           | -0.04           |            | -0.04             |
| Allocated capital   | 20,320        | 19,466        | 4%         | 20,219        | 0%          | 20,320          | 20,219          | 0%         | 20,547            |
| Return on allocated capital, %  | 15.9          | 14.0          |            | 6.9           |             | 12.9            | 7.2             |            | 7.0               |
| Average number of employees   | 2,503         | 2,456         | 2%         | 2,525         | -1%         | 2,462           | 2,512           | -2%        | 2,509             |

## INCOME STATEMENT IN LOCAL CURRENCY

| m GBP   | Q3<br>2022    | Q2<br>2022   | Change     | Q3<br>2021    | Change      | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Change     | Full year<br>2021 |
|---|---------------|--------------|------------|---------------|-------------|-----------------|-----------------|------------|-------------------|
| Net interest income   | 157.4         | 140.3        | 12%        | 115.4         | 36%         | 420.2           | 346.3           | 21%        | 461.9             |
| Net fee and commission income   | 16.4          | 16.8         | -2%        | 16.3          | 1%          | 49.2            | 47.7            | 3%         | 63.6              |
| Net gains/losses on financial transactions  | 5.3           | 4.9          | 8%         | 4.0           | 33%         | 14.3            | 11.5            | 24%        | 16.0              |
| Other income  | 0.0           | 0.0          |            | 0.0           |             | 0.0             | 0.0             |            | 0.0               |
| <b>Total income</b>   | <b>179.0</b>  | <b>162.0</b> | <b>10%</b> | <b>135.7</b>  | <b>32%</b>  | <b>483.7</b>    | <b>405.5</b>    | <b>19%</b> | <b>541.5</b>      |
| Staff costs   | -58.8         | -52.0        | 13%        | -52.2         | 13%         | -162.4          | -156.2          | 4%         | -208.9            |
| Other expenses  | -13.3         | -13.8        | -4%        | -23.7         | -44%        | -45.0           | -64.9           | -31%       | -88.6             |
| Internal purchased and sold services  | -20.8         | -22.0        | -5%        | -18.5         | 12%         | -64.1           | -57.3           | 12%        | -77.3             |
| Depreciation, amortisation and impairments of property, equipment and intangible assets | -7.3          | -5.8         | 26%        | -8.2          | -11%        | -19.3           | -20.3           | -5%        | -26.7             |
| <b>Total expenses</b>   | <b>-100.1</b> | <b>-93.6</b> | <b>7%</b>  | <b>-102.6</b> | <b>-2%</b>  | <b>-290.7</b>   | <b>-298.7</b>   | <b>-3%</b> | <b>-401.5</b>     |
| <b>Profit before credit losses, risk tax and resolution fee</b>                         | <b>78.9</b>   | <b>68.4</b>  | <b>15%</b> | <b>33.1</b>   | <b>138%</b> | <b>193.0</b>    | <b>106.8</b>    | <b>81%</b> | <b>140.0</b>      |
| Net credit losses   | 1.8           | 0.0          |            | 2.5           | -28%        | -0.3            | 6.8             |            | 8.0               |
| Gains/losses on disposal of property, equipment and intangible assets                   | 0.0           | -            |            | 0.0           |             | 0.8             | 0.8             | 0%         | 0.8               |
| <b>Operating profit</b>   | <b>80.7</b>   | <b>68.4</b>  | <b>18%</b> | <b>35.6</b>   | <b>127%</b> | <b>193.5</b>    | <b>114.4</b>    | <b>69%</b> | <b>148.8</b>      |
| Profit allocation   | 0.9           | 1.0          | -10%       | 1.0           | -10%        | 2.7             | 2.8             | -4%        | 3.9               |
| <b>Operating profit after profit allocation</b>   | <b>81.7</b>   | <b>69.3</b>  | <b>18%</b> | <b>36.6</b>   | <b>123%</b> | <b>196.2</b>    | <b>117.2</b>    | <b>67%</b> | <b>152.7</b>      |

## BUSINESS VOLUMES

| Average volumes, GBP m                 | Q3<br>2022    | Q2<br>2022    | Change     | Q3<br>2021    | Change     | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Change     | Full year<br>2021 |
|--|---------------|---------------|------------|---------------|------------|-----------------|-----------------|------------|-------------------|
| Loans to the public                    |               |               |            |               |            |                 |                 |            |                   |
| Household                              | 6,001         | 6,149         | -2%        | 6,531         | -8%        | 6,148           | 6,612           | -7%        | 6,563             |
| Corporates                             | 13,765        | 14,090        | -2%        | 14,140        | -3%        | 13,957          | 14,244          | -2%        | 14,203            |
| <b>Total</b>                           | <b>19,765</b> | <b>20,238</b> | <b>-2%</b> | <b>20,671</b> | <b>-4%</b> | <b>20,105</b>   | <b>20,856</b>   | <b>-4%</b> | <b>20,766</b>     |
| Deposits and borrowing from the public |               |               |            |               |            |                 |                 |            |                   |
| Household                              | 5,897         | 5,702         | 3%         | 5,503         | 7%         | 5,730           | 5,471           | 5%         | 5,502             |
| Corporates                             | 14,469        | 14,102        | 3%         | 13,473        | 7%         | 14,074          | 13,642          | 3%         | 13,630            |
| <b>Total</b>                           | <b>20,366</b> | <b>19,804</b> | <b>3%</b>  | <b>18,976</b> | <b>7%</b>  | <b>19,803</b>   | <b>19,113</b>   | <b>4%</b>  | <b>19,132</b>     |

### Q3 2022 COMPARED WITH Q2 2022

*Operating profit* went up by 18% to SEK 1,002m (847), due to an increase in income. Foreign exchange effects on operating profit were marginal. *Return on allocated capital* was 15.9% (14.0), and the *C/I ratio* was 55.6% (57.4).

*Income* increased by 11% to SEK 2,222m (2,003). Foreign exchange effects on income totalled SEK 9m, and expressed in local currency terms, income grew by 10%.

*Net interest income* grew by 13% to SEK 1,953m (1,734). The net effect of changes to margins and funding costs was an increase in net interest income amounting to SEK 211m. Changed business volumes had a negative impact of SEK -2m. Foreign exchange effects had a positive impact of SEK 8m on net interest income, and expressed in local currency, net interest income grew by 12%.

*Net fee and commission income* declined by 3% to SEK 202m (208). Foreign exchange effects amounted to SEK 1m, and in local currency terms, net fee and commission income decreased by 2%, which was attributable to lower commission income in the majority of areas, although this was offset by a somewhat positive performance within payment commissions.

*Expenses* increased by 7% to SEK -1,242m (-1,156). Foreign exchange effects were marginal, and in local currency terms the increase in expenses was also 7%.

*Staff costs* rose by 13% to SEK -729m (-643). The average number of employees was 2,503 (2,456). Other expense items amounted to SEK -511m (-515) and foreign exchange effects on other expense items were marginal.

*Credit losses* consisted of net recoveries of SEK 22m (1). The credit loss ratio was -0.04% (0.00).

### JANUARY – SEPTEMBER 2022 COMPARED WITH JANUARY – SEPTEMBER 2021

*Operating profit* rose by 79%, or SEK 1,059m, to SEK 2,405m (1,346). Foreign exchange effects on operating profit amounted to SEK 61m. Expressed in local currency, operating profit increased by 69%. *Return on allocated capital* was 12.9% (7.2). The *C/I ratio* improved to 59.8% (73.2).

*Income* increased by 26% to SEK 6,012m (4,769). Foreign exchange effects on income amounted to SEK 260m, and in local currency terms, income rose by 19%.

*Net interest income* rose by 28%, or SEK 1,149m, to SEK 5,222m (4,073). Foreign exchange effects had a positive impact of SEK 220m. In local currency terms, net interest income increased by 21%. The net amount of changed margins and funding costs increased net interest income by SEK 930m. Lower business volumes had a negative impact of SEK 8m. Other net interest income effects amounted to SEK 7m.

*Net fee and commission income* increased by 9% to SEK 611m (561). Foreign exchange effects made a positive contribution of SEK 32m. Expressed in local currency, net fee and commission income increased by 3%. Commission income from the fund management, custody account management and asset management business, including brokerage and advisory services, increased by 7% to SEK 317m (297).

*Expenses* increased by 3% to SEK -3,613m (-3,512). Adjusted for foreign exchange effects, which increased expenses by SEK 204m, the change in expenses was -3% in local currency terms. *Staff costs* rose by 10% to SEK -2,018m (-1,837). Adjusted for foreign exchange effects, the increase in staff costs was 4% in local currency terms. The average number of employees fell by 2% to 2,462 (2,512). *Other expense items* declined by 5% to SEK 1,594m (-1,675). Expressed in local currency, other expense items went down by 10%.

*Credit losses* totalled SEK -4m (80). The credit loss ratio was -0.01% (-0.04).

### BUSINESS DEVELOPMENT

According to the annual EPSI customer satisfaction survey, Handelsbanken – similar to the previous year – had the most satisfied customers among all UK banks in the survey. Private customers gave Handelsbanken an index score of 81.5, as compared with the sector average of 72.2. Corporate customers gave the Bank an index score of 78.8, as compared with the sector average of 65.9.

#### Q3 2022 compared with Q2 2022

The total *average volume of lending* decreased by 2% to GBP 19.8bn (20.2). Household lending decreased by 2% to GBP 6.0bn (6.1), and corporate lending decreased by 2% to GBP 13.8bn (14.1).

The total *average volume of deposits* increased by 3% to GBP 20.4bn (19.8). Household deposits increased by 3% to GBP 5.9bn (5.7), and corporate deposits increased by 3% to GBP 14.5bn (14.1).

The volume of assets under management in Handelsbanken Wealth & Asset Management at the end of the period totalled GBP 3.9bn (4.0). The net flow in Handelsbanken Wealth & Asset Management during the quarter totalled GBP -20m (-3).

#### January – September 2022 compared with January – September 2021

The total *average volume of lending* decreased by 4% to GBP 20.1bn (20.9). Household lending decreased by 7% to GBP 6.1bn (6.6), and corporate lending decreased by 2% to GBP 14.0bn (14.2).

The total *average volume of deposits* increased by 4% to GBP 19.8bn (19.1). Household deposits increased by 5% to GBP 5.7bn (5.5), and corporate deposits increased by 3% to GBP 14.1bn (13.6).

The volume of assets under management in Handelsbanken Wealth & Asset Management at the end of the period totalled GBP 3.9bn (4.4). During the period, the net inflow totalled GBP -70m (181).

# Handelsbanken Norway

## INCOME STATEMENT

| SEK m   | Q3           |              |            | Q2           |            | Q3            |               | Jan-Sep    |               | Full year |
|---|--------------|--------------|------------|--------------|------------|---------------|---------------|------------|---------------|-----------|
|   | 2022         | 2022         | Change     | 2021         | Change     | 2022          | 2021          | Change     | 2021          |           |
| Net interest income   | 1,042        | 1,070        | -3%        | 965          | 8%         | 3,173         | 2,866         | 11%        | 3,867         |           |
| Net fee and commission income   | 182          | 174          | 5%         | 168          | 8%         | 528           | 481           | 10%        | 656           |           |
| Net gains/losses on financial transactions  | 24           | 20           | 20%        | 14           | 71%        | 59            | 37            | 59%        | 55            |           |
| Risk result - insurance   | 21           | 0            |            | 0            |            | 22            | 7             | 214%       | 11            |           |
| Other income  | 1            | 7            | -86%       | 1            | 0%         | 9             | 4             | 125%       | 26            |           |
| <b>Total income</b>   | <b>1,270</b> | <b>1,269</b> | <b>0%</b>  | <b>1,148</b> | <b>11%</b> | <b>3,791</b>  | <b>3,395</b>  | <b>12%</b> | <b>4,615</b>  |           |
| Staff costs   | -264         | -247         | 7%         | -230         | 15%        | -762          | -667          | 14%        | -908          |           |
| Other expenses  | -58          | -70          | -17%       | -44          | 32%        | -195          | -126          | 55%        | -195          |           |
| Internal purchased and sold services  | -181         | -149         | 21%        | -127         | 43%        | -469          | -381          | 23%        | -510          |           |
| Depreciation, amortisation and impairments of property, equipment and intangible assets | -23          | -23          | 0%         | -21          | 10%        | -68           | -63           | 8%         | -84           |           |
| <b>Total expenses</b>   | <b>-526</b>  | <b>-488</b>  | <b>8%</b>  | <b>-422</b>  | <b>25%</b> | <b>-1,494</b> | <b>-1,237</b> | <b>21%</b> | <b>-1,697</b> |           |
| <b>Profit before credit losses, risk tax and resolution fee</b>                         | <b>744</b>   | <b>781</b>   | <b>-5%</b> | <b>726</b>   | <b>2%</b>  | <b>2,297</b>  | <b>2,158</b>  | <b>6%</b>  | <b>2,918</b>  |           |
| Net credit losses   | 27           | -8           |            | -148         |            | -139          | -132          | 5%         | -150          |           |
| Gains/losses on disposal of property, equipment and intangible assets                   | 1            | 1            | 0%         | 2            | -50%       | 4             | 5             | -20%       | 6             |           |
| Risk tax and resolution fee   | -91          | -95          | -4%        | -41          | 122%       | -269          | -125          | 115%       | -167          |           |
| <b>Operating profit</b>   | <b>683</b>   | <b>679</b>   | <b>1%</b>  | <b>539</b>   | <b>27%</b> | <b>1,894</b>  | <b>1,906</b>  | <b>-1%</b> | <b>2,607</b>  |           |
| Profit allocation   | 17           | 18           | -6%        | 9            | 89%        | 51            | 37            | 38%        | 54            |           |
| <b>Operating profit after profit allocation</b>   | <b>700</b>   | <b>697</b>   | <b>0%</b>  | <b>548</b>   | <b>28%</b> | <b>1,946</b>  | <b>1,943</b>  | <b>0%</b>  | <b>2,661</b>  |           |
| Internal income   | -1,000       | -654         | -53%       | -300         | -233%      | -2,234        | -1,044        | -114%      | -1,447        |           |
| Cost/income ratio, %  | 40.9         | 37.9         |            | 36.5         |            | 38.9          | 36.0          |            | 36.3          |           |
| Credit loss ratio, %  | -0.01        | 0.01         |            | 0.22         |            | 0.05          | 0.07          |            | 0.06          |           |
| Allocated capital   | 19,947       | 19,353       | 3%         | 18,115       | 10%        | 19,947        | 18,115        | 10%        | 17,993        |           |
| Return on allocated capital, %  | 11.1         | 11.4         |            | 9.6          |            | 10.6          | 11.0          |            | 11.4          |           |
| Average number of employees   | 779          | 753          | 3%         | 759          | 3%         | 762           | 742           | 3%         | 742           |           |

## INCOME STATEMENT IN LOCAL CURRENCY

| m nkr   | Q3           |              |            | Q2           |            | Q3            |               | Jan-Sep    |               | Full year |
|---|--------------|--------------|------------|--------------|------------|---------------|---------------|------------|---------------|-----------|
|   | 2022         | 2022         | Change     | 2021         | Change     | 2022          | 2021          | Change     | 2021          |           |
| Net interest income   | 986          | 1,024        | -4%        | 977          | 1%         | 3,015         | 2,886         | 4%         | 3,874         |           |
| Net fee and commission income   | 173          | 166          | 4%         | 171          | 1%         | 502           | 485           | 4%         | 657           |           |
| Net gains/losses on financial transactions  | 22           | 20           | 10%        | 15           | 47%        | 56            | 38            | 47%        | 55            |           |
| Risk result - insurance   | 20           | 0            |            | 0            |            | 21            | 7             | 200%       | 11            |           |
| Other income  | 1            | 7            | -86%       | 1            | 0%         | 9             | 4             | 125%       | 26            |           |
| <b>Total income</b>   | <b>1,203</b> | <b>1,215</b> | <b>-1%</b> | <b>1,164</b> | <b>3%</b>  | <b>3,603</b>  | <b>3,420</b>  | <b>5%</b>  | <b>4,623</b>  |           |
| Staff costs   | -251         | -236         | 6%         | -233         | 8%         | -725          | -672          | 8%         | -910          |           |
| Other expenses  | -55          | -66          | -17%       | -47          | 17%        | -185          | -126          | 47%        | -194          |           |
| Internal purchased and sold services  | -171         | -142         | 20%        | -127         | 35%        | -445          | -385          | 16%        | -512          |           |
| Depreciation, amortisation and impairments of property, equipment and intangible assets | -21          | -22          | -5%        | -21          | 0%         | -64           | -63           | 2%         | -84           |           |
| <b>Total expenses</b>   | <b>-499</b>  | <b>-467</b>  | <b>7%</b>  | <b>-428</b>  | <b>17%</b> | <b>-1,420</b> | <b>-1,246</b> | <b>14%</b> | <b>-1,700</b> |           |
| <b>Profit before credit losses, risk tax and resolution fee</b>                         | <b>704</b>   | <b>748</b>   | <b>-6%</b> | <b>736</b>   | <b>-4%</b> | <b>2,183</b>  | <b>2,174</b>  | <b>0%</b>  | <b>2,923</b>  |           |
| Net credit losses   | 26           | -8           |            | -149         |            | -132          | -133          | -1%        | -150          |           |
| Gains/losses on disposal of property, equipment and intangible assets                   | 2            | 0            |            | 2            | 0%         | 4             | 5             | -20%       | 6             |           |
| Risk tax and resolution fee   | -86          | -91          | -5%        | -42          | 105%       | -255          | -126          | 102%       | -168          |           |
| <b>Operating profit</b>   | <b>647</b>   | <b>649</b>   | <b>0%</b>  | <b>547</b>   | <b>18%</b> | <b>1,800</b>  | <b>1,920</b>  | <b>-6%</b> | <b>2,611</b>  |           |
| Profit allocation   | 16           | 18           | -11%       | 9            | 78%        | 49            | 37            | 32%        | 54            |           |
| <b>Operating profit after profit allocation</b>   | <b>663</b>   | <b>667</b>   | <b>-1%</b> | <b>556</b>   | <b>19%</b> | <b>1,849</b>  | <b>1,957</b>  | <b>-6%</b> | <b>2,665</b>  |           |

## BUSINESS VOLUMES

| Average volumes, NOK bn                | Q3           |              |           | Q2           |           | Q3           |              | Jan-Sep   |              | Full year |
|--|--------------|--------------|-----------|--------------|-----------|--------------|--------------|-----------|--------------|-----------|
|  | 2022         | 2022         | Change    | 2021         | Change    | 2022         | 2021         | Change    | 2021         |           |
| Loans to the public                    |              |              |           |              |           |              |              |           |              |           |
| Household                              | 112.1        | 111.3        | 1%        | 107.7        | 4%        | 111.1        | 106.0        | 5%        | 106.8        |           |
| Corporates                             | 180.6        | 176.9        | 2%        | 170.8        | 6%        | 177.2        | 170.0        | 4%        | 170.3        |           |
| <b>Total</b>                           | <b>292.7</b> | <b>288.2</b> | <b>2%</b> | <b>278.5</b> | <b>5%</b> | <b>288.3</b> | <b>276.0</b> | <b>4%</b> | <b>277.1</b> |           |
| Deposits and borrowing from the public |              |              |           |              |           |              |              |           |              |           |
| Household                              | 31.7         | 31.1         | 2%        | 28.6         | 11%       | 30.8         | 28.0         | 10%       | 27.8         |           |
| Corporates                             | 71.2         | 65.9         | 8%        | 65.5         | 9%        | 67.7         | 64.0         | 6%        | 63.8         |           |
| <b>Total</b>                           | <b>102.9</b> | <b>97.0</b>  | <b>6%</b> | <b>94.1</b>  | <b>9%</b> | <b>98.5</b>  | <b>92.0</b>  | <b>7%</b> | <b>91.6</b>  |           |



### Q3 2022 COMPARED WITH Q2 2022

*Operating profit* was up 1% to SEK 683m (679), largely due to net recoveries. Foreign exchange effects amounted to SEK 5m, and in local currency terms, operating profit was virtually unchanged.

*Net interest income* decreased by 3% to SEK 1,042m (1,070). Foreign exchange effects amounted to SEK 10m, and in local currency terms, net interest income went down by 4%. Higher business volumes contributed SEK 26m. The net amount of changed margins and funding costs reduced net interest income by SEK 69m. The effect of the required notification period, meaning six weeks delay before interest rates can be changed for retail customers, was SEK -61m (-27).

*Net fee and commission income* increased by 5% to SEK 182m (174). Expressed in local currency, net fee and commission income increased by 4%. The negative trend in savings-related commissions was offset by the positive development of the payments business.

Net gains/losses on financial transactions totalled SEK 24m (20).

*Other income* amounted to SEK 1m (7).

*Expenses* rose by 8% to SEK -526m (-488). Foreign exchange effects on expenses totalled SEK -5m, and expressed in local currency terms, expenses increased by 7%.

*Staff costs* rose by 7% to SEK -264m (-247). Expressed in local currency, staff costs rose by 6%. The average number of employees grew by 3% to 779 (753).

*Other expense items* amounted to SEK -262m (-242).

*Credit losses* consisted of net recoveries of SEK 27m (-8). The credit loss ratio was -0.01% (0.01).

The *risk tax* amounted to SEK -44m (-47), and the *resolution fee* amounted to SEK -47m (-48).

### JANUARY – SEPTEMBER 2022 COMPARED WITH JANUARY – SEPTEMBER 2021

*Operating profit* decreased by 1% to SEK 1,894m (1,906). Foreign exchange effects on operating profit amounted to SEK 112m, and in local currency terms, operating profit declined by 6%. *Return on allocated capital* went down to 10.6% (11.0). The *C/I ratio* was 38.9% (36.0).

*Income* grew by 12% to SEK 3,791m (3,395). Foreign exchange effects totalled SEK 192m. Expressed in local currency, income growth was 5%.

*Net interest income* increased by 11% to SEK 3,173m (2,866). Foreign exchange effects amounted to SEK 159m, and in local currency terms, net interest income rose by 4%. Higher business volumes made a positive contribution of SEK 130m. The net amount of changed margins and funding costs increased net interest income by SEK 27m. Other effects decreased net interest income by SEK 9m.

*Net fee and commission income* increased by 10% to SEK 528m (481). Foreign exchange effects amounted to SEK 30m, and in local currency terms, net fee and commission income rose by 4%. This rise was attributable to a 1% increase in net commission income from the fund

management, custody account management and other asset management business, including brokerage and advisory services, to SEK 286m (284). Net payment commissions rose by 38% to SEK 149m (108).

*Net gains/losses on financial transactions* totalled SEK 59m (37).

*Expenses* increased by 21% to SEK -1,494m (-1,237). Foreign exchange effects increased expenses by SEK 72m. In local currency terms, expenses increased by 14%; this was mainly attributable to increased IT investments focusing on strengthening digital meeting platforms, especially for the retail market.

*Staff costs* rose by 14% to SEK -762m (-667). In local currency terms, the increase was 8%. The average number of employees increased by 3% to 762 (742).

*Other expense items* increased by 28% to SEK -732m (-570). In local currency terms, the increase was 21%.

*Credit losses* totalled SEK -139m (-132). The credit loss ratio was 0.05% (0.07).

The *risk tax* was SEK -131m (-) and the *resolution fee* amounted to SEK -138m (-125).

### BUSINESS DEVELOPMENT

According to the annual EPSI customer satisfaction survey, Handelsbanken again had more satisfied customers than the average for banks in Norway. Private customers gave Handelsbanken an index score of 74.8, as compared with the sector average of 69.5. Corporate customers gave the Bank an index score of 71.4, as compared with the sector average of 67.0.

### Q3 2022 compared with Q2 2022

The total *average volume of lending* increased by 2% to NOK 292.7bn (288.2). Household lending increased by 1% to NOK 112.1bn (111.3), and corporate lending increased by 2% to NOK 180.6bn (176.9).

The total *average volume of deposits* increased by 6% to NOK 102.9bn (97.0). Household deposits increased by 2% to NOK 31.7bn (31.1), and corporate deposits increased by 8% to NOK 71.2bn (65.9).

New savings in the Bank's mutual funds in Norway during the quarter totalled SEK -0.4bn (-1.1). The total volume of assets under management was SEK 35bn (36).

### January – September 2022 compared with January – September 2021

The total *average volume of lending* increased by 4% to NOK 288.3bn (276.0). Household lending increased by 5% to NOK 111.1bn (106.0), and corporate lending increased by 4% to NOK 177.2bn (170.0).

The total *average volume of deposits* increased by 7% to NOK 98.5bn (92.0). Household deposits increased by 10% to NOK 30.8bn (28.0), and corporate deposits increased by 6% to NOK 67.7bn (64.0).

The net flow in the Bank's mutual funds in Norway during the period totalled SEK -2.5bn (2.9). The total volume of assets under management was SEK 35bn (40).

# Handelsbanken the Netherlands

## INCOME STATEMENT

| SEK m   | Q3<br>2022  | Q2<br>2022  | Change     | Q3<br>2021  | Change     | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Change     | Full year<br>2021 |
|---|-------------|-------------|------------|-------------|------------|-----------------|-----------------|------------|-------------------|
| Net interest income   | 325         | 316         | 3%         | 277         | 17%        | 944             | 790             | 19%        | 1,076             |
| Net fee and commission income   | 35          | 37          | -5%        | 39          | -10%       | 107             | 106             | 1%         | 224               |
| Net gains/losses on financial transactions  | 4           | 4           | 0%         | 9           | -56%       | 18              | 20              | -10%       | 32                |
| Other income  | 1           | 0           |            | 0           |            | 1               | 0               |            | 0                 |
| <b>Total income</b>   | <b>365</b>  | <b>357</b>  | <b>2%</b>  | <b>325</b>  | <b>12%</b> | <b>1,070</b>    | <b>916</b>      | <b>17%</b> | <b>1,332</b>      |
| Staff costs   | -109        | -110        | -1%        | -97         | 12%        | -325            | -298            | 9%         | -395              |
| Other expenses  | -22         | -26         | -15%       | -14         | 57%        | -67             | -53             | 26%        | -76               |
| Internal purchased and sold services  | -54         | -64         | -16%       | -43         | 26%        | -170            | -125            | 36%        | -176              |
| Depreciation, amortisation and impairments of property, equipment and intangible assets | -13         | -11         | 18%        | -12         | 8%         | -37             | -38             | -3%        | -50               |
| <b>Total expenses</b>   | <b>-198</b> | <b>-211</b> | <b>-6%</b> | <b>-166</b> | <b>19%</b> | <b>-599</b>     | <b>-514</b>     | <b>17%</b> | <b>-697</b>       |
| <b>Profit before credit losses, risk tax and resolution fee</b>                         | <b>167</b>  | <b>147</b>  | <b>14%</b> | <b>159</b>  | <b>5%</b>  | <b>471</b>      | <b>402</b>      | <b>17%</b> | <b>635</b>        |
| Net credit losses   | -3          | -1          | 200%       | -1          | -200%      | -3              | -1              | 200%       | -5                |
| Risk tax and resolution fee   | -20         | -18         | 11%        | -8          | 150%       | -62             | -23             | 170%       | -31               |
| <b>Operating profit</b>   | <b>144</b>  | <b>127</b>  | <b>13%</b> | <b>150</b>  | <b>-4%</b> | <b>406</b>      | <b>378</b>      | <b>7%</b>  | <b>599</b>        |
| Profit allocation   | 0           | 0           | 0%         | 0           |            | 0               | 1               | -100%      | 1                 |
| <b>Operating profit after profit allocation</b>   | <b>144</b>  | <b>126</b>  | <b>14%</b> | <b>150</b>  | <b>-4%</b> | <b>405</b>      | <b>379</b>      | <b>7%</b>  | <b>600</b>        |
| Internal income   | -130        | -132        | 2%         | -100        | -29%       | -374            | -300            | -24%       | -401              |
| Cost/income ratio, %  | 54.2        | 59.1        |            | 51.1        |            | 56.0            | 56.1            |            | 52.3              |
| Credit loss ratio, %  | 0.02        | 0.01        |            | 0.01        |            | 0.01            | 0.00            |            | 0.01              |
| Allocated capital   | 3,462       | 3,221       | 7%         | 2,928       | 18%        | 3,462           | 2,928           | 18%        | 3,013             |
| Return on allocated capital, %  | 13.2        | 12.5        |            | 16.3        |            | 13.1            | 14.3            |            | 16.7              |
| Average number of employees   | 358         | 355         | 1%         | 338         | 6%         | 353             | 337             | 5%         | 337               |

## INCOME STATEMENT IN LOCAL CURRENCY

| m euro  | Q3<br>2022   | Q2<br>2022   | Change     | Q3<br>2021   | Change     | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Change     | Full year<br>2021 |
|---|--------------|--------------|------------|--------------|------------|-----------------|-----------------|------------|-------------------|
| Net interest income   | 30.7         | 30.1         | 2%         | 27.3         | 12%        | 89.7            | 77.9            | 15%        | 106.0             |
| Net fee and commission income   | 3.2          | 3.6          | -11%       | 3.9          | -18%       | 10.1            | 10.4            | -3%        | 22.1              |
| Net gains/losses on financial transactions  | 0.5          | 0.4          | 25%        | 1.0          | -50%       | 1.8             | 2.0             | -10%       | 3.2               |
| Other income  | 0.0          | -0.1         |            | 0.0          |            | 0.0             | 0.0             |            | 0.0               |
| <b>Total income</b>   | <b>34.3</b>  | <b>34.1</b>  | <b>1%</b>  | <b>32.2</b>  | <b>7%</b>  | <b>101.6</b>    | <b>90.3</b>     | <b>13%</b> | <b>131.3</b>      |
| Staff costs   | -10.2        | -10.5        | -3%        | -9.6         | 6%         | -30.8           | -29.4           | 5%         | -38.9             |
| Other expenses  | -2.1         | -2.5         | -16%       | -1.5         | 40%        | -6.4            | -5.3            | 21%        | -7.5              |
| Internal purchased and sold services  | -5.1         | -6.1         | -16%       | -4.2         | 21%        | -16.2           | -12.3           | 32%        | -17.4             |
| Depreciation, amortisation and impairments of property, equipment and intangible assets | -1.2         | -1.1         | 9%         | -1.2         | 0%         | -3.5            | -3.7            | -5%        | -4.9              |
| <b>Total expenses</b>   | <b>-18.6</b> | <b>-20.2</b> | <b>-8%</b> | <b>-16.5</b> | <b>13%</b> | <b>-56.9</b>    | <b>-50.7</b>    | <b>12%</b> | <b>-68.7</b>      |
| <b>Profit before credit losses, risk tax and resolution fee</b>                         | <b>15.7</b>  | <b>14.0</b>  | <b>12%</b> | <b>15.7</b>  | <b>0%</b>  | <b>44.7</b>     | <b>39.6</b>     | <b>13%</b> | <b>62.6</b>       |
| Net credit losses   | -0.3         | -0.1         | 200%       | -0.1         | 200%       | -0.3            | -0.1            | 200%       | -0.5              |
| Risk tax and resolution fee   | -1.9         | -1.7         | 12%        | -0.8         | 138%       | -5.9            | -2.3            | 157%       | -3.0              |
| <b>Operating profit</b>   | <b>13.5</b>  | <b>12.1</b>  | <b>12%</b> | <b>14.8</b>  | <b>-9%</b> | <b>38.5</b>     | <b>37.2</b>     | <b>3%</b>  | <b>59.1</b>       |
| Profit allocation   | 0.0          | 0.0          |            | 0.0          |            | 0.0             | 0.1             | -100%      | 0.1               |
| <b>Operating profit after profit allocation</b>   | <b>13.5</b>  | <b>12.1</b>  | <b>12%</b> | <b>14.8</b>  | <b>-9%</b> | <b>38.5</b>     | <b>37.3</b>     | <b>3%</b>  | <b>59.2</b>       |

## BUSINESS VOLUMES

| Average volumes, EUR m                 | Q3<br>2022   | Q2<br>2022   | Change    | Q3<br>2021   | Change     | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Change     | Full year<br>2021 |
|--|--------------|--------------|-----------|--------------|------------|-----------------|-----------------|------------|-------------------|
| Loans to the public                    |              |              |           |              |            |                 |                 |            |                   |
| Household                              | 4,867        | 4,678        | 4%        | 4,017        | 21%        | 4,659           | 3,844           | 21%        | 3,935             |
| Corporates                             | 3,523        | 3,464        | 2%        | 2,955        | 19%        | 3,385           | 2,833           | 19%        | 2,864             |
| <b>Total</b>                           | <b>8,390</b> | <b>8,142</b> | <b>3%</b> | <b>6,972</b> | <b>20%</b> | <b>8,044</b>    | <b>6,677</b>    | <b>20%</b> | <b>6,799</b>      |
| Deposits and borrowing from the public |              |              |           |              |            |                 |                 |            |                   |
| Household                              | 716          | 681          | 5%        | 563          | 27%        | 676             | 458             | 48%        | 500               |
| Corporates                             | 3,504        | 3,515        | 0%        | 2,630        | 33%        | 3,412           | 2,279           | 50%        | 2,417             |
| <b>Total</b>                           | <b>4,220</b> | <b>4,196</b> | <b>1%</b> | <b>3,193</b> | <b>32%</b> | <b>4,088</b>    | <b>2,737</b>    | <b>49%</b> | <b>2,917</b>      |

### Q3 2022 COMPARED WITH Q2 2022

*Operating profit* increased by 13% to SEK 144m (127). Foreign exchange effects on operating profit amounted to SEK 2m, and in local currency terms, operating profit increased by 12%.

*Net interest income* increased by 3% to SEK 325m (316). Foreign exchange effects totalled SEK 4m, and expressed in local currency terms, net interest income grew by 2%. Higher business volumes had a SEK 7m positive impact on net interest income, while the net effect of changed margins and funding costs was neutral. Other effects on net interest income amounted to SEK -2m.

*Net fee and commission income* decreased by 5% to SEK 35m (37), primarily due to negative development within custody account management and other asset management, and in lending and deposit commissions. Net fee and commission income fell by 11% expressed in local currency terms.

*Expenses* decreased by 6% to SEK -198m (-211). In local currency terms, expenses decreased by 8%. *Staff costs* fell by 1% to SEK -109m (-110). The average number of employees increased by 1% to 358 (355). *Other expense items* amounted to SEK -89m (-101).

*Credit losses* totalled SEK -3m (-1). The credit loss ratio was 0.02% (0.01).

The *risk tax* amounted to SEK -12m (-8), and the *resolution fee* amounted to SEK -8m (-10).

### JANUARY – SEPTEMBER 2022 COMPARED WITH JANUARY – SEPTEMBER 2021

*Operating profit* improved by 7% to SEK 406m (378), driven by higher business volumes. Foreign exchange effects on operating profit amounted to SEK 15m. Expressed in local currency, operating profit increased by 3%. *Return on allocated capital* was 13.1% (14.3), and the *C/I ratio* was 56.0% (56.1).

*Income* grew by 17% to SEK 1,070m (916). Foreign exchange effects totalled SEK 33m. Expressed in local currency, income growth was 13%.

*Net interest income* increased by 19% to SEK 944m (790). Foreign exchange effects amounted to SEK 28m, and in local currency terms, net interest income rose by 15%. Higher business volumes had a SEK 161m positive impact on net interest income. The net amount of changed margins and funding costs had a SEK 39m negative impact. Other effects increased net interest income by SEK 4m.

*Net fee and commission income* increased by 1% to SEK 107m (106). Foreign exchange effects amounted to SEK 4m, and in local currency terms, net fee and commission income fell by 3%. Commission income from the fund management, custody account management and asset management business, including brokerage and advisory services, increased by 9% to SEK 109m (100).

*Expenses* rose by 17% to SEK -599m (-514). In local currency terms, expenses increased by 12%. *Staff costs* rose by 9% to SEK -325m (-298), representing a 5% increase in local currency terms. The average number of employees grew by 5% to 353 (337). *Other expense items* increased by 27% in total to SEK -274m (-216). In local currency terms, the equivalent increase was 23%, mainly attributable to increased IT development and higher expenses for the work to combat financial crime.

*Credit losses* totalled SEK -3m (-1). The credit loss ratio was 0.01% (0.00).

The *risk tax* was SEK -35m (-) and the *resolution fee* amounted to SEK -27m (-23).

### BUSINESS DEVELOPMENT

According to the annual EPSI customer satisfaction survey, Handelsbanken had the most satisfied customers among all Dutch banks in the survey. Private customers gave Handelsbanken an index score of 76.5, as compared with the sector average of 65.2. Corporate customers gave the Bank an index score of 77.3, as compared with the sector average of 68.0.

#### Q3 2022 compared with Q2 2022

The total *average volume of lending* increased by 3% to EUR 8.4bn (8.1). Household lending increased by 4% to EUR 4.9bn (4.7), and corporate lending increased by 2% to EUR 3.5bn (3.5).

The total *average volume of deposits* increased by 1% to EUR 4.2bn (4.2). Household deposits increased by 5% to EUR 0.7bn (0.7), and corporate deposits decreased marginally to EUR 3.5bn (3.5).

Assets under management at Optimix totalled EUR 1.9bn (1.9) at the end of the period, including the company's own mutual funds.

#### January – September 2022 compared with January – September 2021

The total *average volume of lending* increased by 20% to EUR 8.0bn (6.7). Household lending increased by 21% to EUR 4.7bn (3.8), and corporate lending increased by 19% to EUR 3.4bn (2.8).

The total *average volume of deposits* increased by 49% to EUR 4.1bn (2.7). Household deposits increased by 48% to EUR 0.7bn (0.5), and corporate deposits increased by 50% to EUR 3.4bn (2.3).

Assets under management at Optimix totalled EUR 1.9bn (1.9) at the end of the period.

# Handelsbanken Capital Markets

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   | Q3<br>2022  | Q2<br>2022  | Change     | Q3<br>2021  | Change      | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Change     | Full year<br>2021 |
|---|-------------|-------------|------------|-------------|-------------|-----------------|-----------------|------------|-------------------|
| Net interest income   | 59          | 73          | -19%       | 58          | 2%          | 196             | 185             | 6%         | 245               |
| Net fee and commission income   | 148         | 173         | -14%       | 153         | -3%         | 580             | 538             | 8%         | 786               |
| Net gains/losses on financial transactions  | 317         | 214         | 48%        | 284         | 12%         | 842             | 890             | -5%        | 1,185             |
| Other income  | 2           | 5           | -60%       | 6           | -67%        | 8               | 16              | -50%       | 9                 |
| <b>Total income</b>   | <b>526</b>  | <b>465</b>  | <b>13%</b> | <b>501</b>  | <b>5%</b>   | <b>1,626</b>    | <b>1,629</b>    | <b>0%</b>  | <b>2,225</b>      |
| Staff costs   | -289        | -282        | 2%         | -308        | -6%         | -868            | -927            | -6%        | -1,211            |
| Other expenses  | -83         | -72         | 15%        | -92         | -10%        | -229            | -285            | -20%       | -361              |
| Internal purchased and sold services  | -68         | -120        | -43%       | -44         | 55%         | -266            | -219            | 21%        | -317              |
| Depreciation, amortisation and impairments of property, equipment and intangible assets | -36         | -14         | 157%       | -70         | -49%        | -111            | -176            | -37%       | -233              |
| <b>Total expenses</b>   | <b>-476</b> | <b>-488</b> | <b>-2%</b> | <b>-514</b> | <b>-7%</b>  | <b>-1,474</b>   | <b>-1,607</b>   | <b>-8%</b> | <b>-2,122</b>     |
| <b>Profit before credit losses, risk tax and resolution fee</b>                         | <b>50</b>   | <b>-23</b>  |            | <b>-13</b>  |             | <b>152</b>      | <b>22</b>       |            | <b>103</b>        |
| Net credit losses   | -7          | -4          | 75%        | 28          |             | -12             | 12              |            | 11                |
| Gains/losses on disposal of property, equipment and intangible assets                   | -           | 0           |            | 0           |             | -               | -10             |            | -10               |
| Risk tax and resolution fee   | -7          | -7          | 0%         | -6          | 17%         | -25             | -17             | 47%        | -22               |
| <b>Operating profit</b>   | <b>35</b>   | <b>-34</b>  |            | <b>9</b>    | <b>289%</b> | <b>114</b>      | <b>7</b>        |            | <b>82</b>         |
| Profit allocation   | -128        | -126        | 2%         | -99         | 29%         | -389            | -316            | 23%        | -434              |
| <b>Operating profit after profit allocation</b>   | <b>-93</b>  | <b>-160</b> | <b>42%</b> | <b>-90</b>  | <b>-3%</b>  | <b>-275</b>     | <b>-309</b>     | <b>11%</b> | <b>-352</b>       |
| Internal income   | 248         | -39         |            | -102        |             | 88              | -306            |            | -362              |
| Cost/income ratio, %  | 119.6       | 144.0       |            | 127.9       |             | 119.2           | 122.4           |            | 118.5             |
| Credit loss ratio, %  | 0.13        | 0.07        |            | 0.00        |             | 0.07            | -0.01           |            | -0.01             |
| Allocated capital   | 2,249       | 2,374       | -5%        | 2,503       | -10%        | 2,249           | 2,503           | -10%       | 2,575             |
| Return on allocated capital, %  | -13.1       | -21.5       |            | -11.5       |             | -12.6           | -14.3           |            | -11.8             |
| Average number of employees   | 591         | 574         | 3%         | 645         | -8%         | 585             | 656             | -11%       | 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.

### Q3 2022 COMPARED WITH Q2 2022

Operating profit was SEK 35m (-34).

Income grew by 13% to SEK 526m (465).

Net fee and commission income decreased by 14% to SEK 148m (173), which was mainly attributable to seasonal variations linked activity-driven fee and commission income.

Net gains/losses on financial transactions increased by 48% to SEK 317m (214).

Expenses decreased by 2% to SEK -476m (-488).

Staff costs rose by 2% to SEK -289m (-282). The average number of employees increased by 3% to 591 (574).

Other expense items amounted to SEK -187m (-206).

The risk tax and resolution fee totalled SEK -7m (-11).

Credit losses were SEK -7m (-4), and the credit loss ratio was 0.13% (0.07).

### JANUARY – SEPTEMBER 2022 COMPARED WITH JANUARY – SEPTEMBER 2021

Operating profit increased to SEK 114m (7), driven by a decrease in expenses.

Income was SEK 1,626m (1,629).

Net fee and commission income rose by 8% to SEK 580m (538), which was mainly explained by higher advisory income and increased commissions from Debt Capital Markets.

Net gains/losses on financial transactions went down by 5% to SEK 842m (890), due mainly to the uncertainty and turbulence that followed in the wake of the geopolitical situation, higher energy prices and rising inflation.

Expenses decreased by 8% to SEK -1,474m (-1,607).

Staff costs fell by 6% to SEK -868m (-927), due to a decrease in the number of employees. The average number of employees decreased by 11% to 585 (656).

Other expense items went down by SEK 74m to SEK -606m (-680), mainly due to the restructuring of international operations. Other parts of the segment also reported lower expenses.

The risk tax and resolution fee totalled SEK -25m (-17).

Credit losses were SEK -12m (12), and the credit loss ratio was 0.07% (-0.01).

### BUSINESS DEVELOPMENT

During the nine-month period, the Bank arranged 89 (96) bond issues at a value of EUR 10.5bn (9.8); green and sustainability-linked bonds accounted for EUR 2.9bn (2.3) of this total, or 28% (23%). There remained a substantial interest in sustainability-linked and green financing among customers within both capital markets and bank financing.

## 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 and central staff functions, as well as provisions for Oktogonen.

### INCOME STATEMENT

| SEK m   | Q3<br>2022  | Q2<br>2022  | Change      | Q3<br>2021 | Change | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Change      | Full year<br>2021 |
|---|-------------|-------------|-------------|------------|--------|-----------------|-----------------|-------------|-------------------|
| Net interest income   | -175        | 150         |             | 206        |        | 227             | 583             | -61%        | 801               |
| Net fee and commission income   | 64          | 65          | -2%         | 73         | -12%   | 185             | 204             | -9%         | 241               |
| Net gains/losses on financial transactions  | -26         | -405        | 94%         | 67         |        | -502            | -109            | -361%       | -242              |
| Share of profit of associates   | 27          | -40         |             | 18         | 50%    | -11             | 46              |             | 63                |
| Other income  | -7          | 21          |             | 11         |        | 1,086           | 36              |             | 51                |
| <b>Total income</b>   | <b>-117</b> | <b>-210</b> | <b>44%</b>  | <b>375</b> |        | <b>985</b>      | <b>760</b>      | <b>30%</b>  | <b>914</b>        |
| Staff costs   | -875        | -884        | -1%         | -531       | 65%    | -2,638          | -2,389          | 10%         | -3,267            |
| Other expenses  | -742        | -897        | -17%        | -631       | 18%    | -2,499          | -1,874          | 33%         | -2,684            |
| Internal purchased and sold services  | 1,665       | 1,752       | -5%         | 1,463      | 14%    | 5,134           | 4,584           | 12%         | 6,204             |
| Depreciation, amortisation and impairments of property, equipment and intangible assets | -141        | -124        | 14%         | -124       | 14%    | -433            | -532            | -19%        | -726              |
| <b>Total expenses</b>   | <b>-94</b>  | <b>-152</b> | <b>-38%</b> | <b>177</b> |        | <b>-436</b>     | <b>-211</b>     | <b>107%</b> | <b>-473</b>       |
| <b>Profit before credit losses, risk tax and resolution fee</b>                         | <b>-212</b> | <b>-362</b> | <b>41%</b>  | <b>552</b> |        | <b>548</b>      | <b>549</b>      | <b>0%</b>   | <b>441</b>        |
| Net credit losses   | 9           | -33         |             | 17         | -47%   | 28              | -20             |             | -9                |
| Gains/losses on disposal of property, equipment and intangible assets                   | 3           | 1           | 200%        | -          |        | 4               | -1              |             | -                 |
| Risk tax and resolution fee   | -42         | -29         | 45%         | -3         |        | -131            | -11             |             | -14               |
| <b>Operating profit</b>   | <b>-242</b> | <b>-422</b> | <b>43%</b>  | <b>566</b> |        | <b>449</b>      | <b>517</b>      | <b>-13%</b> | <b>418</b>        |
| Profit allocation   | 10          | 10          |             | 10         | 0%     | 29              | 29              | 0%          | 37                |
| <b>Operating profit after profit allocation</b>   | <b>-232</b> | <b>-413</b> | <b>44%</b>  | <b>576</b> |        | <b>478</b>      | <b>546</b>      | <b>-12%</b> | <b>455</b>        |
| Internal income   | 94          | 925         | -90%        | 822        | -89%   | 2,072           | 2,799           | -26%        | 3,516             |
| Average number of employees   | 2,870       | 2,817       | 2%          | 2,926      | -2%    | 2,841           | 2,914           | -3%         | 2,905             |
| Allocated capital Denmark and Finland   | 14,226      | 13,941      | 2%          | 15,072     | -6%    | 14,226          | 15,072          | -6%         | 15,155            |

### Q3 2022 COMPARED WITH Q2 2022

*Operating profit* in other units not reported in the business segments amounted to SEK -242m (-422).

*Net interest income* totalled SEK -175m (150).

*Expenses* decreased by SEK 58m to SEK -94m (-152).

Staff costs totalled SEK -875m (-884), with the provision for Oktogonen amounting to SEK -61m (-50). The average number of employees was 2,870 (2,817).

### JANUARY – SEPTEMBER 2022 COMPARED WITH JANUARY – SEPTEMBER 2021

*Operating profit* in other units not reported in the business segments amounted to SEK 449m (517).

*Income* increased to SEK 985m (760).

*Net interest income* totalled SEK 227m (583). Real estate sales contributed to an increase in *other income* to SEK 1,086m (36).

*Expenses* totalled SEK -436m (-211).

*Staff costs* were SEK -2,638m (-2,389), and were impacted by a higher provision for the Oktogonen profit-sharing scheme, of SEK -198m (16). *Other expenses* increased by 33% due to higher IT development expenses. Depreciation, amortisation and impairment of property, equipment and intangible assets decreased by 19% to SEK -433m (-532), mainly due to impairment of IT systems during the period of comparison.

The average number of employees fell by 3% to 2,841 (2,914), with the number of employees at the IT department totalling 1,860 (1,931).

## Key metrics – Group

|   | Q3<br>2022 | Q2<br>2022 | Q3<br>2021 | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Full year<br>2021 |
|---|------------|------------|------------|-----------------|-----------------|-------------------|
| Return on equity, total operations      | 13.2%      | 9.9%       | 12.4%      | 12.2%           | 11.5%           | 11.8%             |
| C/I ratio, Continuing operations        | 39.7%      | 46.6%      | 41.5%      | 42.6%           | 45.1%           | 44.8%             |
| Earnings per share, SEK                 | 2.89       | 2.11       | 2.62       | 7.85            | 7.22            | 9.86              |
| <i>of which continuing operations</i>   | 2.81       | 2.07       | 2.46       | 7.58            | 6.83            | 9.51              |
| <i>of which Discontinued operations</i> | 0.08       | 0.04       | 0.16       | 0.28            | 0.39            | 0.35              |
| - after dilution                        | 2.89       | 2.11       | 2.62       | 7.85            | 7.22            | 9.86              |
| <i>of which continuing operations</i>   | 2.81       | 2.07       | 2.46       | 7.58            | 6.83            | 9.51              |
| <i>of which Discontinued operations</i> | 0.08       | 0.04       | 0.16       | 0.28            | 0.39            | 0.35              |
| Ordinary dividend, SEK                  |            |            |            |                 |                 | 5.00              |
| Adjusted equity per share, SEK          | 96.52      | 93.67      | 90.98      | 96.52           | 90.98           | 90.87             |
| Common equity tier 1 ratio, CRR         | 19.0%      | 18.7%      | 19.4%      | 19.0%           | 19.4%           | 19.4%             |
| Total capital ratio, CRR                | 23.2%      | 23.4%      | 23.4%      | 23.2%           | 23.4%           | 23.3%             |
| Average number of employees             | 11,105     | 10,791     | 11,085     | 10,880          | 11,116          | 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](https://handelsbanken.com/ir).

## THE HANDELSBANKEN SHARE

|  | Q3<br>2022    | Q2<br>2022    | Q3<br>2021    | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Full year<br>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  | 91.62         | 87.42         | 98.32         | 91.62           | 98.32           | 97.86             |
| Share price SHB class B, end of period, SEK  | 109.00        | 100.60        | 107.60        | 109.00          | 107.60          | 107.80            |
| Market capitalisation, end of period, SEK bn   | 181           | 173           | 195           | 181             | 195             | 194               |

# Condensed set of financial statements – Group

## INCOME STATEMENT - GROUP

| SEK m  |        | Q3<br>2022    | Q2<br>2022    | Change     | Q3<br>2021    | Change     | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Change     | Full year<br>2021 |
|--|--------|---------------|---------------|------------|---------------|------------|-----------------|-----------------|------------|-------------------|
| Interest income  |        | 18,314        | 12,122        | 51%        | 8,885         | 106%       | 40,256          | 26,774          | 50%        | 35,832            |
| <i>of which interest income according to the effective interest method and interest on derivatives in hedge accounting</i> |        | 15,806        | 11,061        | 43%        | 8,547         | 85%        | 36,307          | 25,737          | 41%        | 34,483            |
| Interest expense   |        | -8,736        | -3,733        | 134%       | -1,299        |            | -14,276         | -4,188          | 241%       | -5,511            |
| <b>Net interest income</b>   | Note 2 | <b>9,578</b>  | <b>8,389</b>  | <b>14%</b> | <b>7,586</b>  | <b>26%</b> | <b>25,980</b>   | <b>22,586</b>   | <b>15%</b> | <b>30,321</b>     |
| Net fee and commission income  | Note 3 | 2,730         | 2,741         | 0%         | 2,867         | -5%        | 8,382           | 8,295           | 1%         | 11,458            |
| Net gains/losses on financial transactions   | Note 4 | 471           | -147          |            | 534           | -12%       | 564             | 1,304           | -57%       | 1,699             |
| Risk result - insurance  |        | 81            | 41            | 98%        | 49            | 65%        | 163             | 150             | 9%         | 179               |
| Other dividend income  |        | -14           | 15            |            | 0             |            | 2               | 1               | 100%       | 2                 |
| Share of profit of associates  |        | 27            | -40           |            | 18            | 50%        | -11             | 46              |            | 63                |
| Other income   |        | 25            | 38            | -34%       | 33            | -24%       | 1,161           | 102             |            | 555               |
| <b>Total income</b>  |        | <b>12,897</b> | <b>11,040</b> | <b>17%</b> | <b>11,087</b> | <b>16%</b> | <b>36,242</b>   | <b>32,484</b>   | <b>12%</b> | <b>44,277</b>     |
| Staff costs  |        | -3,283        | -3,164        | 4%         | -2,840        | 16%        | -9,620          | -9,307          | 3%         | -12,452           |
| Other expenses   | Note 5 | -1,425        | -1,602        | -11%       | -1,330        | 7%         | -4,590          | -3,983          | 15%        | -5,577            |
| Depreciation, amortisation and impairment of property, equipment and intangible assets                                     |        | -413          | -382          | 8%         | -430          | -4%        | -1,226          | -1,366          | -10%       | -1,814            |
| <b>Total expenses</b>  |        | <b>-5,121</b> | <b>-5,148</b> | <b>-1%</b> | <b>-4,600</b> | <b>11%</b> | <b>-15,436</b>  | <b>-14,656</b>  | <b>5%</b>  | <b>-19,843</b>    |
| <b>Profit before credit losses, risk tax and resolution fee</b>  |        | <b>7,776</b>  | <b>5,892</b>  | <b>32%</b> | <b>6,487</b>  | <b>20%</b> | <b>20,806</b>   | <b>17,828</b>   | <b>17%</b> | <b>24,434</b>     |
| Net credit losses  | Note 6 | 69            | -56           |            | -131          |            | 7               | -34             |            | -43               |
| Gains/losses on disposal of property, equipment and intangible assets  |        | 6             | 4             | 50%        | 4             | 50%        | 24              | 10              | 140%       | 14                |
| Risk tax and resolution fee  |        | -576          | -594          | -3%        | -233          | 147%       | -1,729          | -698            | 148%       | -930              |
| <b>Operating profit</b>  |        | <b>7,277</b>  | <b>5,246</b>  | <b>39%</b> | <b>6,127</b>  | <b>19%</b> | <b>19,109</b>   | <b>17,106</b>   | <b>12%</b> | <b>23,475</b>     |
| Taxes  |        | -1,718        | -1,144        | 50%        | -1,252        | 37%        | -4,104          | -3,569          | 15%        | -4,627            |
| <b>Profit for the period from continuing operations</b>  |        | <b>5,558</b>  | <b>4,102</b>  | <b>35%</b> | <b>4,875</b>  | <b>14%</b> | <b>15,004</b>   | <b>13,537</b>   | <b>11%</b> | <b>18,848</b>     |
| Profit for the period from discontinued operations after tax   | Note 9 | 165           | 73            | 126%       | 318           | -48%       | 545             | 770             | -29%       | 695               |
| <b>Profit for the period</b>   |        | <b>5,723</b>  | <b>4,176</b>  | <b>37%</b> | <b>5,193</b>  | <b>10%</b> | <b>15,549</b>   | <b>14,307</b>   | <b>9%</b>  | <b>19,543</b>     |
| Attributable to  |        |               |               |            |               |            |                 |                 |            |                   |
| Shareholders in Svenska Handelsbanken AB   |        | 5,723         | 4,175         | 37%        | 5,193         | 10%        | 15,548          | 14,304          | 9%         | 19,527            |
| Non-controlling interest   |        | 0             | 0             |            | -             |            | 1               | 3               |            | 16                |

## EARNINGS PER SHARE - GROUP

|   | Q3<br>2022 | Q2<br>2022 | Change | Q3<br>2021 | Change | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Change | Full year<br>2021 |
|---|------------|------------|--------|------------|--------|-----------------|-----------------|--------|-------------------|
| Profit for the year, attributable to shareholders in Svenska Handelsbanken AB | 5,723      | 4,175      | 37%    | 5,193      | 10%    | 15,548          | 14,304          | 9%     | 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   | 2.89       | 2.11       | 37%    | 2.62       | 10%    | 7.85            | 7.22            | 9%     | 9.86              |
| - after dilution  | 2.89       | 2.11       | 37%    | 2.62       | 10%    | 7.85            | 7.22            | 9%     | 9.86              |
| Earnings per share, continuing operations, SEK                                | 2.81       | 2.07       | 36%    | 2.46       | 14%    | 7.58            | 6.83            | 11%    | 9.51              |
| - after dilution  | 2.81       | 2.07       | 36%    | 2.46       | 14%    | 7.58            | 6.83            | 11%    | 9.51              |
| Earnings per share, discontinued operations, SEK                              | 0.08       | 0.04       | 100%   | 0.16       | -50%   | 0.28            | 0.39            | -28%   | 0.35              |
| - after dilution  | 0.08       | 0.04       | 100%   | 0.16       | -50%   | 0.28            | 0.39            | -28%   | 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  | Q3<br>2022   | Q2<br>2022   | Change      | Q3<br>2021    | Change     | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Change      | Full year<br>2021 |
|--|--------------|--------------|-------------|---------------|------------|-----------------|-----------------|-------------|-------------------|
| <b>Profit for the period</b>   | <b>5,723</b> | <b>4,176</b> | <b>37%</b>  | <b>5,193</b>  | <b>10%</b> | <b>15,549</b>   | <b>14,307</b>   | <b>9%</b>   | <b>19,543</b>     |
| <b>Other comprehensive income</b>  |              |              |             |               |            |                 |                 |             |                   |
| <b>Items that will not be reclassified to the income statement</b>                           |              |              |             |               |            |                 |                 |             |                   |
| Defined benefit pension plans  | -100         | 2,558        |             | -2,226        | 96%        | 4,136           | 4,545           | -9%         | 6,820             |
| Instruments measured at fair value through other comprehensive income - equity instruments   | 74           | 7            |             | -2            |            | 90              | 49              |             | 62                |
| Tax on items that will not be reclassified to income statement                               | 4            | -522         |             | 462           | -99%       | -862            | -932            | 8%          | -1,401            |
| <i>of which defined benefit pension plans</i>  | 20           | -523         |             | 461           | -96%       | -846            | -930            | 9%          | -1,398            |
| <i>of which equity instruments measured at fair value through other comprehensive income</i> | -15          | 1            |             | 1             |            | -16             | -2              |             | -3                |
| <b>Total items that will not be reclassified to the income statement</b>                     | <b>-21</b>   | <b>2,043</b> |             | <b>-1,766</b> | <b>99%</b> | <b>3,365</b>    | <b>3,662</b>    | <b>-8%</b>  | <b>5,481</b>      |
| <b>Items that may subsequently be reclassified to the income statement</b>                   |              |              |             |               |            |                 |                 |             |                   |
| Cash flow hedges   | 852          | -706         |             | -228          |            | -1,141          | -1,549          | 26%         | -1,970            |
| Instruments measured at fair value through other comprehensive income - debt instruments     | -14          | -30          | 53%         | 3             |            | -88             | 19              |             | 6                 |
| Translation differences for the period   | -206         | 869          |             | 449           |            | 1,546           | 1,988           | -22%        | 3,201             |
| <i>of which hedging net investment in foreign operations</i>                                 | -8           | -158         | 95%         | -24           | 67%        | -209            | -801            | 74%         | -910              |
| Tax on items that may subsequently be reclassified to the income statement                   | -170         | 184          |             | 51            |            | 290             | 482             | -40%        | 595               |
| <i>of which cash flow hedges</i>   | -176         | 146          |             | 47            |            | 235             | 319             | -26%        | 406               |
| <i>of which debt instruments measured at fair value through other comprehensive income</i>   | 3            | 6            | -50%        | -1            |            | 12              | -4              |             | -1                |
| <i>of which hedging net investment in foreign operations</i>                                 | 2            | 32           | -94%        | 5             | -60%       | 43              | 167             | -74%        | 190               |
| <b>Total items that may subsequently be reclassified to the income statement</b>             | <b>461</b>   | <b>317</b>   | <b>45%</b>  | <b>275</b>    | <b>68%</b> | <b>607</b>      | <b>940</b>      | <b>-35%</b> | <b>1,832</b>      |
| <b>Total other comprehensive income for the period</b>                                       | <b>442</b>   | <b>2,358</b> | <b>-81%</b> | <b>-1,491</b> |            | <b>3,973</b>    | <b>4,602</b>    | <b>-14%</b> | <b>7,313</b>      |
| <b>Total comprehensive income for the period</b>   | <b>6,165</b> | <b>6,534</b> | <b>-6%</b>  | <b>3,702</b>  | <b>67%</b> | <b>19,522</b>   | <b>18,909</b>   | <b>3%</b>   | <b>26,856</b>     |
| Attributable to  |              |              |             |               |            |                 |                 |             |                   |
| Shareholders in Svenska Handelsbanken AB   | 6,165        | 6,534        | -6%         | 3,702         | 67%        | 19,520          | 18,906          | 3%          | 26,840            |
| Non-controlling interest   | 0            | 0            |             | 0             |            | 2               | 3               | -33%        | 16                |



## QUARTERLY PERFORMANCE - GROUP

| SEK m  | Q3<br>2022    | Q2<br>2022    | Q1<br>2022    | Q4<br>2021    | Q3<br>2021    |
|--|---------------|---------------|---------------|---------------|---------------|
| Interest income  | 18,314        | 12,122        | 9,820         | 9,058         | 8,885         |
| Interest expense   | -8,736        | -3,733        | -1,807        | -1,323        | -1,299        |
| Net interest income  | 9,578         | 8,389         | 8,013         | 7,735         | 7,586         |
| Net fee and commission income  | 2,730         | 2,741         | 2,911         | 3,163         | 2,867         |
| Net gains/losses on financial transactions   | 471           | -147          | 240           | 395           | 534           |
| Risk result - insurance  | 81            | 41            | 41            | 29            | 49            |
| Other dividend income  | -14           | 15            | 1             | 1             | 0             |
| Share of profit of associates  | 27            | -40           | 2             | 17            | 18            |
| Other income   | 25            | 38            | 1,098         | 453           | 33            |
| <b>Total income</b>  | <b>12,897</b> | <b>11,040</b> | <b>12,305</b> | <b>11,793</b> | <b>11,087</b> |
| Staff costs  | -3,283        | -3,164        | -3,173        | -3,145        | -2,840        |
| Other expenses   | -1,425        | -1,602        | -1,563        | -1,594        | -1,330        |
| Depreciation, amortisation and impairment of property, equipment and intangible assets | -413          | -382          | -431          | -448          | -430          |
| <b>Total expenses</b>  | <b>-5,121</b> | <b>-5,148</b> | <b>-5,167</b> | <b>-5,187</b> | <b>-4,600</b> |
| <b>Profit before credit losses, risk tax and resolution fee</b>                        | <b>7,776</b>  | <b>5,892</b>  | <b>7,138</b>  | <b>6,606</b>  | <b>6,487</b>  |
| Net credit losses  | 69            | -56           | -6            | -9            | -131          |
| Gains/losses on disposal of property, equipment and intangible assets                  | 6             | 4             | 14            | 4             | 4             |
| Risk tax and resolution fee  | -576          | -594          | -559          | -232          | -233          |
| <b>Operating profit</b>  | <b>7,277</b>  | <b>5,246</b>  | <b>6,586</b>  | <b>6,369</b>  | <b>6,127</b>  |
| Taxes  | -1,718        | -1,144        | -1,242        | -1,058        | -1,252        |
| <b>Profit for the period from continuing operations</b>                                | <b>5,558</b>  | <b>4,102</b>  | <b>5,344</b>  | <b>5,311</b>  | <b>4,875</b>  |
| Profit for the period from discontinued operations after tax                           | 165           | 73            | 307           | -75           | 318           |
| <b>Profit for the period</b>   | <b>5,723</b>  | <b>4,176</b>  | <b>5,650</b>  | <b>5,236</b>  | <b>5,193</b>  |
| Earnings per share, SEK  | 2.89          | 2.11          | 2.85          | 2.64          | 2.62          |
| - after dilution   | 2.89          | 2.11          | 2.85          | 2.64          | 2.62          |

## BALANCE SHEET - GROUP

| SEK m   |            | 30 Sep<br>2022   | 30 Jun<br>2022   | 31 Mar<br>2022   | 31 Dec<br>2021   | 30 Sep<br>2021   |
|---|------------|------------------|------------------|------------------|------------------|------------------|
| <b>Assets</b>   |            |                  |                  |                  |                  |                  |
| Cash and balances with central banks  |            | 567,140          | 569,790          | 486,276          | 291,584          | 613,846          |
| Other loans to central banks  | Note 7     | 4,838            | 10,749           | 1,259            | 1,255            | 1,927            |
| Interest-bearing securities eligible as collateral with central banks           |            | 130,097          | 114,338          | 121,996          | 100,538          | 95,694           |
| Loans to other credit institutions  | Note 7     | 30,940           | 27,385           | 35,510           | 21,745           | 31,035           |
| Loans to the public   | Note 7     | 2,275,414        | 2,249,615        | 2,209,362        | 2,163,135        | 2,361,498        |
| Value change of interest-hedged item in portfolio hedge                         |            | -20,930          | -15,158          | -8,413           | -1,900           | -971             |
| Bonds and other interest-bearing securities                                     |            | 43,849           | 38,954           | 43,779           | 33,317           | 30,291           |
| Shares  |            | 19,465           | 20,179           | 19,167           | 19,471           | 20,966           |
| Investments in associates   |            | 553              | 532              | 496              | 478              | 461              |
| Assets where the customer bears the value change risk                           |            | 202,105          | 205,044          | 221,993          | 235,761          | 235,313          |
| Derivative instruments  | Note 10,11 | 81,976           | 55,078           | 24,333           | 28,508           | 27,520           |
| Intangible assets   | Note 12    | 8,249            | 8,317            | 8,313            | 8,302            | 11,225           |
| Property and equipment  |            | 4,624            | 4,766            | 5,016            | 5,272            | 5,935            |
| Current tax assets  |            | 2,791            | 2,442            | 1,063            | 469              | 2,807            |
| Deferred tax assets   |            | 1,323            | 1,133            | 986              | 845              | 673              |
| Net pension assets  |            | 13,659           | 13,514           | 10,715           | 8,766            | 6,894            |
| Assets held for sale  | Note 9     | 354,435          | 354,426          | 343,217          | 421,417          | 591              |
| Other assets  |            | 5,743            | 25,252           | 17,645           | 5,785            | 18,098           |
| Prepaid expenses and accrued income   |            | 2,367            | 2,702            | 3,198            | 2,016            | 2,832            |
| <b>Total assets</b>   | Note 16    | <b>3,728,638</b> | <b>3,689,057</b> | <b>3,545,912</b> | <b>3,346,764</b> | <b>3,466,635</b> |
| <b>Liabilities and equity</b>   |            |                  |                  |                  |                  |                  |
| Due to credit institutions  | Note 13    | 120,251          | 121,449          | 111,179          | 83,034           | 123,027          |
| Deposits and borrowing from the public  | Note 13    | 1,465,457        | 1,448,836        | 1,377,477        | 1,286,637        | 1,449,474        |
| Liabilities where the customer bears the value change risk                      |            | 202,105          | 205,044          | 221,993          | 235,761          | 235,313          |
| Issued securities   | Note 14    | 1,501,028        | 1,484,153        | 1,416,511        | 1,353,768        | 1,385,711        |
| Derivative instruments  | Note 10,11 | 26,934           | 21,782           | 19,819           | 13,784           | 12,697           |
| Short positions   |            | 10,990           | 14,140           | 17,665           | 4,105            | 14,350           |
| Insurance liabilities   |            | 408              | 451              | 511              | 532              | 527              |
| Current tax liabilities   |            | 1,621            | 1,016            | 544              | 108              | 925              |
| Deferred tax liabilities  |            | 6,655            | 6,209            | 5,622            | 5,276            | 5,304            |
| Provisions  |            | 644              | 864              | 962              | 1,026            | 1,362            |
| Liabilities held for sale   | Note 9     | 139,691          | 139,326          | 135,788          | 133,922          | -                |
| Other liabilities   |            | 12,063           | 17,935           | 23,121           | 11,304           | 20,660           |
| Accrued expenses and deferred income  |            | 3,729            | 3,658            | 4,634            | 3,519            | 3,423            |
| Subordinated liabilities  |            | 45,059           | 38,516           | 31,434           | 32,257           | 31,579           |
| <b>Total liabilities</b>  | Note 16    | <b>3,536,636</b> | <b>3,503,378</b> | <b>3,367,258</b> | <b>3,165,033</b> | <b>3,284,352</b> |
| Non-controlling interest  |            | 13               | 12               | 27               | 25               | 12               |
| 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  |            | 19,817           | 19,375           | 17,017           | 15,845           | 13,134           |
| Retained earnings   |            | 144,797          | 144,639          | 144,134          | 134,507          | 143,006          |
| Profit for the period, attributable to shareholders in Svenska Handelsbanken AB |            | 15,548           | 9,825            | 5,650            | 19,527           | 14,304           |
| <b>Total equity</b>   |            | <b>192,002</b>   | <b>185,679</b>   | <b>178,655</b>   | <b>181,731</b>   | <b>182,283</b>   |
| <b>Total liabilities and equity</b>   |            | <b>3,728,638</b> | <b>3,689,057</b> | <b>3,545,912</b> | <b>3,346,764</b> | <b>3,466,635</b> |

## STATEMENT OF CHANGES IN EQUITY – GROUP

| January - September 2022   | 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          |
|--|---------------|---------------|-----------------------|---------------|--------------------|---------------------|--|--------------------------|----------------|
| <b>Opening equity 2022</b>   | <b>3,069</b>  | <b>8,758</b>  | <b>11,313</b>         | <b>1,789</b>  | <b>158</b>         | <b>2,585</b>        | <b>154,034</b>                             | <b>25</b>                | <b>181,731</b> |
| Profit for the period  |               |               |                       |               |                    |                     | 9,825                                      | 1                        | 9,826          |
| Other comprehensive income<br><i>of which reclassified within equity</i> |               |               | 3,369                 | -1,582        | -50                | 1,793               |  | 1                        | 3,531          |
|  |               |               |                       |               |                    | -505                |  |                          | -505           |
| <b>Total comprehensive income for the period</b>                         |               |               | <b>3,369</b>          | <b>-1,582</b> | <b>-50</b>         | <b>1,793</b>        | <b>9,825</b>                               | <b>2</b>                 | <b>13,357</b>  |
| Reclassified to retained earnings  |               |               |                       |               |                    |                     | 505  |                          | 505            |
| Dividend   |               |               |                       |               |                    |                     | -9,900                                     |                          | -9,900         |
| Change in non-controlling interest                                       |               |               |                       |               |                    |                     |  | -15                      |                |
| <b>Closing equity</b>  | <b>3,069</b>  | <b>8,758</b>  | <b>14,683</b>         | <b>206</b>    | <b>108</b>         | <b>4,378</b>        | <b>154,464</b>                             | <b>12</b>                | <b>185,679</b> |

| January – December 2021<br>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          |
|--|---------------|---------------|-----------------------|---------------|--------------------|---------------------|--|--------------------------|----------------|
| <b>Opening equity 2021</b>   | <b>3,069</b>  | <b>8,758</b>  | <b>5,891</b>          | <b>3,353</b>  | <b>94</b>          | <b>-806</b>         | <b>151,105</b>                             | <b>9</b>                 | <b>171,473</b> |
| Profit for the period  |               |               |                       |               |                    |                     | 19,527                                     | 16                       | 19,543         |
| Other comprehensive income<br><i>of which reclassified within equity</i> |               |               | 5,422                 | -1,564        | 64                 | 3,391               |  | 0                        | 7,313          |
|  |               |               |                       |               |                    | -67                 |  |                          | -67            |
| <b>Total comprehensive income for the period</b>                         |               |               | <b>5,422</b>          | <b>-1,564</b> | <b>64</b>          | <b>3,391</b>        | <b>19,527</b>                              | <b>16</b>                | <b>26,856</b>  |
| 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                                       |               |               |                       |               |                    |                     | -  |                          | -              |
| <b>Closing equity</b>  | <b>3,069</b>  | <b>8,758</b>  | <b>11,313</b>         | <b>1,789</b>  | <b>158</b>         | <b>2,585</b>        | <b>154,034</b>                             | <b>25</b>                | <b>181,731</b> |

| January – September 2021<br>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          |
|--|---------------|---------------|-----------------------|---------------|--------------------|---------------------|--|--------------------------|----------------|
| <b>Opening equity 2021</b>   | <b>3,069</b>  | <b>8,758</b>  | <b>5,891</b>          | <b>3,353</b>  | <b>94</b>          | <b>-806</b>         | <b>151,105</b>                             | <b>9</b>                 | <b>171,473</b> |
| Profit for the period  |               |               |                       |               |                    |                     | 14,304                                     | 3                        | 14,307         |
| Other comprehensive income<br><i>of which reclassified within equity</i> |               |               | 3,615                 | -1,230        | 62                 | 2,155               |  | 0                        | 4,602          |
|  |               |               |                       |               |                    | -18                 |  |                          | -18            |
| <b>Total comprehensive income for the period</b>                         |               |               | <b>3,615</b>          | <b>-1,230</b> | <b>62</b>          | <b>2,155</b>        | <b>14,304</b>                              | <b>3</b>                 | <b>18,909</b>  |
| Reclassified to retained earnings  |               |               |                       |               |                    |                     | 18   |                          | 18             |
| Dividend   |               |               |                       |               |                    |                     | -8,118                                     |                          | -8,118         |
| Share-based payments to employees of Handelsbanken Plc **                |               |               |                       |               |                    |                     | 40   |                          | 40             |
| Change in non-controlling interest                                       |               |               |                       |               |                    |                     |  |                          | 0              |
| <b>Closing equity</b>  | <b>3,069</b>  | <b>8,758</b>  | <b>9,506</b>          | <b>2,123</b>  | <b>156</b>         | <b>1,349</b>        | <b>157,310</b>                             | <b>12</b>                | <b>182,283</b> |

\* 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-Sep<br>2022 | Jan-Sep<br>2021 | Full year<br>2021 |
|--|-----------------|-----------------|-------------------|
| Operating profit   | 19,109          | 17,106          | 23,475            |
| Profit from discontinued operations, before tax                                      | 714             | 1,048           | 1,205             |
| Adjustment for non-cash items in profit/loss and result from discontinued operations | 2,241           | 1,368           | 2,561             |
| Paid income tax  | -4,845          | -4,693          | -5,086            |
| Changes in the assets and liabilities of operating activities                        | 110,094         | 203,878         | 27,227            |
| <b>Cash flow from operating activities</b>   | <b>127,313</b>  | <b>218,707</b>  | <b>49,382</b>     |
| Acquisition / disposal of subsidiaries   | 1,273           | -               | -                 |
| Change in shares   | -173            | -75             | -82               |
| Change in property and equipment   | -250            | -154            | -131              |
| Change in intangible assets  | -430            | -370            | -539              |
| <b>Cash flow from investing activities</b>   | <b>420</b>      | <b>-599</b>     | <b>-752</b>       |
| Repayment of subordinated loans  | -               | -9,811          | -10,130           |
| Issued subordinated loans  | 11,528          | -               | -                 |
| Dividend paid  | -9,900          | -8,118          | -16,666           |
| <b>Cash flow from financing activities</b>   | <b>1,628</b>    | <b>-17,929</b>  | <b>-26,796</b>    |
| <b>Liquid funds at beginning of the period</b>                                       | <b>439,964</b>  | <b>397,642</b>  | <b>397,642</b>    |
| Cash flow for the period   | 129,361         | 200,179         | 21,834            |
| Exchange rate difference on liquid funds   | 32,955          | 16,025          | 20,489            |
| <b>Liquid funds at end of the period*</b>  | <b>602,279</b>  | <b>613,846</b>  | <b>439,965</b>    |

\* 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, FFS 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, FFS 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 Insurance Contracts, which replaces IFRS 4 Insurance Contracts, has been published by the IASB and adopted by the EU.

This standard is to be applied in Handelsbanken's consolidated accounts as of the 2023 financial year. IFRS 17 entails a change in how insurance contracts are classified, measured and recognised. It also entails changes in disclosure requirements.

The main changes that IFRS 17 will entail for Handelsbanken are as follows:

- Traditional life insurance contracts will be classified in their entirety as insurance contracts, as they are assessed as including significant insurance risk. At present, the savings insurance components of these contracts are separated in accordance with the separation rules in IFRS 4 and reported according to IFRS 9. The effect of this changed accounting policy is an increase to the balance sheet item Insurance liabilities.

- The general approach will be applied when measuring the savings insurance components of traditional life insurance contracts. The premium allocation approach will be applied when measuring risk insurance contracts, risk insurance components and reinsurance contracts.

- The results of insurance contracts will be recognised in the income statement as a single line item named "Insurance result". The sub-items in Insurance result will be specified in a note. According to current policies, the results of insurance contracts are split and recognised under the three separate items Risk result – insurance, Net fee and commission income and Net gains/losses on financial transactions.

Three different methods can be applied for the transition to IFRS 17. The Bank intends to apply the fully retrospective approach for risk insurance contracts and risk insurance components, meaning that the comparative figures for 2022 will be recalculated. For savings insurance components in traditional life insurance, the Bank intends to apply the fair value approach, on the basis that sufficiently reliable historical data does not exist, given the time to have elapsed since the contracts were signed. The effect of the change in accounting policy for savings insurance components in traditional life insurance is that the Group's equity decreases and the balance sheet item insurance liabilities increases as at 1 January 2022.

Handelsbanken's assessment is that the new standard is not expected to have any material impact on the Bank's financial reports.

#### 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   | Q3<br>2022    | Q2<br>2022    | Change      | Q3<br>2021    | Change      | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Change      | Full year<br>2021 |
|---|---------------|---------------|-------------|---------------|-------------|-----------------|-----------------|-------------|-------------------|
| <b>Interest income</b>  |               |               |             |               |             |                 |                 |             |                   |
| Loans to credit institutions and central banks  | 2,650         | 926           | 186%        | 69            |             | 3,804           | 209             |             | 284               |
| Loans to the public   | 12,473        | 10,209        | 22%         | 8,710         | 43%         | 32,076          | 26,216          | 22%         | 35,094            |
| Interest-bearing securities eligible as collateral with central banks   | 297           | 190           | 56%         | 64            | 364%        | 559             | 197             | 184%        | 306               |
| Bonds and other interest-bearing securities   | 285           | 164           | 74%         | 72            | 296%        | 561             | 202             | 178%        | 279               |
| Derivative instruments  | 2,548         | 445           | 473%        | -310          |             | 2,736           | -926            |             | -1,245            |
| Other interest income   | 302           | 296           | 2%          | 270           | 12%         | 878             | 839             | 5%          | 1,111             |
| <b>Total</b>  | <b>18,555</b> | <b>12,230</b> | <b>52%</b>  | <b>8,875</b>  | <b>109%</b> | <b>40,614</b>   | <b>26,737</b>   | <b>52%</b>  | <b>35,829</b>     |
| Deduction of interest income reported in Net gains/losses on financial transactions   | 241           | 108           | 123%        | -10           |             | 358             | -37             |             | -3                |
| <b>Total interest income</b>  | <b>18,314</b> | <b>12,122</b> | <b>51%</b>  | <b>8,885</b>  | <b>106%</b> | <b>40,256</b>   | <b>26,774</b>   | <b>50%</b>  | <b>35,832</b>     |
| <i>of which interest income according to the effective interest method and interest on derivatives in hedge accounting</i>  | <i>15,806</i> | <i>11,061</i> | <i>43%</i>  | <i>8,547</i>  | <i>85%</i>  | <i>36,307</i>   | <i>25,737</i>   | <i>41%</i>  | <i>34,483</i>     |
| <b>Interest expense</b>   |               |               |             |               |             |                 |                 |             |                   |
| Due to credit institutions and central banks  | -447          | -190          | 135%        | -23           |             | -650            | -115            | 465%        | -112              |
| Deposits and borrowing from the public  | -2,276        | -757          | 201%        | -90           |             | -3,239          | -281            |             | -371              |
| Issued securities   | -4,850        | -2,546        | 90%         | -1,601        | 203%        | -9,032          | -5,084          | 78%         | -6,569            |
| Derivative instruments  | -916          | 78            |             | 795           |             | -374            | 2,491           |             | 3,073             |
| Subordinated liabilities  | -399          | -300          | 33%         | -248          | 61%         | -999            | -836            | 19%         | -1,097            |
| Deposit guarantee fee   | -66           | -67           | -1%         | -78           | -15%        | -198            | -235            | -16%        | -241              |
| Other interest expenses   | -132          | -78           | 69%         | -58           | 128%        | -277            | -132            | 110%        | -232              |
| <b>Total</b>  | <b>-9,087</b> | <b>-3,860</b> | <b>135%</b> | <b>-1,303</b> |             | <b>-14,770</b>  | <b>-4,192</b>   | <b>252%</b> | <b>-5,549</b>     |
| Deduction of interest expense reported in Net gains/losses on financial transactions  | -351          | -127          | 176%        | -4            |             | -494            | -4              |             | -38               |
| <b>Total interest expense</b>   | <b>-8,736</b> | <b>-3,733</b> | <b>134%</b> | <b>-1,299</b> |             | <b>-14,276</b>  | <b>-4,188</b>   | <b>241%</b> | <b>-5,511</b>     |
| <i>of which interest expense according to the effective interest method and interest on derivatives in hedge accounting</i> | <i>-8,077</i> | <i>-3,441</i> | <i>135%</i> | <i>-1,162</i> |             | <i>-13,185</i>  | <i>-3,769</i>   | <i>250%</i> | <i>-5,011</i>     |
| <b>Net interest income</b>  | <b>9,578</b>  | <b>8,389</b>  | <b>14%</b>  | <b>7,586</b>  | <b>26%</b>  | <b>25,980</b>   | <b>22,586</b>   | <b>15%</b>  | <b>30,321</b>     |

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                                      | Q3<br>2022   | Q2<br>2022   | Change     | Q3<br>2021   | Change      | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Change      | Full year<br>2021 |
|--|--------------|--------------|------------|--------------|-------------|-----------------|-----------------|-------------|-------------------|
| Brokerage and other securities commissions | 97           | 109          | -11%       | 129          | -25%        | 349             | 416             | -16%        | 555               |
| Mutual funds                               | 1,348        | 1,355        | -1%        | 1,509        | -11%        | 4,147           | 4,225           | -2%         | 5,842             |
| Custody and other asset management fees    | 204          | 224          | -9%        | 230          | -11%        | 679             | 660             | 3%          | 905               |
| Advisory services                          | 34           | 33           | 3%         | 29           | 17%         | 172             | 148             | 16%         | 230               |
| Insurance                                  | 196          | 199          | -2%        | 207          | -5%         | 604             | 593             | 2%          | 803               |
| Payments                                   | 696          | 681          | 2%         | 733          | -5%         | 1,978           | 2,009           | -2%         | 2,647             |
| Loans and deposits                         | 281          | 285          | -1%        | 285          | -1%         | 843             | 861             | -2%         | 1,155             |
| Guarantees                                 | 51           | 52           | -2%        | 49           | 4%          | 154             | 157             | -2%         | 207               |
| Other                                      | 134          | 136          | -1%        | 133          | 1%          | 404             | 408             | -1%         | 560               |
| <b>Total fee and commission income</b>     | <b>3,040</b> | <b>3,075</b> | <b>-1%</b> | <b>3,304</b> | <b>-8%</b>  | <b>9,330</b>    | <b>9,477</b>    | <b>-2%</b>  | <b>12,904</b>     |
| Securities                                 | -50          | -61          | -18%       | -50          | 0%          | -168            | -157            | 7%          | -211              |
| Payments                                   | -233         | -249         | -6%        | -369         | -37%        | -705            | -970            | -27%        | -1,168            |
| Other                                      | -26          | -25          | 4%         | -18          | 44%         | -75             | -55             | 36%         | -67               |
| <b>Total fee and commission expenses</b>   | <b>-310</b>  | <b>-334</b>  | <b>-7%</b> | <b>-437</b>  | <b>-29%</b> | <b>-948</b>     | <b>-1,182</b>   | <b>-20%</b> | <b>-1,446</b>     |
| <b>Net fee and commission income</b>       | <b>2,730</b> | <b>2,741</b> | <b>0%</b>  | <b>2,867</b> | <b>-5%</b>  | <b>8,382</b>    | <b>8,295</b>    | <b>1%</b>   | <b>11,458</b>     |

### Net fee and commission income per segment

| January - September 2022                   |              | Home markets |            |                  |                 |            |              | Total        |      |
|--|--------------|--------------|------------|------------------|-----------------|------------|--------------|--------------|------|
| SEK m                                      | Sweden       | UK           | Norway     | The Nether-lands | Capital Markets | Other      | Adj. & elim. | Jan-sep      | 2022 |
| Brokerage and other securities commissions | 139          | 3            | 11         | 8                | 183             | 12         | -8           | 349          |      |
| Mutual funds                               | 3,579        | 256          | 186        | 43               | 8               | 146        | -71          | 4,147        |      |
| Custody and other asset management fees    | 486          | 22           | 89         | 58               | 32              | 1          | -8           | 679          |      |
| Advisory services                          | 0            | 36           | 0          |                  | 151             | -7         | -8           | 172          |      |
| Insurance                                  | 588          | 0            | 15         |                  | 0               | 1          | -1           | 604          |      |
| Payments                                   | 1,542        | 231          | 202        | 1                | 10              | -7         | 0            | 1,978        |      |
| Loans and deposits                         | 563          | 91           | 71         | 8                | 23              | 89         | -1           | 843          |      |
| Guarantees                                 | 78           | 11           | 35         | 0                | 30              | 1          | -3           | 154          |      |
| Other                                      | 387          | 5            | 4          | 1                | 241             | 0          | -235         | 404          |      |
| <b>Total fee and commission income</b>     | <b>7,362</b> | <b>656</b>   | <b>613</b> | <b>119</b>       | <b>677</b>      | <b>236</b> | <b>-333</b>  | <b>9,330</b> |      |
| <b>Total fee and commission expenses</b>   | <b>-991</b>  | <b>-45</b>   | <b>-85</b> | <b>-13</b>       | <b>-97</b>      | <b>-51</b> | <b>333</b>   | <b>-948</b>  |      |
| <b>Net fee and commission income</b>       | <b>6,370</b> | <b>611</b>   | <b>528</b> | <b>107</b>       | <b>580</b>      | <b>185</b> | <b>0</b>     | <b>8,382</b> |      |
| <i>of which Net card commissions</i>       | <i>656</i>   | <i>42</i>    | <i>73</i>  | <i>-1</i>        |                 | <i>-9</i>  |              | <i>760</i>   |      |

| January - September 2021                   |               | Home markets |            |                  |                 |            |              | Total         |      |
|--|---------------|--------------|------------|------------------|-----------------|------------|--------------|---------------|------|
| SEK m                                      | Sweden        | UK           | Norway     | The Nether-lands | Capital Markets | Other      | Adj. & elim. | Jan-sep       | 2021 |
| Brokerage and other securities commissions | 198           | 6            | 13         | 7                | 200             | 2          | -10          | 416           |      |
| Mutual funds                               | 3,672         | 231          | 191        | 40               | 11              | 154        | -74          | 4,225         |      |
| Custody and other asset management fees    | 479           | 25           | 79         | 53               | 32              | 2          | -10          | 660           |      |
| Advisory services                          | 2             | 35           | 1          |                  | 119             | -6         | -3           | 148           |      |
| Insurance                                  | 575           |              | 18         |                  | 0               | 0          | 0            | 593           |      |
| Payments                                   | 1,626         | 201          | 175        | 1                | 12              | -6         | 0            | 2,009         |      |
| Loans and deposits                         | 555           | 92           | 65         | 14               | 36              | 99         | 0            | 861           |      |
| Guarantees                                 | 78            | 13           | 31         | 1                | 37              |            | -3           | 157           |      |
| Other                                      | 390           | 3            | 4          | 1                | 196             | 2          | -188         | 408           |      |
| <b>Total fee and commission income</b>     | <b>7,575</b>  | <b>606</b>   | <b>577</b> | <b>117</b>       | <b>643</b>      | <b>247</b> | <b>-288</b>  | <b>9,477</b>  |      |
| <b>Total fee and commission expenses</b>   | <b>-1,170</b> | <b>-45</b>   | <b>-96</b> | <b>-11</b>       | <b>-105</b>     | <b>-43</b> | <b>288</b>   | <b>-1,182</b> |      |
| <b>Net fee and commission income</b>       | <b>6,405</b>  | <b>561</b>   | <b>481</b> | <b>106</b>       | <b>538</b>      | <b>204</b> | <b>0</b>     | <b>8,295</b>  |      |
| <i>of which Net card commissions</i>       | <i>634</i>    | <i>26</i>    | <i>54</i>  | <i>-1</i>        | <i>0</i>        | <i>-9</i>  |              | <i>704</i>    |      |

## Note 4 Net gains/losses on financial transactions

| SEK m   | Q3<br>2022 | Q2<br>2022  | Change | Q3<br>2021 | Change      | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Change      | Full year<br>2021 |
|---|------------|-------------|--------|------------|-------------|-----------------|-----------------|-------------|-------------------|
| Amortised cost  | 53         | 48          | 10%    | 89         | -40%        | 162             | 216             | -25%        | 300               |
| <i>of which loans</i>   | 43         | 57          | -25%   | 103        | -58%        | 180             | 293             | -39%        | 396               |
| <i>of which interest-bearing securities</i>                       | -          | -           |        | -          |             | -               | -               |             | -                 |
| <i>of which issued securities</i>                                 | 9          | -8          |        | -14        |             | -18             | -77             | 77%         | -96               |
| Fair value through other comprehensive income                     | -1         | 0           |        | 0          |             | -1              | 0               |             | 0                 |
| <i>of which expected credit losses</i>                            | -1         | 0           |        | 0          |             | -1              | 0               |             | 0                 |
| Fair value through profit or loss, fair value option              | -1,086     | -1,559      | 30%    | -192       | -466%       | -4,456          | -752            | -493%       | -900              |
| <i>of which interest-bearing securities</i>                       | -1,086     | -1,559      | 30%    | -192       | -466%       | -4,456          | -752            | -493%       | -900              |
| Fair value through profit or loss, mandatory including FX effects | 1,545      | 1,525       | 1%     | 631        | 145%        | 5,257           | 1,864           | 182%        | 2,347             |
| Hedge accounting  | 30         | 11          | 173%   | 33         | -9%         | 39              | 22              | 77%         | 0                 |
| <i>of which net gains/losses on fair value hedges</i>             | 29         | -3          |        | 34         | -15%        | 28              | 22              | 27%         | 7                 |
| <i>of which cash flow hedge ineffectiveness</i>                   | 1          | 13          | -92%   | -1         |             | 10              | -               |             | -7                |
| Result from financial components in insurance contract            | -70        | -172        | 59%    | -27        | -159%       | -437            | -46             |             | -48               |
| <b>Net gains/losses on financial transactions</b>                 | <b>471</b> | <b>-147</b> |        | <b>534</b> | <b>-12%</b> | <b>564</b>      | <b>1,304</b>    | <b>-57%</b> | <b>1,699</b>      |

## Note 5 Other expenses

| SEK m                 | Q3<br>2022    | Q2<br>2022    | Change      | Q3<br>2021    | Change    | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Change     | Full year<br>2021 |
|-----------------------|---------------|---------------|-------------|---------------|-----------|-----------------|-----------------|------------|-------------------|
| Property and premises | -149          | -142          | 5%          | -125          | 19%       | -422            | -405            | 4%         | -545              |
| External IT costs     | -702          | -737          | -5%         | -492          | 43%       | -2,124          | -1,535          | 38%        | -2,188            |
| Communication         | -61           | -60           | 2%          | -60           | 2%        | -190            | -196            | -3%        | -257              |
| Travel and marketing  | -49           | -64           | -23%        | -28           | 75%       | -151            | -77             | 96%        | -128              |
| Purchased services    | -389          | -443          | -12%        | -461          | -16%      | -1,301          | -1,348          | -3%        | -1,884            |
| Supplies              | -41           | -38           | 8%          | -30           | 37%       | -114            | -102            | 12%        | -140              |
| Other expenses        | -34           | -114          | -70%        | -134          | -75%      | -288            | -320            | -10%       | -435              |
| <b>Other expenses</b> | <b>-1,425</b> | <b>-1,602</b> | <b>-11%</b> | <b>-1,330</b> | <b>7%</b> | <b>-4,590</b>   | <b>-3,983</b>   | <b>15%</b> | <b>-5,577</b>     |



## Note 6 Credit losses

| SEK m  | Q3<br>2022 | Q2<br>2022  | Change      | Q3<br>2021  | Change      | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Change      | Full year<br>2021 |
|--|------------|-------------|-------------|-------------|-------------|-----------------|-----------------|-------------|-------------------|
| <b>Expected credit losses on balance sheet items</b>           |            |             |             |             |             |                 |                 |             |                   |
| The period's provision Stage 3                                 | -46        | -61         | -25%        | -213        | -78%        | -116            | -357            | -68%        | -403              |
| Reversal of Stage 3 provisions previous years                  | 68         | 59          | 15%         | 29          | 134%        | 173             | 133             | 30%         | 173               |
| <b>Total expected credit losses Stage 3</b>                    | <b>21</b>  | <b>-1</b>   |             | <b>-184</b> |             | <b>57</b>       | <b>-224</b>     |             | <b>-230</b>       |
| The period's net provision Stage 2                             | 30         | -65         |             | 87          | -66%        | -48             | 125             |             | 188               |
| The period's net provision Stage 1                             | -44        | -36         | 22%         | -6          |             | -84             | 6               |             | -9                |
| <b>Total expected credit losses in Stage 1 and Stage 2</b>     | <b>-13</b> | <b>-102</b> | <b>-87%</b> | <b>81</b>   |             | <b>-132</b>     | <b>131</b>      |             | <b>179</b>        |
| <b>Total expected credit losses on balance sheet items</b>     | <b>9</b>   | <b>-103</b> |             | <b>-103</b> |             | <b>-74</b>      | <b>-93</b>      | <b>-20%</b> | <b>-51</b>        |
| <b>Expected credit losses on off-balance sheet items</b>       |            |             |             |             |             |                 |                 |             |                   |
| The period's net provision Stage 3                             | 4          | -           |             | -1          |             | 10              | 24              | -58%        | 26                |
| The period's net provision Stage 2                             | 25         | 5           | 400%        | -9          |             | -14             | 4               |             | 11                |
| The period's net provision Stage 1                             | 1          | -22         |             | -10         |             | -4              | -17             | 76%         | -18               |
| <b>Total expected credit losses on off-balance sheet items</b> | <b>31</b>  | <b>-17</b>  |             | <b>-20</b>  |             | <b>-7</b>       | <b>11</b>       |             | <b>19</b>         |
| <b>Write-offs</b>  |            |             |             |             |             |                 |                 |             |                   |
| Actual credit losses for the period                            | -51        | -90         | -43%        | -70         | -27%        | -683            | -280            | 144%        | -363              |
| Utilised share of previous provision Stage 3                   | 46         | 82          | -44%        | 53          | -13%        | 602             | 234             | 157%        | 281               |
| <b>Total write-offs</b>  | <b>-6</b>  | <b>-7</b>   | <b>-14%</b> | <b>-17</b>  | <b>-65%</b> | <b>-81</b>      | <b>-46</b>      | <b>76%</b>  | <b>-82</b>        |
| <b>Recoveries</b>  | <b>35</b>  | <b>72</b>   | <b>-51%</b> | <b>9</b>    | <b>289%</b> | <b>169</b>      | <b>94</b>       | <b>80%</b>  | <b>71</b>         |
| <b>Net credit losses</b>                                       | <b>69</b>  | <b>-56</b>  |             | <b>-131</b> |             | <b>7</b>        | <b>-34</b>      |             | <b>-43</b>        |
| <i>of which loans to the public</i>                            | 38         | -39         |             | -111        |             | 11              | -47             |             | -65               |

| SEK m  | Q3<br>2022 | Q2<br>2022  | Q1<br>2022 | Q4<br>2021 | Q3<br>2021  |
|--|------------|-------------|------------|------------|-------------|
| <b>1) Expected credit losses Stage 3 on and off balance sheet</b>                          | <b>25</b>  | <b>-1</b>   | <b>43</b>  | <b>-4</b>  | <b>-185</b> |
| <b>Change in model-based provision Stage 1 and Stage 2:</b>                                |            |             |            |            |             |
| Update of macroeconomic scenarios and risk factors   | -47        | -38         | -16        | 1          | 6           |
| Transfer of exposures in exposed sectors from Stage 1 to Stage 2*                          | 1          | -1          | 9          | 10         | 5           |
| Change in probability of default in portfolio at beginning of quarter (net rating changes) | 15         | -14         | -14        | 5          | 1           |
| Effects of changes in exposures (existing, new and terminated exposures)                   | 11         | 17          | 14         | 24         | 17          |
| Other in Stage 1 and Stage 2   | 8          | 14          | -12        | 22         | 50          |
| <i>Deducted, discontinued operations</i>   | 8          | -15         | -12        | -12        | -8          |
| <b>Model-based credit losses in Stage 1 and Stage 2</b>                                    | <b>-4</b>  | <b>-37</b>  | <b>-31</b> | <b>50</b>  | <b>71</b>   |
| <b>Expert based provision</b>  |            |             |            |            |             |
| Expert based provision   | -672       | -678        | -599       | -577       | -605        |
| <i>Deducted, discontinued operations</i>   | 95         | 85          | 87         | 78         | 102         |
| Expert based provision in continuing operations  | -577       | -593        | -512       | -499       | -503        |
| <b>Quarterly change of provisions which affect credit losses in Stage 1 and Stage 2</b>    | <b>16</b>  | <b>-81</b>  | <b>-13</b> | <b>4</b>   | <b>-9</b>   |
| <b>2) Expected credit losses in Stage 1 and Stage 2 on and off balance sheet</b>           | <b>12</b>  | <b>-118</b> | <b>-44</b> | <b>54</b>  | <b>62</b>   |
| <b>3) Write-offs</b>   | <b>-6</b>  | <b>-7</b>   | <b>-68</b> | <b>-36</b> | <b>-17</b>  |
| <b>4) Recoveries</b>   | <b>35</b>  | <b>72</b>   | <b>62</b>  | <b>-23</b> | <b>9</b>    |
| <b>Net credit losses (1+2+3+4)</b>   | <b>69</b>  | <b>-56</b>  | <b>-6</b>  | <b>-9</b>  | <b>-131</b> |

\* expert-based assessment of significant increase in credit risk

The total provision requirement in Stage 1 and Stage 2 has decreased during the third quarter. The provision consists of a model-based provision which is affected by macroeconomic risk factors and customer migration, together with an expert-based provision. The selection of macroeconomic risk factors upon which the model is based is unchanged since the first quarter. The probability weighting for a negative/neutral/positive scenario has been changed to 20%/60%/20% (15%/70%/15%) due to prevailing uncertainty regarding macroeconomic developments. The updated assumptions for macroeconomic risk factors reflect higher inflation, higher interest rates and lower GDP than the previous quarter. All in all, on the basis of these factors, the model-based provision has increased by SEK 47m.

During the third quarter, the Bank has applied an expert-based provision based on elevated credit risks relating to uncertainty factors which are not deemed to be fully considered in the Bank's risk models. These uncertainty factors are primarily associated with the instability of the operating environment, including the war in Ukraine, which created extensive supply chain disruptions, shortages of input goods and energy, and the availability of labour within certain sectors. Given the challenges, at the end of the quarter, in assessing how the uncertainty factors noted above affect the credit risk at individual company level, together with uncertainty surrounding how these factors will develop, the Bank has therefore applied an expert-based stress to sectors at risk of extra sensitivity to supply and access disruptions. This stress has been applied in addition to the model-based calculations, resulting in an additional provision requirement of SEK 577m (593) in continuing operations and SEK 672m (678) including discontinued operations. The differences compared to the previous quarter are primarily due to minor changes in the composition of the stressed portfolio.

The impairment testing process for agreements in Stage 3 has not been changed, and the customary procedure with individual assessment has continued.

#### Loans to the public – Key metrics

|   | 30 Sep<br>2022 | 30 Jun<br>2022 | 31 Mar<br>2022 | 31 Dec<br>2021 | 30 Sep<br>2021 |
|---|----------------|----------------|----------------|----------------|----------------|
| Credit loss ratio %, continuing operations, acc | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| Total credit loss reserve ratio, %              | 0.10           | 0.11           | 0.11           | 0.13           | 0.14           |
| Credit loss reserve ratio Stage 1, %            | 0.02           | 0.02           | 0.02           | 0.02           | 0.02           |
| Credit loss reserve ratio Stage 2, %            | 0.98           | 1.20           | 1.25           | 1.07           | 1.06           |
| Credit loss reserve ratio Stage 3, %            | 22.97          | 23.96          | 24.05          | 28.20          | 28.93          |
| Proportion of loans Stage 3, %                  | 0.19           | 0.19           | 0.20           | 0.22           | 0.22           |

For definitions, please see the Fact Book which is available at [handelsbanken.com/ir](https://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 macro-economic scenarios

The calculation of expected credit losses is based on forward looking macro-economic forecasts. The expected credit loss is a probability weighted average of the expected losses in three different scenarios. The base case scenario is weighted with probability 60% (70), while the upturn scenarios is weighted with probability 20% (15) and the downturn scenario with probability 20% (15). These scenarios has been applied to the calculation of expected credit losses in Stage 1 and Stage 2 as of September 30, 2022.

| Macroeconomic risk factor               |               | Downturn scenario |        |        | Base case scenario |        |       | Upturn scenario |       |       |
|---|---------------|-------------------|--------|--------|--------------------|--------|-------|-----------------|-------|-------|
|   |               | 2022              | 2023   | 2024   | 2022               | 2023   | 2024  | 2022            | 2023  | 2024  |
| GDP growth, %                           | Sweden        | 2.12              | -2.69  | 1.37   | 3.02               | -0.13  | 1.57  | 3.52            | 2.37  | 2.27  |
|   | Great Britain | 2.92              | -2.78  | 1.08   | 3.70               | 0.40   | 1.28  | 4.01            | 2.88  | 1.98  |
|   | Norway        | 2.27              | -1.53  | 1.05   | 2.87               | 0.67   | 1.25  | 3.38            | 3.17  | 1.95  |
|   | Denmark       | 1.55              | -3.17  | 0.93   | 2.29               | -0.67  | 1.13  | 2.80            | 2.03  | 1.83  |
|   | Finland       | 1.43              | -2.84  | 0.78   | 2.32               | -0.20  | 0.98  | 2.83            | 2.30  | 1.68  |
|   | Euro area     | 2.08              | -3.20  | 1.32   | 3.08               | -0.54  | 1.52  | 3.62            | 1.96  | 2.22  |
|   | United States | 0.87              | -2.49  | 1.09   | 1.85               | 0.18   | 1.29  | 2.79            | 2.78  | 1.99  |
| Unemployment rate, %                    | Sweden        | 7.63              | 10.25  | 10.15  | 7.40               | 7.40   | 7.85  | 7.13            | 6.60  | 6.92  |
|   | Great Britain | 5.04              | 8.93   | 7.39   | 4.50               | 5.33   | 4.89  | 4.24            | 3.93  | 3.69  |
|   | Norway        | 2.42              | 4.68   | 4.15   | 1.80               | 2.08   | 2.25  | 1.73            | 1.78  | 2.15  |
|   | Denmark       | 4.96              | 8.23   | 7.95   | 4.43               | 5.35   | 5.85  | 4.16            | 4.65  | 5.33  |
|   | Finland       | 7.13              | 9.90   | 9.10   | 6.70               | 7.00   | 6.90  | 6.43            | 6.20  | 6.40  |
|   | Euro area     | 7.22              | 10.33  | 9.50   | 6.78               | 7.43   | 7.50  | 6.51            | 6.43  | 6.30  |
|   | United States | 4.17              | 6.69   | 6.54   | 3.63               | 3.99   | 4.59  | 3.57            | 3.39  | 4.09  |
| Policy interest rate, %                 | Sweden        | 2.00              | 1.25   | 0.75   | 2.25               | 2.75   | 2.25  | 2.50            | 3.25  | 3.00  |
|   | Great Britain | 2.50              | 1.75   | 1.50   | 3.00               | 3.00   | 2.75  | 3.00            | 3.50  | 3.50  |
|   | Norway        | 2.25              | 1.25   | 1.00   | 2.75               | 3.25   | 3.00  | 3.25            | 4.25  | 3.50  |
|   | Denmark       | 1.40              | 0.25   | 0.25   | 1.65               | 1.75   | 1.50  | 1.65            | 2.50  | 2.25  |
|   | Finland       | 1.75              | 0.25   | 0.25   | 2.00               | 2.00   | 1.50  | 2.00            | 2.75  | 2.25  |
|   | Euro area     | 1.75              | 0.25   | 0.25   | 2.00               | 2.00   | 1.50  | 2.00            | 2.75  | 2.25  |
|   | United States | 3.18              | 2.63   | 2.13   | 3.88               | 4.13   | 3.38  | 3.88            | 4.63  | 4.08  |
| Residential real estate, value change % | Sweden        | 0.50              | -11.39 | -4.51  | 0.50               | -6.50  | -0.10 | 0.50            | 4.69  | 2.00  |
|   | Great Britain | 5.58              | -5.28  | 1.78   | 5.58               | 0.71   | 1.52  | 5.58            | 4.67  | 0.73  |
|   | Norway        | 5.55              | -4.84  | 1.74   | 5.55               | -0.85  | 0.36  | 5.55            | 8.43  | 0.97  |
|   | Denmark       | 4.27              | -18.55 | -6.52  | 4.27               | -12.02 | -4.44 | 4.27            | 2.93  | 4.42  |
|   | Finland       | 2.05              | -0.57  | 0.39   | 2.05               | -1.04  | 1.01  | 2.05            | 1.11  | 2.19  |
|   | 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        | -1.25             | -7.88  | -10.82 | -1.25              | -8.48  | -5.32 | -1.25           | -7.95 | 0.00  |
|   | Great Britain | -3.96             | -14.79 | -1.55  | -3.70              | -6.81  | -3.08 | -3.70           | -2.05 | -6.15 |
|   | Norway        | -3.17             | -6.37  | -10.45 | -3.17              | -4.35  | -4.98 | -3.17           | -1.96 | 0.28  |
|   | Denmark       | -3.85             | -5.28  | -6.88  | -3.85              | -4.66  | -1.81 | -3.85           | -4.19 | 2.31  |
|   | Finland       | -3.21             | -7.42  | -7.90  | -3.21              | -5.75  | -2.12 | -3.21           | -4.15 | 2.56  |
|   | Euro area     | -5.48             | -8.21  | -8.11  | -5.48              | -5.85  | -1.87 | -5.48           | -3.85 | 3.33  |
|   | United States | 1.85              | 0.18   | 1.29   | -5.10              | -11.89 | -1.46 | 1.85            | 0.18  | 1.29  |

The table below shows the percentage increase and decrease, respectively, to the provision for expected credit losses in Stage 1 and Stage 2 as at 30 September 2022, if the negative and positive scenarios are assigned probabilities of 100%.

| %               | 30 September 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          | 11.06   | -6.98   | 18.30   | -10.05  |
| Great Britain   | 7.27  | -4.94   | 11.31   | -6.30   |
| Norway          | 5.67  | -5.51   | 12.31   | -6.82   |
| Denmark         | 11.13   | -8.49   | 15.00   | -8.07   |
| Finland         | -1.00   | 0.85  | 3.91  | -1.95   |
| The Netherlands | 2.65  | -1.62   | 3.48  | -1.80   |
| United States   | 21.29   | -19.38  | 50.58   | -32.07  |
| Other countries | 6.26  | -2.59   | 5.88  | -2.76   |
| <b>Total</b>    | <b>7.36</b>   | <b>-5.02</b>  | <b>13.64</b>  | <b>-7.46</b>  |

## 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   | 30 Sep<br>2022   | 30 Jun<br>2022   | 31 Mar<br>2022   | 31 Dec<br>2021   | 30 Sep<br>2021   |
|---|------------------|------------------|------------------|------------------|------------------|
| Cash and balances with central banks                                  | 602,266          | 642,820          | 553,424          | 439,932          | 613,846          |
| Other loans to central banks  | 40,181           | 11,037           | 1,468            | 1,462            | 1,927            |
| Interest-bearing securities eligible as collateral with central banks | 218              | 219              | 225              | 421              | 416              |
| Loans to other credit institutions                                    | 31,042           | 27,502           | 35,606           | 21,838           | 31,035           |
| <i>of which reverse repos</i>   | 17,988           | 16,349           | 17,351           | 12,127           | 15,075           |
| Loans to the public   | 2,539,160        | 2,510,365        | 2,464,468        | 2,413,829        | 2,361,498        |
| <i>of which reverse repos</i>   | 18,300           | 13,175           | 12,785           | 13,649           | 15,768           |
| Bonds and interest-bearing securities                                 | 9,593            | 9,664            | 9,284            | 9,016            | 8,680            |
| <b>Total</b>  | <b>3,222,461</b> | <b>3,201,607</b> | <b>3,064,475</b> | <b>2,886,498</b> | <b>3,017,402</b> |

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

| SEK m                   | 30 Sep<br>2022 | 30 Jun<br>2022 | 31 Mar<br>2022 | 31 Dec<br>2021 | 30 Sep<br>2021 |
|-------------------------|----------------|----------------|----------------|----------------|----------------|
| Volume, gross           | 3,225,106      | 3,204,311      | 3,067,163      | 2,889,681      | 3,020,690      |
| <i>of which Stage 1</i> | 3,144,555      | 3,135,265      | 3,004,694      | 2,817,860      | 2,941,211      |
| <i>of which Stage 2</i> | 74,383         | 62,777         | 55,892         | 64,400         | 72,089         |
| <i>of which Stage 3</i> | 6,168          | 6,269          | 6,577          | 7,421          | 7,390          |
| Provisions              | -2,648         | -2,708         | -2,692         | -3,185         | -3,290         |
| <i>of which Stage 1</i> | -503           | -450           | -410           | -399           | -381           |
| <i>of which Stage 2</i> | -727           | -756           | -700           | -693           | -771           |
| <i>of which Stage 3</i> | -1,417         | -1,502         | -1,582         | -2,093         | -2,138         |

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

| SEK m                      | 30 Sep<br>2022 | 30 Jun<br>2022 | 31 Mar<br>2022 | 31 Dec<br>2021 | 30 Sep<br>2021 |
|----------------------------|----------------|----------------|----------------|----------------|----------------|
| Loans to the public, gross | 2,541,802      | 2,513,066      | 2,467,153      | 2,417,007      | 2,364,779      |
| <i>of which Stage 1</i>    | 2,461,251      | 2,444,020      | 2,404,698      | 2,345,196      | 2,285,309      |
| <i>of which Stage 2</i>    | 74,383         | 62,777         | 55,879         | 64,390         | 72,080         |
| <i>of which Stage 3</i>    | 6,168          | 6,269          | 6,577          | 7,421          | 7,390          |
| Provisions                 | -2,642         | -2,702         | -2,686         | -3,178         | -3,281         |
| <i>of which Stage 1</i>    | -498           | -445           | -406           | -395           | -376           |
| <i>of which Stage 2</i>    | -727           | -754           | -698           | -690           | -767           |
| <i>of which Stage 3</i>    | -1,417         | -1,502         | -1,582         | -2,093         | -2,138         |

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

| 30 September 2022                                       |             |             |               |               |
|---|-------------|-------------|---------------|---------------|
| SEK m   | Stage 1     | Stage 2     | Stage 3       | Total         |
| Provision at beginning of year                          | -399        | -693        | -2,093        | -3,185        |
| Derecognised assets                                     | 29          | 49          | 107           | 185           |
| Write-offs  | 0           | 0           | 630           | 630           |
| Remeasurements due to changes in credit risk            | -209        | 256         | 19            | 66            |
| Changes due to update in the methodology for estimation | -           | -           | -             | -             |
| Foreign exchange effect, etc                            | -7          | -7          | -11           | -25           |
| Purchased or originated assets                          | -42         | -22         | -19           | -83           |
| Transfer to Stage 1                                     | -41         | 49          | 8             | 16            |
| Transfer to Stage 2                                     | 62          | -436        | 6             | -368          |
| Transfer to Stage 3                                     | 103         | 77          | -65           | 115           |
| <b>Provision at end of period</b>                       | <b>-503</b> | <b>-727</b> | <b>-1,417</b> | <b>-2,648</b> |

| 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            |
| <b>Provision at end of period</b>                       | <b>-399</b> | <b>-693</b> | <b>-2,093</b> | <b>-3,185</b> |

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

| 30 September 2022                                       |             |             |               |               |
|---|-------------|-------------|---------------|---------------|
| SEK m   | Stage 1     | Stage 2     | Stage 3       | Total         |
| Provision at beginning of year                          | -395        | -690        | -2,093        | -3,178        |
| Derecognised assets                                     | 28          | 49          | 107           | 184           |
| Write-offs  | 0           | 0           | 630           | 630           |
| Remeasurements due to changes in credit risk            | -207        | 253         | 19            | 65            |
| Changes due to update in the methodology for estimation | -           | -           | -             | -             |
| Foreign exchange effect, etc                            | -8          | -7          | -11           | -26           |
| Purchased or originated assets                          | -41         | -22         | -19           | -82           |
| Transfer to Stage 1                                     | -41         | 49          | 8             | 16            |
| Transfer to Stage 2                                     | 62          | -436        | 6             | -368          |
| Transfer to Stage 3                                     | 103         | 77          | -65           | 115           |
| <b>Provision at end of period</b>                       | <b>-498</b> | <b>-727</b> | <b>-1,417</b> | <b>-2,642</b> |

| 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            |
| <b>Provision at end of period</b>                       | <b>-395</b> | <b>-690</b> | <b>-2,093</b> | <b>-3,178</b> |

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

| 30 September 2022                                   | Gross            |               |              | Provisions  |             |               | Net              |
|---|------------------|---------------|--------------|-------------|-------------|---------------|------------------|
|   | Stage 1          | Stage 2       | Stage 3      | Stage 1     | Stage 2     | Stage 3       |                  |
| SEK m   |                  |               |              |             |             |               |                  |
| Private individuals                                 | 1,234,162        | 35,139        | 3,029        | -169        | -130        | -621          | 1,271,410        |
| <i>of which mortgage loans</i>                      | 1,036,236        | 27,655        | 1,044        | -48         | -32         | -47           | 1,064,808        |
| <i>of which other loans with property mortgages</i> | 152,313          | 5,816         | 970          | -32         | -41         | -106          | 158,920          |
| <i>of which other loans to private individuals</i>  | 45,613           | 1,668         | 1,015        | -89         | -57         | -468          | 47,682           |
| Housing co-operative associations                   | 284,665          | 1,228         | 38           | -9          | -2          | -9            | 285,911          |
| <i>of which mortgage loans</i>                      | 257,324          | 820           | 11           | -4          | 0           | -7            | 258,144          |
| Property management                                 | 703,913          | 20,787        | 1,753        | -106        | -86         | -152          | 726,109          |
| Manufacturing                                       | 28,440           | 5,340         | 56           | -29         | -123        | -37           | 33,647           |
| Retail  | 32,282           | 1,502         | 124          | -14         | -14         | -62           | 33,818           |
| Hotel and restaurant                                | 6,510            | 1,659         | 22           | -7          | -20         | -9            | 8,155            |
| Passenger and goods transport by sea                | 1,924            | 95            | 225          | -2          | -4          | -74           | 2,164            |
| Other transport and communication                   | 10,861           | 479           | 45           | -17         | -45         | -43           | 11,280           |
| Construction  | 17,628           | 3,831         | 132          | -61         | -166        | -70           | 21,294           |
| Electricity, gas and water                          | 11,722           | 305           | 4            | -2          | -5          | -3            | 12,021           |
| Agriculture, hunting and forestry                   | 20,641           | 1,959         | 79           | -25         | -81         | -43           | 22,530           |
| Other services                                      | 20,984           | 708           | 136          | -14         | -8          | -103          | 21,703           |
| Holding, investment and insurance Comp., funds etc. | 62,853           | 1,070         | 140          | -22         | -8          | -95           | 63,938           |
| Government and municipalities                       | 7,488            | 92            | -            | 0           | -1          | -             | 7,579            |
| <i>of which Swedish national debt office</i>        | 2,643            | -             | -            | -           | -           | -             | 2,643            |
| Other corporate lending                             | 17,178           | 189           | 385          | -21         | -34         | -96           | 17,601           |
| <b>Total</b>  | <b>2,461,251</b> | <b>74,383</b> | <b>6,168</b> | <b>-498</b> | <b>-727</b> | <b>-1,417</b> | <b>2,539,160</b> |

| 31 December 2021                                    | Gross            |               |              | Provisions  |             |               | Net              |
|---|------------------|---------------|--------------|-------------|-------------|---------------|------------------|
|   | Stage 1          | Stage 2       | Stage 3      | Stage 1     | Stage 2     | Stage 3       |                  |
| SEK m   |                  |               |              |             |             |               |                  |
| 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 Comp., 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           |
| <b>Total</b>  | <b>2,345,196</b> | <b>64,390</b> | <b>7,421</b> | <b>-395</b> | <b>-690</b> | <b>-2,093</b> | <b>2,413,829</b> |

## Specification of Loans to the public – Property management

| 30 September 2022                        | Gross          |               |              | Provisions  |            |             | Net            |
|--|----------------|---------------|--------------|-------------|------------|-------------|----------------|
| SEK m                                    | Stage 1        | Stage 2       | Stage 3      | Stage 1     | Stage 2    | Stage 3     |                |
| <b>Loans in Sweden</b>                   |                |               |              |             |            |             |                |
| State-owned property companies           | 10,186         | -             | -            | 0           | -          | -           | 10,186         |
| Municipal-owned property companies       | 8,162          | -             | -            | 0           | -          | -           | 8,162          |
| Residential property companies           | 139,132        | 4,089         | 22           | -5          | -5         | -8          | 143,225        |
| <i>of which mortgage loans</i>           | <i>127,602</i> | <i>3,926</i>  | <i>18</i>    | <i>-4</i>   | <i>-4</i>  | <i>-4</i>   | <i>131,534</i> |
| Other property management                | 144,616        | 2,237         | 161          | -19         | -8         | -56         | 146,931        |
| <i>of which mortgage loans</i>           | <i>71,933</i>  | <i>1,093</i>  | <i>28</i>    | <i>-3</i>   | <i>-4</i>  | <i>0</i>    | <i>73,047</i>  |
| <b>Total loans in Sweden</b>             | <b>302,096</b> | <b>6,326</b>  | <b>183</b>   | <b>-24</b>  | <b>-13</b> | <b>-64</b>  | <b>308,504</b> |
| <b>Loans outside Sweden</b>              |                |               |              |             |            |             |                |
| UK                                       | 140,087        | 6,633         | 888          | -36         | -34        | -40         | 147,498        |
| Norway                                   | 128,074        | 4,288         | 64           | -22         | -13        | -2          | 132,389        |
| Denmark                                  | 22,622         | 886           | 102          | -8          | -11        | -22         | 23,569         |
| Finland                                  | 47,251         | 2,005         | 506          | -5          | -12        | -19         | 49,726         |
| The Netherlands                          | 62,728         | 645           | -            | -11         | -3         | -           | 63,359         |
| Other countries                          | 1,055          | 4             | 10           | 0           | 0          | -5          | 1,064          |
| <b>Total loans outside Sweden</b>        | <b>401,817</b> | <b>14,461</b> | <b>1,570</b> | <b>-82</b>  | <b>-73</b> | <b>-88</b>  | <b>417,605</b> |
| <b>Total loans - Property management</b> | <b>703,913</b> | <b>20,787</b> | <b>1,753</b> | <b>-106</b> | <b>-86</b> | <b>-152</b> | <b>726,109</b> |

| 31 december 2021                         | Gross          |               |              | Provisions |             |             | Net            |
|--|----------------|---------------|--------------|------------|-------------|-------------|----------------|
| SEK m                                    | Stage 1        | Stage 2       | Stage 3      | Stage 1    | Stage 2     | Stage 3     |                |
| <b>Loans in Sweden</b>                   |                |               |              |            |             |             |                |
| 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>  |
| <b>Total loans in Sweden</b>             | <b>263,618</b> | <b>14,563</b> | <b>293</b>   | <b>-16</b> | <b>-62</b>  | <b>-108</b> | <b>278,288</b> |
| <b>Loans outside Sweden</b>              |                |               |              |            |             |             |                |
| 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            |
| <b>Total loans outside Sweden</b>        | <b>379,805</b> | <b>18,141</b> | <b>1,441</b> | <b>-80</b> | <b>-145</b> | <b>-129</b> | <b>399,033</b> |
| <b>Total loans - Property management</b> | <b>643,423</b> | <b>32,704</b> | <b>1,734</b> | <b>-96</b> | <b>-207</b> | <b>-237</b> | <b>677,321</b> |

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

| 30 September 2022     |                |                |                |               |               |                 |                |
|-----------------------|----------------|----------------|----------------|---------------|---------------|-----------------|----------------|
| SEK m, gross          | Sweden         | UK             | Norway         | Denmark       | Finland       | The Netherlands | Total          |
| Government guarantees | 1,503          | -              | 24             | -             | 28,822        | -               | 30,349         |
| Residential           | 165,171        | 81,748         | 21,472         | 13,922        | 6,626         | 42,971          | 331,910        |
| Office, retail, hotel | 77,299         | 45,479         | 92,781         | 4,089         | 8,489         | 6,414           | 234,551        |
| Other real estate     | 17,615         | 100            | 64             | 2,987         | 1,180         | 12,797          | 34,743         |
| Industry, logistics   | 17,007         | 12,782         | 90             | 426           | 3,011         | 486             | 33,802         |
| Agriculture, forestry | 1,692          | 894            | 80             | 70            | 1             | -               | 2,737          |
| Other collateral      | 12,587         | 3,019          | 1,686          | 1,303         | 533           | 495             | 19,623         |
| Unsecured             | 15,731         | 3,318          | 15,577         | 610           | 715           | 210             | 36,161         |
| Undeveloped           | -              | 268            | 652            | 203           | 385           | -               | 1,508          |
| <b>Total</b>          | <b>308,605</b> | <b>147,608</b> | <b>132,426</b> | <b>23,610</b> | <b>49,762</b> | <b>63,373</b>   | <b>725,384</b> |

| 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          |
| <b>Total</b>          | <b>278,474</b> | <b>149,656</b> | <b>127,357</b> | <b>23,879</b> | <b>46,161</b> | <b>51,472</b>   | <b>676,999</b> |

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

| 30 September 2022  |           |           |           |           |           |                 |           |
|--------------------|-----------|-----------|-----------|-----------|-----------|-----------------|-----------|
| LTV, %             | Sweden    | UK        | Norway    | Denmark   | Finland   | The Netherlands | Total     |
| 0-40               | 83.9      | 88.7      | 79.9      | 73.2      | 82.7      | 84.5            | 83.6      |
| 41-60              | 15.0      | 10.9      | 17.7      | 21.8      | 12.6      | 14.2            | 14.8      |
| 61-75              | 0.9       | 0.2       | 1.8       | 3.9       | 1.8       | 0.7             | 1.1       |
| >75                | 0.1       | 0.1       | 0.7       | 1.2       | 2.9       | 0.7             | 0.5       |
| <b>Average LTV</b> | <b>45</b> | <b>42</b> | <b>51</b> | <b>54</b> | <b>45</b> | <b>47</b>       | <b>46</b> |

| 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       |
| <b>Average LTV</b> | <b>47</b> | <b>44</b> | <b>51</b> | <b>56</b> | <b>47</b> | <b>49</b>       | <b>48</b> |

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

| 30 September 2022  |           |           |           |           |           |                 |           |
|--------------------|-----------|-----------|-----------|-----------|-----------|-----------------|-----------|
| LTV, %             | Sweden    | UK        | Norway    | Denmark   | Finland   | The Netherlands | Total     |
| 0-40               | 80.9      | 83.5      | 76.3      | 66.3      | 54.9      | 79.6            | 78.9      |
| 41-60              | 16.5      | 15.8      | 19.8      | 24.9      | 19.5      | 18.1            | 17.2      |
| 61-75              | 2.4       | 0.6       | 2.5       | 6.8       | 9.9       | 1.6             | 2.6       |
| >75                | 0.2       | 0.1       | 1.4       | 1.9       | 15.7      | 0.7             | 1.3       |
| <b>Average LTV</b> | <b>48</b> | <b>48</b> | <b>54</b> | <b>62</b> | <b>84</b> | <b>52</b>       | <b>51</b> |

| 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       |
| <b>Average LTV</b> | <b>49</b> | <b>48</b> | <b>54</b> | <b>63</b> | <b>82</b> | <b>53</b>       | <b>52</b> |

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

## Note 8 Credit risk exposure

| SEK m   | 30 Sep 2022      | 30 Jun 2022      | 31 Mar 2022      | 31 Dec 2021      | 30 Sep 2021      |
|---|------------------|------------------|------------------|------------------|------------------|
| Cash and balances with central banks                                  | 602,279          | 642,833          | 553,450          | 439,964          | 613,846          |
| Other loans to central banks  | 40,181           | 11,037           | 1,468            | 1,462            | 1,927            |
| Interest-bearing securities eligible as collateral with central banks | 130,114          | 114,356          | 122,020          | 100,562          | 95,694           |
| Loans to other credit institutions                                    | 31,042           | 27,502           | 35,606           | 21,838           | 31,035           |
| <i>of which reverse repos</i>   | <i>17,988</i>    | <i>16,349</i>    | <i>17,351</i>    | <i>12,127</i>    | <i>15,075</i>    |
| Loans to the public   | 2,539,160        | 2,510,365        | 2,464,468        | 2,413,829        | 2,361,498        |
| <i>of which reverse repos</i>   | <i>18,300</i>    | <i>13,175</i>    | <i>12,785</i>    | <i>13,649</i>    | <i>15,768</i>    |
| Bonds and other interest-bearing securities                           | 43,865           | 38,971           | 43,795           | 33,334           | 30,291           |
| Derivative instruments*   | 81,990           | 55,088           | 24,343           | 28,518           | 27,520           |
| Contingent liabilities  | 67,456           | 69,517           | 77,919           | 71,756           | 73,183           |
| Commitments   | 482,570          | 491,180          | 480,812          | 486,517          | 486,808          |
| <b>Total</b>  | <b>4,018,657</b> | <b>3,960,849</b> | <b>3,803,881</b> | <b>3,597,780</b> | <b>3,721,802</b> |

\*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

Svenska Handelsbanken AB has reached an agreement with Jyske Bank A/S regarding the transfer of Handelsbanken's operations in Denmark. The divestment process for the Finnish operations is continuing according to plan. 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

| 30 September 2022 SEK m   | Denmark        | Finland        | Other assets held for sale | Total          |
|---|----------------|----------------|----------------------------|----------------|
| <b>Assets</b>   |                |                |                            |                |
| Cash and balances with central banks                                  | 32,414         | 2,725          | -                          | 35,139         |
| Other loans to central banks  | 219            | 35,125         | -                          | 35,344         |
| Interest-bearing securities eligible as collateral with central banks | 17             | 0              | -                          | 17             |
| Loans to other credit institutions                                    | 33             | 69             | -                          | 102            |
| Loans to the public   | 116,416        | 147,330        | 307                        | 264,053        |
| <i>Of which households</i>  | 65,448         | 43,295         | -                          | 108,743        |
| <i>Of which corporates</i>  | 50,967         | 104,035        | 307                        | 155,309        |
| Bonds and other interest-bearing securities                           | 16             | 0              | -                          | 16             |
| Shares *  | 566            | 2              | -                          | 568            |
| Assets where the customer bears the value change risk                 | 5,178          | 8,908          | -                          | 14,086         |
| Intangible assets   | 2,782          | 120            | -                          | 2,902          |
| Property and equipment  | 272            | 379            | -                          | 651            |
| Other assets  | 496            | 1,060          | -                          | 1,555          |
| <b>Total assets</b>   | <b>158,409</b> | <b>195,719</b> | <b>307</b>                 | <b>354,435</b> |
| <b>Liabilities</b>  |                |                |                            |                |
| Due to credit institutions  | 314            | 1,050          | -                          | 1,364          |
| Deposits and borrowing from the public                                | 63,708         | 57,141         | -                          | 120,849        |
| <i>Of which households</i>  | 25,635         | 20,800         | -                          | 46,435         |
| <i>Of which corporates</i>  | 38,073         | 36,340         | -                          | 74,413         |
| Liabilities where the customer bears the value change risk            | 5,178          | 8,908          | -                          | 14,086         |
| Provisions  | 88             | 384            | -                          | 472            |
| Other liabilities   | 876            | 2,044          | -                          | 2,920          |
| <b>Total liabilities</b>  | <b>70,164</b>  | <b>69,527</b>  | <b>-</b>                   | <b>139,691</b> |

\*An accumulated amount of SEK 57m (47) 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 307m (364) consist of finance leases in Handelsbanken Rahoitus Oy, which are recognised as loans on the balance sheet. The plan is to divest the lease agreements during 2022.

| 31 December 2021 SEK m  | Denmark        | Finland        | Other assets held<br>for sale | Total          |
|---|----------------|----------------|-------------------------------|----------------|
| <b>Assets</b>   |                |                |                               |                |
| 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            |
| <b>Total assets</b>   | <b>150,360</b> | <b>270,693</b> | <b>364</b>                    | <b>421,417</b> |
| <b>Liabilities</b>  |                |                |                               |                |
| 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          |
| <b>Total liabilities</b>  | <b>61,706</b>  | <b>72,216</b>  | <b>-</b>                      | <b>133,922</b> |

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

| SEK m   | Q3<br>2022   | Q2<br>2022   | Change      | Q3<br>2021  | Change      | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Change      | Full year<br>2021 |
|---|--------------|--------------|-------------|-------------|-------------|-----------------|-----------------|-------------|-------------------|
| Net interest income   | 911          | 732          | 24%         | 644         | 41%         | 2,289           | 1,964           | 17%         | 2,606             |
| Net fee and commission income   | 263          | 296          | -11%        | 290         | -9%         | 866             | 880             | -2%         | 1,190             |
| Net gains/losses on financial transactions  | -18          | -15          | -20%        | 58          |             | 4               | 171             | -98%        | 225               |
| Risk result - insurance   | 0            | -2           |             | 2           | -100%       | 0               | 7               | -100%       | 8                 |
| Other income  | 28           | 13           | 115%        | 3           |             | 46              | 13              | 254%        | 180               |
| <b>Total income</b>   | <b>1,185</b> | <b>1,024</b> | <b>16%</b>  | <b>997</b>  | <b>19%</b>  | <b>3,206</b>    | <b>3,035</b>    | <b>6%</b>   | <b>4,209</b>      |
| Staff costs   | -613         | -362         | 69%         | -338        | 81%         | -1,313          | -1,055          | 24%         | -1,427            |
| Other expenses  | -353         | -533         | -34%        | -230        | 53%         | -1,111          | -751            | 48%         | -1,184            |
| Depreciation, amortisation and impairment of property,<br>equipment and intangible assets | 0            | -1           |             | -31         |             | -2              | -92             | -98%        | -304              |
| <b>Total expenses</b>   | <b>-966</b>  | <b>-896</b>  | <b>8%</b>   | <b>-599</b> | <b>61%</b>  | <b>-2,426</b>   | <b>-1,898</b>   | <b>28%</b>  | <b>-2,915</b>     |
| Net credit losses   | -20          | 58           |             | 65          |             | 54              | 23              | 135%        | 64                |
| Gains/losses on disposal of property,<br>equipment and intangible assets                  | 2            | -            |             | 0           | 0%          | 2               | 0               | 0%          | -2                |
| Risk tax and resolution fee   | -41          | -44          | -7%         | -36         | 14%         | -123            | -112            | 10%         | -151              |
| <b>Profit for the period from discontinued operations<br/>before tax</b>                  | <b>160</b>   | <b>143</b>   | <b>12%</b>  | <b>427</b>  | <b>-63%</b> | <b>714</b>      | <b>1,048</b>    | <b>-32%</b> | <b>1,205</b>      |
| Taxes   | 5            | -69          |             | -109        |             | -169            | -278            | -39%        | -510              |
| <b>Profit for the period from discontinued operations after<br/>tax</b>                   | <b>165</b>   | <b>73</b>    | <b>126%</b> | <b>318</b>  | <b>-48%</b> | <b>545</b>      | <b>770</b>      | <b>-29%</b> | <b>695</b>        |

#### Material internal transactions with continuing operations, which are eliminated in the income statement above\*:

|                |      |     |  |     |  |      |      |  |      |
|----------------|------|-----|--|-----|--|------|------|--|------|
| Total income   | -108 | 24  |  | 137 |  | 56   | 313  |  | 452  |
| Total expenses | -54  | -57 |  | -60 |  | -172 | -183 |  | -225 |

\* 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.

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

| SEK m   | Q3          |             |            | Q2          |            | Q3            |               | Jan-Sep     |               | Jan-Sep |  | Full year |
|---|-------------|-------------|------------|-------------|------------|---------------|---------------|-------------|---------------|---------|--|-----------|
|   | 2022        | 2022        | Change     | 2021        | Change     | 2022          | 2021          | Change      | 2021          | Change  |  |           |
| Net interest income   | 495         | 407         | 22%        | 411         | 20%        | 1,313         | 1,201         | 9%          | 1,602         |         |  |           |
| Net fee and commission income   | 168         | 188         | -11%       | 185         | -9%        | 558           | 570           | -2%         | 757           |         |  |           |
| Net gains/losses on financial transactions  | -27         | -23         | -17%       | 43          |            | -23           | 128           |             | 171           |         |  |           |
| Risk result - insurance   | -           | 1           |            | 0           |            | 1             | 1             | 0%          | 1             |         |  |           |
| Other income  | 26          | 1           |            | 2           |            | 29            | 7             | 303%        | 40            |         |  |           |
| <b>Total income</b>   | <b>662</b>  | <b>574</b>  | <b>15%</b> | <b>641</b>  | <b>3%</b>  | <b>1,878</b>  | <b>1,907</b>  | <b>-2%</b>  | <b>2,571</b>  |         |  |           |
| Staff costs   | -468        | -212        | 121%       | -214        | 119%       | -886          | -659          | 34%         | -885          |         |  |           |
| Other expenses  | -203        | -154        | 32%        | -126        | 61%        | -492          | -400          | 23%         | -554          |         |  |           |
| Depreciation, amortisation and impairments of property, equipment and intangible assets | -           | -1          |            | -15         |            | -             | -44           |             | -44           |         |  |           |
| <b>Total expenses</b>   | <b>-671</b> | <b>-367</b> | <b>83%</b> | <b>-355</b> | <b>89%</b> | <b>-1,378</b> | <b>-1,103</b> | <b>25%</b>  | <b>-1,483</b> |         |  |           |
| Net credit losses   | -19         | 46          |            | 8           |            | 44            | 15            | 193%        | 23            |         |  |           |
| Gains/losses on disposal of property, equipment and intangible assets                   | 2           | 0           |            | 0           |            | 2             | 0             |             | -2            |         |  |           |
| Risk tax and resolution fee   | -16         | -17         | -6%        | -15         | 7%         | -47           | -46           | 2%          | -62           |         |  |           |
| <b>Profit for the period from discontinued operations before tax</b>                    | <b>-42</b>  | <b>237</b>  |            | <b>279</b>  |            | <b>499</b>    | <b>773</b>    | <b>-35%</b> | <b>1,047</b>  |         |  |           |
| Tax   | 33          | -42         |            | -52         |            | -76           | -147          | -48%        | -193          |         |  |           |
| <b>Profit for the period from discontinued operations after tax</b>                     | <b>-9</b>   | <b>194</b>  |            | <b>227</b>  |            | <b>423</b>    | <b>626</b>    | <b>-32%</b> | <b>854</b>    |         |  |           |

#### Material internal transactions with continuing operations, which are eliminated in the income statement above\*:

|                |     |     |  |     |  |      |      |  |      |
|----------------|-----|-----|--|-----|--|------|------|--|------|
| Total income   | -64 | -23 |  | -33 |  | -109 | -113 |  | -142 |
| Total expenses | -22 | -23 |  | -24 |  | -69  | -68  |  | -88  |

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

| SEK m   | Q3          |             |             | Q2          |            | Q3            |              | Jan-Sep     |               | Jan-Sep |  | Full year |
|---|-------------|-------------|-------------|-------------|------------|---------------|--------------|-------------|---------------|---------|--|-----------|
|   | 2022        | 2022        | Change      | 2021        | Change     | 2022          | 2021         | Change      | 2021          | Change  |  |           |
| Net interest income   | 417         | 324         | 29%         | 233         | 79%        | 976           | 763          | 28%         | 1,004         |         |  |           |
| Net fee and commission income   | 95          | 108         | -12%        | 105         | -10%       | 308           | 310          | -1%         | 433           |         |  |           |
| Net gains/losses on financial transactions  | 9           | 8           | 13%         | 15          | -40%       | 27            | 43           | -37%        | 54            |         |  |           |
| Risk result - insurance   | 1           | -3          |             | 2           | -50%       | 0             | 6            | -100%       | 7             |         |  |           |
| Other income  | 3           | 12          | -75%        | 1           | 200%       | 18            | 6            | 200%        | 140           |         |  |           |
| <b>Total income</b>   | <b>523</b>  | <b>450</b>  | <b>16%</b>  | <b>356</b>  | <b>47%</b> | <b>1,329</b>  | <b>1,128</b> | <b>18%</b>  | <b>1,638</b>  |         |  |           |
| Staff costs   | -146        | -149        | -2%         | -124        | 18%        | -427          | -396         | 8%          | -542          |         |  |           |
| Other expenses  | -149        | -379        | -61%        | -104        | 43%        | -618          | -351         | 76%         | -630          |         |  |           |
| Depreciation, amortisation and impairments of property, equipment and intangible assets | 0           | -           |             | -16         |            | -2            | -48          | -96%        | -260          |         |  |           |
| <b>Total expenses</b>   | <b>-295</b> | <b>-529</b> | <b>-44%</b> | <b>-244</b> | <b>21%</b> | <b>-1,048</b> | <b>-795</b>  | <b>32%</b>  | <b>-1,432</b> |         |  |           |
| Net credit losses   | -1          | 12          |             | 57          |            | 10            | 8            | 25%         | 41            |         |  |           |
| Gains/losses on disposal of property, equipment and intangible assets                   | 0           | 0           | 0%          | 0           | 0%         | 0             | 0            | 0%          | 0             |         |  |           |
| Risk tax and resolution fee   | -25         | -28         | -11%        | -21         | 19%        | -76           | -66          | 15%         | -89           |         |  |           |
| <b>Profit for the period from discontinued operations before tax</b>                    | <b>202</b>  | <b>-94</b>  |             | <b>148</b>  | <b>36%</b> | <b>215</b>    | <b>275</b>   | <b>-22%</b> | <b>158</b>    |         |  |           |
| Tax   | -28         | -27         | 4%          | -57         | -51%       | -93           | -131         | -29%        | -317          |         |  |           |
| <b>Profit for the period from discontinued operations after tax</b>                     | <b>174</b>  | <b>-121</b> |             | <b>91</b>   | <b>91%</b> | <b>122</b>    | <b>144</b>   | <b>-15%</b> | <b>-159</b>   |         |  |           |

#### Material internal transactions with continuing operations, which are eliminated in the income statement above\*:

|                |     |     |  |     |  |      |      |  |      |
|----------------|-----|-----|--|-----|--|------|------|--|------|
| Total income   | -44 | 47  |  | 170 |  | 165  | 426  |  | 594  |
| Total expenses | -32 | -34 |  | -36 |  | -103 | -115 |  | -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

| SEK m                                      | Q3<br>2022 | Q2<br>2022 | Change     | Q3<br>2021 | Change      | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Change     | Full year<br>2021 |
|--|------------|------------|------------|------------|-------------|-----------------|-----------------|------------|-------------------|
| Brokerage and other securities commissions | 11         | 10         | 10%        | 13         | -15%        | 34              | 47              | -28%       | 60                |
| Mutual funds                               | 37         | 39         | -5%        | 45         | -18%        | 119             | 127             | -6%        | 173               |
| Custody and other asset management fees    | 37         | 40         | -8%        | 43         | -14%        | 124             | 139             | -11%       | 179               |
| Advisory services                          | 4          | 4          | 0%         | 4          | 0%          | 19              | 16              | 19%        | 19                |
| Insurance                                  | 6          | 6          | 0%         | 5          | 20%         | 24              | 18              | 33%        | 24                |
| Payments                                   | 46         | 42         | 10%        | 52         | -12%        | 127             | 133             | -5%        | 171               |
| Loans and deposits                         | 13         | 18         | -28%       | 11         | 18%         | 46              | 44              | 5%         | 61                |
| Guarantees                                 | 16         | 21         | -24%       | 18         | -11%        | 55              | 54              | 2%         | 72                |
| Other                                      | 16         | 16         | 0%         | 19         | -16%        | 54              | 66              | -18%       | 83                |
| <b>Total fee and commission income</b>     | <b>186</b> | <b>196</b> | <b>-5%</b> | <b>210</b> | <b>-11%</b> | <b>602</b>      | <b>644</b>      | <b>-7%</b> | <b>842</b>        |

### Fee and commission income, discontinued operations in Finland

| SEK m                                      | Q3<br>2022 | Q2<br>2022 | Change      | Q3<br>2021 | Change      | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Change      | Full year<br>2021 |
|--|------------|------------|-------------|------------|-------------|-----------------|-----------------|-------------|-------------------|
| Brokerage and other securities commissions | 1          | 2          | -50%        | 3          | -67%        | 6               | 16              | -63%        | 27                |
| Mutual funds                               | 2          | 2          | 0%          | 2          | 0%          | 6               | 6               | 0%          | 7                 |
| Custody and other asset management fees    | 9          | 11         | -18%        | 12         | -25%        | 33              | 35              | -6%         | 48                |
| Advisory services                          |            |            |             | 2          |             |                 | 2               |             | 4                 |
| Insurance                                  | 21         | 21         | 0%          | 23         | -9%         | 64              | 64              | 0%          | 87                |
| Payments                                   | 45         | 60         | -25%        | 88         | -49%        | 153             | 240             | -36%        | 297               |
| Loans and deposits                         | 19         | 18         | 6%          | 22         | -14%        | 57              | 69              | -17%        | 90                |
| Guarantees                                 | 5          | 5          | 0%          | 6          | -17%        | 15              | 16              | -6%         | 20                |
| Other                                      | 3          | 3          | 0%          | 4          | -25%        | 10              | 11              | -9%         | 15                |
| <b>Total fee and commission income</b>     | <b>105</b> | <b>122</b> | <b>-14%</b> | <b>162</b> | <b>-35%</b> | <b>344</b>      | <b>459</b>      | <b>-25%</b> | <b>595</b>        |

### Cash flows, discontinued operations

| SEK m  | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Full year<br>2021 |
|--|-----------------|-----------------|-------------------|
| Cash flow from operating activities                          | -110,242        | 34,371          | 28,015            |
| Cash flow from investing activities                          | -17             | -141            | -189              |
| Cash flow from financing activities                          | -3,494          | -45             | -45               |
| <b>Cash flow for the period from discontinued operations</b> | <b>-113,753</b> | <b>34,184</b>   | <b>27,781</b>     |

### Note 10 Derivatives

| SEK m                         | 30 Sep<br>2022   | 30 Jun<br>2022   | 31 Mar<br>2022   | 31 Dec<br>2021   | 30 Sep<br>2021   |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Positive market values</b> |                  |                  |                  |                  |                  |
| Trading                       | 106,788          | 82,854           | 46,136           | 28,751           | 25,773           |
| Fair value hedges             | 21,285           | 15,482           | 8,756            | 3,563            | 3,095            |
| Cash flow hedges              | 38,298           | 24,507           | 12,332           | 16,229           | 18,917           |
| Amounts offset                | -84,395          | -67,765          | -42,891          | -20,035          | -20,265          |
| <b>Total</b>                  | <b>81,976</b>    | <b>55,078</b>    | <b>24,333</b>    | <b>28,508</b>    | <b>27,520</b>    |
| <b>Negative market values</b> |                  |                  |                  |                  |                  |
| Trading                       | 75,024           | 62,347           | 42,735           | 23,729           | 21,699           |
| Fair value hedges             | 27,077           | 17,955           | 10,690           | 2,428            | 1,439            |
| Cash flow hedges              | 5,337            | 3,287            | 5,131            | 4,683            | 6,279            |
| Amounts offset                | -80,504          | -61,807          | -38,737          | -17,056          | -16,720          |
| <b>Total</b>                  | <b>26,934</b>    | <b>21,782</b>    | <b>19,819</b>    | <b>13,784</b>    | <b>12,697</b>    |
| <b>Nominal value</b>          |                  |                  |                  |                  |                  |
| Trading                       | 4,007,177        | 4,297,270        | 4,177,320        | 3,407,181        | 2,880,967        |
| Fair value hedges             | 597,717          | 551,758          | 500,721          | 460,982          | 434,999          |
| Cash flow hedges              | 592,710          | 578,984          | 561,381          | 588,069          | 653,614          |
| Amounts offset                | -2,827,030       | -2,784,212       | -2,760,110       | -2,691,986       | -2,321,741       |
| <b>Total</b>                  | <b>2,370,574</b> | <b>2,643,800</b> | <b>2,479,312</b> | <b>1,764,246</b> | <b>1,647,839</b> |

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

| 30 September 2022 SEK m  | Derivatives    | Repurchase agreements,<br>securities borrowing and<br>similar agreements | Total           |
|--|----------------|--|-----------------|
| <b>Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements</b>      |                |  |                 |
| Gross amount   | 166,371        | 51,045   | 217,416         |
| Amounts offset   | -84,395        | -11,987  | -96,382         |
| <b>Carrying amount on the balance sheet</b>  | <b>81,976</b>  | <b>39,058</b>  | <b>121,034</b>  |
| <b>Related amounts not offset on the balance sheet</b>   |                |  |                 |
| Financial instruments, netting arrangements  | -11,121        | -  | -11,121         |
| Financial assets received as collateral  | -63,969        | -39,048  | -103,017        |
| <b>Total amounts not offset on the balance sheet</b>   | <b>-75,090</b> | <b>-39,048</b>   | <b>-114,138</b> |
| <b>Net amount</b>  | <b>6,886</b>   | <b>10</b>  | <b>6,896</b>    |
| <b>Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements</b> |                |  |                 |
| Gross amount   | 107,438        | 24,173   | 131,611         |
| Amounts offset   | -80,504        | -11,987  | -92,491         |
| <b>Carrying amount on the balance sheet</b>  | <b>26,934</b>  | <b>12,186</b>  | <b>39,120</b>   |
| <b>Related amounts not offset on the balance sheet</b>   |                |  |                 |
| Financial instruments, netting arrangements  | -11,121        | -  | -11,121         |
| Financial assets pledged as collateral   | -2,691         | -12,186  | -14,877         |
| <b>Total amounts not offset on the balance sheet</b>   | <b>-13,812</b> | <b>-12,186</b>   | <b>-25,998</b>  |
| <b>Net amount</b>  | <b>13,122</b>  | <b>-</b>   | <b>13,122</b>   |
| <b>31 December 2021 SEK m</b>  |                |  |                 |
|  | Derivatives    | Repurchase agreements,<br>securities borrowing and<br>similar agreements | Total           |
| <b>Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements</b>      |                |  |                 |
| Gross amount   | 48,543         | 33,836   | 82,379          |
| Amounts offset   | -20,035        | -7,110   | -27,145         |
| <b>Carrying amount on the balance sheet</b>  | <b>28,508</b>  | <b>26,726</b>  | <b>55,234</b>   |
| <b>Related amounts not offset on the balance sheet</b>   |                |  |                 |
| Financial instruments, netting arrangements  | -9,294         | -  | -9,294          |
| Financial assets received as collateral  | -13,322        | -26,700  | -40,022         |
| <b>Total amounts not offset on the balance sheet</b>   | <b>-22,616</b> | <b>-26,700</b>   | <b>-49,316</b>  |
| <b>Net amount</b>  | <b>5,892</b>   | <b>26</b>  | <b>5,918</b>    |
| <b>Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements</b> |                |  |                 |
| Gross amount   | 30,840         | 7,323  | 38,163          |
| Amounts offset   | -17,056        | -7,110   | -24,166         |
| <b>Carrying amount on the balance sheet</b>  | <b>13,784</b>  | <b>213</b>   | <b>13,997</b>   |
| <b>Related amounts not offset on the balance sheet</b>   |                |  |                 |
| Financial instruments, netting arrangements  | -9,294         | -  | -9,294          |
| Financial assets pledged as collateral   | -1,467         | -213   | -1,680          |
| <b>Total amounts not offset on the balance sheet</b>   | <b>-10,761</b> | <b>-213</b>  | <b>-10,974</b>  |
| <b>Net amount</b>  | <b>3,023</b>   | <b>-</b>   | <b>3,023</b>    |

Derivative instruments are offset on the balance sheet when doing so reflects the Bank's expected cash flows upon the settlement of two or more derivatives. Repurchase agreements and reverse repurchase agreements with central counterparty clearing houses are offset on the balance sheet when doing so reflects the Bank's expected cash flows upon the settlement of two or more agreements. This occurs when the Bank has both a contractual right and the intention to settle the agreed cash flows at a net amount. The remaining counterparty risk in derivatives is reduced through netting agreements in the event of cancelled payment, i.e. the netting of positive and negative values in all derivative transactions with one and the same counterparty in the case of bankruptcy. The Bank's policy is to sign netting agreements with all bank counterparties. These netting agreements are supplemented with agreements on the pledging of collateral for the net exposure. Cash is primarily pledged as collateral, although government instruments are also used in some cases. Collateral for repurchase agreements and for the depositing and lending of securities is, as a rule, in the form of cash or other securities.

The amount offset for derivative assets includes offset cash collateral of SEK 16,685m (3,315) derived from the balance sheet item Deposits and borrowing from the public. The amount offset for derivative liabilities includes offset cash collateral of SEK 12,795m (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-Sep<br>2022 | Jan-Sep<br>2021 | Full year<br>2021 | Jan-Sep<br>2022         | Jan-Sep<br>2021 | Full year<br>2021 | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Full year<br>2021 |
| Opening residual value               | 4,357           | 6,822           | 6,822             | 3,945                   | 4,508           | 4,508             | <b>8,302</b>    | <b>11,330</b>   | <b>11,330</b>     |
| Additional during the period         | -               | -               | -                 | 423                     | 369             | 539               | <b>423</b>      | <b>369</b>      | <b>539</b>        |
| Reclassified as assets held for sale | -               | -               | -2,569            | -                       | -               | -172              | -               | -               | <b>-2,741</b>     |
| The period's amortisation            | -               | -               | -                 | -491                    | -511            | -669              | <b>-491</b>     | <b>-511</b>     | <b>-669</b>       |
| The period's impairments             | -               | -               | -18               | -17                     | -77             | -313              | <b>-17</b>      | <b>-77</b>      | <b>-331</b>       |
| Foreign exchange effect              | 9               | 78              | 122               | 23                      | 36              | 52                | <b>32</b>       | <b>114</b>      | <b>174</b>        |
| <b>Closing residual value</b>        | <b>4,366</b>    | <b>6,900</b>    | <b>4,357</b>      | <b>3,883</b>            | <b>4,325</b>    | <b>3,945</b>      | <b>8,249</b>    | <b>11,225</b>   | <b>8,302</b>      |

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

| SEK m                                  | 30 Sep<br>2022 | 30 Jun<br>2022 | 31 Mar<br>2022 | 31 Dec<br>2021 | 30 Sep<br>2021 |
|--|----------------|----------------|----------------|----------------|----------------|
| Due to credit institutions             | 120,251        | 121,449        | 111,179        | 83,034         | 123,027        |
| <i>of which repos</i>                  | -              | -              | -              | -              | 138            |
| Deposits and borrowing from the public | 1,465,457      | 1,448,836      | 1,377,477      | 1,286,637      | 1,449,474      |
| <i>of which repos</i>                  | 12,182         | 11,306         | 10,863         | 213            | 18,702         |

## Note 14 Issued securities

| SEK m   | Jan-Sep<br>2022  | Jan-Sep<br>2021  | Full year<br>2021 |
|---|------------------|------------------|-------------------|
| <b>Issued securities at beginning of year</b> | <b>1,353,768</b> | <b>1,310,737</b> | <b>1,310,737</b>  |
| Issued  | 838,189          | 733,381          | 1,015,801         |
| Repurchased                                   | -37,731          | -42,067          | -54,381           |
| Matured                                       | -730,728         | -638,879         | -939,884          |
| Foreign exchange effect etc.                  | 77,530           | 22,539           | 21,495            |
| <b>Issued securities at end of period</b>     | <b>1,501,028</b> | <b>1,385,711</b> | <b>1,353,768</b>  |

## Note 15 Pledged assets, contingent liabilities and commitments

| SEK m                       | 30 Sep<br>2022 | 30 Jun<br>2022 | 31 Mar<br>2022 | 31 Dec<br>2021 | 30 Sep<br>2021 |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|
| Assets pledged for own debt | 953,571        | 954,996        | 1,000,172      | 971,433        | 979,024        |
| Other pledged assets        | 14,978         | 16,629         | 15,041         | 14,230         | 47,701         |
| Contingent liabilities      | 67,456         | 69,517         | 77,919         | 71,756         | 73,183         |
| Commitments                 | 482,570        | 491,180        | 480,812        | 486,517        | 486,808        |



## Note 16 Classification of financial assets and liabilities

| 30 September 2022   | Fair value through profit or loss |                   |   |   |                  | Amortised cost   | Total carrying amount | Fair value |
|---|-----------------------------------|-------------------|---|---|------------------|------------------|-----------------------|------------|
|   | Mandatory                         | Fair value option | Derivatives identified as hedge instruments | Fair value through other comprehensive income |                  |                  |                       |            |
| SEK m   |                                   |                   |   |   |                  |                  |                       |            |
| <b>Assets</b>   |                                   |                   |   |   |                  |                  |                       |            |
| Cash and balances with central banks                                  |                                   |                   |   |   | 602,279          | <b>602,279</b>   | 602,279               |            |
| Other loans to central banks  |                                   |                   |   |   | 40,181           | <b>40,181</b>    | 40,181                |            |
| Interest-bearing securities eligible as collateral with central banks | 5,476                             | 124,420           |   | 201   | 17               | <b>130,114</b>   | 130,114               |            |
| Loans to other credit institutions                                    |                                   |                   |   |   | 31,042           | <b>31,042</b>    | 31,025                |            |
| Loans to the public   |                                   |                   |   |   | 2,539,160        | <b>2,539,160</b> | 2,485,085             |            |
| Value change of interest-hedged item in portfolio hedge               |                                   |                   |   |   | -20,930          | <b>-20,930</b>   |                       |            |
| Bonds and other interest-bearing securities                           | 13,801                            | 20,471            |   | 9,593   |                  | <b>43,865</b>    | 43,865                |            |
| Shares  | 18,942                            |                   |   | 1,091   |                  | <b>20,033</b>    | 20,033                |            |
| Assets where the customer bears the value change risk                 | 216,118                           |                   |   |   | 73               | <b>216,192</b>   | 216,192               |            |
| Derivative instruments  | 48,153                            |                   | 33,837                                      |   |                  | <b>81,990</b>    | 81,990                |            |
| Other assets  | 77                                |                   |   |   | 6,713            | <b>6,790</b>     | 6,790                 |            |
| <b>Total</b>  | <b>302,568</b>                    | <b>144,891</b>    | <b>33,837</b>                               | <b>10,884</b>                                 | <b>3,198,536</b> | <b>3,690,716</b> | <b>3,657,554</b>      |            |
| Investments in associates   |                                   |                   |   |   |                  | <b>553</b>       |                       |            |
| Non-financial assets  |                                   |                   |   |   |                  | <b>37,368</b>    |                       |            |
| <b>Total assets</b>   |                                   |                   |   |   |                  | <b>3,728,638</b> |                       |            |
| <b>Liabilities</b>  |                                   |                   |   |   |                  |                  |                       |            |
| Due to credit institutions  |                                   |                   |   |   | 121,616          | <b>121,616</b>   | 121,732               |            |
| Deposits and borrowing from the public                                |                                   |                   |   |   | 1,586,306        | <b>1,586,306</b> | 1,585,836             |            |
| Liabilities where the customer bears the value change risk            |                                   | 216,119           |   |   | 73               | <b>216,192</b>   | 216,192               |            |
| Issued securities   | 1,056                             |                   |   |   | 1,499,971        | <b>1,501,028</b> | 1,446,442             |            |
| Derivative instruments  | 18,071                            |                   | 8,879                                       |   |                  | <b>26,951</b>    | 26,951                |            |
| Short positions   | 10,990                            |                   |   |   |                  | <b>10,990</b>    | 10,990                |            |
| Other liabilities   | 70                                |                   |   |   | 13,906           | <b>13,976</b>    | 13,976                |            |
| Subordinated liabilities  |                                   |                   |   |   | 45,058           | <b>45,059</b>    | 43,936                |            |
| <b>Total</b>  | <b>30,188</b>                     | <b>216,119</b>    | <b>8,879</b>                                |   | <b>3,266,930</b> | <b>3,522,118</b> | <b>3,466,055</b>      |            |
| Non-financial liabilities   |                                   |                   |   |   |                  | <b>14,520</b>    |                       |            |
| <b>Total liabilities</b>  |                                   |                   |   |   |                  | <b>3,536,638</b> |                       |            |

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

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

| 30 September 2022 SEK m   | Level 1        | Level 2       | Level 3      | Total          |
|---|----------------|---------------|--------------|----------------|
| <b>Assets</b>   |                |               |              |                |
| Interest-bearing securities eligible as collateral with central banks | 127,285        | 2,812         | -            | 130,097        |
| Bonds and other interest-bearing securities                           | 34,116         | 9,749         | -            | 43,865         |
| Shares  | 18,457         | 836           | 740          | 20,033         |
| Assets where the customer bears the value change risk                 | 215,020        | 581           | 517          | 216,118        |
| Derivative instruments  | 123            | 81,829        | 38           | 81,990         |
| <b>Total</b>  | <b>395,001</b> | <b>95,807</b> | <b>1,295</b> | <b>492,103</b> |
| <b>Liabilities</b>  |                |               |              |                |
| Liabilities where the customer bears the value change risk            | 215,021        | 581           | 517          | 216,119        |
| Issued securities   | -              | 1,056         | -            | 1,056          |
| Derivative instruments  | 127            | 26,786        | 38           | 26,951         |
| Short positions   | 10,789         | 201           | -            | 10,990         |
| <b>Total</b>  | <b>225,937</b> | <b>28,624</b> | <b>555</b>   | <b>255,116</b> |
| <b>31 December 2021 SEK m</b>   |                |               |              |                |
|   | Level 1        | Level 2       | Level 3      | Total          |
| <b>Assets</b>   |                |               |              |                |
| 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         |
| <b>Total</b>  | <b>396,159</b> | <b>37,923</b> | <b>1,166</b> | <b>435,248</b> |
| <b>Liabilities</b>  |                |               |              |                |
| 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          |
| <b>Total</b>  | <b>255,926</b> | <b>16,066</b> | <b>527</b>   | <b>272,519</b> |

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 – September 2022, no volumes have been moved between level 1 and level 2 as a result of a new assessment of market activity on the asset side, whereas derivative liabilities worth SEK 17m were transferred on the liabilities side. A volume of bonds and other interest-bearing securities worth SEK 171m were transferred from level 2 to level 1. No transfers between levels took place during the period January – September 2022 due solely to Russia's invasion of Ukraine. Changes in level 3 holdings during the year are shown in a separate table below.

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 – September 2022, an accrual effect of SEK 124m (117) was recognised under Net gains/losses on financial transactions. At the end of the period, non-recognised day 1 gains/losses totalled SEK 448m; at year-end 2021, the corresponding figure was SEK 489m.

#### Changes in level 3 holdings

| January - September 2022 SEK m                        | Shares     | Derivative assets | Derivative liabilities | Assets where the customer bears the value change risk | Liabilities where the customer bears the value change risk |
|---|------------|-------------------|------------------------|---|--|
| <b>Carrying amount at beginning of year</b>           | <b>639</b> | <b>43</b>         | <b>-43</b>             | <b>484</b>  | <b>-484</b>  |
| Acquisitions  | 77         | 17                | -12                    | -   | -  |
| Repurchases/sales                                     | -1         | -                 | -                      | -   | -  |
| Matured during the period                             | -          | -                 | -                      | -   | -  |
| Unrealised value change in income statement           | 25         | -56               | 50                     | 29  | -29  |
| Unrealised value change in other comprehensive income | -          | -                 | -                      | -   | -  |
| Transfer from level 1 or 2                            | -          | 28                | -28                    | 4   | -4   |
| Transfer to level 1 or 2                              | -          | 6                 | -5                     | -   | -  |
| <b>Carrying amount at end of period</b>               | <b>740</b> | <b>38</b>         | <b>-38</b>             | <b>517</b>  | <b>-517</b>  |

| January - December 2021 SEK m                         | Shares     | Derivative assets | Derivative liabilities | Assets where the customer bears the value change risk | Liabilities where the customer bears the value change risk |
|---|------------|-------------------|------------------------|---|--|
| <b>Carrying amount at beginning of year</b>           | <b>550</b> | <b>80</b>         | <b>-80</b>             | <b>474</b>  | <b>-474</b>  |
| 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                    | -   | -  |
| <b>Carrying amount at end of period</b>               | <b>639</b> | <b>43</b>         | <b>-43</b>             | <b>484</b>  | <b>-484</b>  |

## Note 18 Assets and liabilities by currency

| 30 september 2022 mkr                                 | SEK              | EUR            | NOK            | DKK            | GBP            | USD            | Övriga valutor | Totalt           |
|---|------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| <b>Tillgångar</b>                                     |                  |                |                |                |                |                |                |                  |
| Kassa och tillgodohavanden hos centralbanker          | 156 939          | 157 484        | 5 215          | 32 414         | 105 347        | 144 830        | 50             | 602 279          |
| Övrig utlåning till centralbanker                     | -                | 38 693         | -              | 219            | 1 269          | -              | 0              | 40 181           |
| Utlåning till övriga kreditinstitut                   | 2 409            | 2 646          | 17 529         | 18             | 918            | 6 780          | 743            | 31 042           |
| Utlåning till allmänheten                             | 1 568 041        | 286 813        | 304 518        | 110 280        | 246 185        | 19 762         | 3 560          | 2 539 160        |
| <i>varav företag</i>                                  | 582 961          | 180 744        | 190 430        | 44 868         | 173 103        | 19 550         | 2 113          | 1 193 768        |
| <i>varav hushåll</i>                                  | 985 080          | 106 070        | 114 088        | 65 412         | 73 082         | 213            | 1 446          | 1 345 391        |
| Belåningsbara statsskuldförbindelser                  | 111 424          | 5 722          | 2 866          | 19             | -              | 10 083         | -              | 130 114          |
| Obligationer och andra räntebärande värdepapper       | 30 786           | 2 121          | 10 394         | 16             | -              | 548            | -              | 43 865           |
| Övriga ej valutafördelade poster                      | 341 996          |                |                |                |                |                |                | 341 996          |
| <b>Summa tillgångar</b>                               | <b>2 211 595</b> | <b>493 480</b> | <b>340 521</b> | <b>142 967</b> | <b>353 719</b> | <b>182 004</b> | <b>4 353</b>   | <b>3 728 638</b> |
| <b>Skulder</b>  |                  |                |                |                |                |                |                |                  |
| Skulder till kreditinstitut                           | 9 518            | 101 076        | 70             | 1 820          | 2 577          | 6 025          | 530            | 121 616          |
| In- och upplåning från allmänheten                    | 888 524          | 150 361        | 113 765        | 62 688         | 253 985        | 115 081        | 1 902          | 1 586 306        |
| <i>varav företag</i>                                  | 397 612          | 115 851        | 81 633         | 37 382         | 183 122        | 110 639        | 1 028          | 927 266          |
| <i>varav hushåll</i>                                  | 490 912          | 34 510         | 32 132         | 25 306         | 70 863         | 4 442          | 874            | 659 040          |
| Emitterade värdepapper                                | 495 386          | 336 090        | 24 967         | 6              | 46 532         | 575 491        | 22 557         | 1 501 028        |
| Efterställda skulder                                  | 3 021            | 21 617         | -              | -              | 5 527          | 14 893         | -              | 45 059           |
| Övriga ej valutafördelade poster, inkl. eget kapital  | 474 630          |                |                |                |                |                |                | 474 630          |
| <b>Summa skulder och eget kapital</b>                 | <b>1 871 079</b> | <b>609 145</b> | <b>138 802</b> | <b>64 513</b>  | <b>308 621</b> | <b>711 489</b> | <b>24 989</b>  | <b>3 728 638</b> |
| Valutafördelade övriga tillgångar och skulder (netto) |                  | 115 610        | -201 617       | -78 407        | -45 205        | 529 577        | 20 689         |                  |
| <b>Nettoposition i valuta</b>                         |                  | <b>-55</b>     | <b>101</b>     | <b>46</b>      | <b>-107</b>    | <b>92</b>      | <b>54</b>      | <b>132</b>       |

| 31 december 2021 mkr                                  | SEK              | EUR            | NOK            | DKK            | GBP            | USD            | Övriga valutor | Totalt           |
|---|------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| <b>Tillgångar</b>                                     |                  |                |                |                |                |                |                |                  |
| Kassa och tillgodohavanden hos centralbanker          | 93 293           | 149 547        | 4 578          | 28 282         | 101 196        | 63 008         | 60             | 439 964          |
| Övrig utlåning till centralbanker                     | -                | -              | -              | 207            | 1 255          | -              | -              | 1 462            |
| Utlåning till övriga kreditinstitut                   | 1 073            | 3 587          | 12 122         | 51             | 1 140          | 3 335          | 530            | 21 838           |
| Utlåning till allmänheten                             | 1 496 800        | 245 760        | 294 946        | 107 914        | 251 793        | 13 567         | 3 049          | 2 413 829        |
| <i>varav företag</i>                                  | 537 399          | 149 031        | 183 442        | 43 663         | 174 344        | 13 376         | 1 555          | 1 102 810        |
| <i>varav hushåll</i>                                  | 959 401          | 96 729         | 111 504        | 64 251         | 77 449         | 191            | 1 494          | 1 311 019        |
| Belåningsbara statsskuldförbindelser                  | 91 630           | 5 658          | 335            | 26             | -              | 2 913          | -              | 100 562          |
| Obligationer och andra räntebärande värdepapper       | 23 131           | 965            | 8 741          | 17             | -              | 480            | -              | 33 334           |
| Övriga ej valutafördelade poster                      | 335 775          |                |                |                |                |                |                | 335 775          |
| <b>Summa tillgångar</b>                               | <b>2 041 702</b> | <b>405 517</b> | <b>320 722</b> | <b>136 497</b> | <b>355 384</b> | <b>83 303</b>  | <b>3 639</b>   | <b>3 346 764</b> |
| <b>Skulder</b>  |                  |                |                |                |                |                |                |                  |
| Skulder till kreditinstitut                           | 12 903           | 49 968         | 14 376         | 248            | 79             | 5 984          | 50             | 83 608           |
| In- och upplåning från allmänheten                    | 842 173          | 151 481        | 89 516         | 52 166         | 231 861        | 31 233         | 2 327          | 1 400 757        |
| <i>varav företag</i>                                  | 386 274          | 120 367        | 59 662         | 28 818         | 162 303        | 26 964         | 1 605          | 785 993          |
| <i>varav hushåll</i>                                  | 455 899          | 31 114         | 29 854         | 23 348         | 69 558         | 4 269          | 722            | 614 764          |
| Emitterade värdepapper                                | 500 864          | 385 000        | 30 207         | 7              | 69 192         | 351 169        | 17 329         | 1 353 768        |
| Efterställda skulder                                  | 3 003            | 15 547         | -              | -              | 0              | 13 707         | -              | 32 257           |
| Övriga ej valutafördelade poster, inkl. eget kapital  | 476 374          |                |                |                |                |                |                | 476 374          |
| <b>Summa skulder och eget kapital</b>                 | <b>1 835 317</b> | <b>601 996</b> | <b>134 099</b> | <b>52 421</b>  | <b>301 132</b> | <b>402 093</b> | <b>19 706</b>  | <b>3 346 764</b> |
| Valutafördelade övriga tillgångar och skulder (netto) |                  | 196 428        | -186 467       | -84 073        | -54 145        | 318 781        | 16 124         |                  |
| <b>Nettoposition i valuta</b>                         |                  | <b>-51</b>     | <b>156</b>     | <b>3</b>       | <b>107</b>     | <b>-9</b>      | <b>57</b>      | <b>263</b>       |

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

|  | 30 Sep<br>2022 | 30 Jun<br>2022 | 31 Mar<br>2022 | 31 Dec<br>2021 | 30 Sep<br>2021 |
|--|----------------|----------------|----------------|----------------|----------------|
| <b>Available own funds</b>   |                |                |                |                |                |
| Common equity tier 1 (CET1) capital  | 157,550        | 155,434        | 152,665        | 149,709        | 147,628        |
| Tier 1 capital   | 174,119        | 170,775        | 166,578        | 163,222        | 160,704        |
| Total capital  | 192,695        | 194,039        | 183,956        | 180,458        | 177,819        |
| <b>Risk-weighted exposure amounts</b>  |                |                |                |                |                |
| Total risk-weighted exposure amount  | 829,860        | 830,705        | 816,394        | 773,158        | 759,375        |
| <b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>   |                |                |                |                |                |
| Common equity tier 1 ratio (%)   | 19.0%          | 18.7%          | 18.7%          | 19.4%          | 19.4%          |
| Tier 1 ratio (%)   | 21.0%          | 20.6%          | 20.4%          | 21.1%          | 21.2%          |
| Total capital ratio (%)  | 23.2%          | 23.4%          | 22.5%          | 23.3%          | 23.4%          |
| <b>Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)</b> |                |                |                |                |                |
| Additional own funds requirements to address risks other than the risk of excessive leverage (%)   | 2.1%           | 1.9%           | 1.9%           | 1.9%           | 1.9%           |
| of which: to be made up of CET1 capital (percentage points)  | 1.3%           | 1.2%           | 1.2%           | 1.2%           | 1.2%           |
| of which: to be made up of Tier 1 capital (percentage points)  | 1.6%           | 1.5%           | 1.5%           | 1.5%           | 1.5%           |
| Total SREP own funds requirements (%)  | 10.1%          | 9.9%           | 9.9%           | 9.9%           | 9.9%           |
| <b>Combined buffer requirement (as a percentage of risk-weighted exposure amount)</b>  |                |                |                |                |                |
| 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 (%)  | 0.8%           | 0.2%           | 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%           |
| <b>Combined buffer requirement (%)</b>   | <b>7.3%</b>    | <b>6.7%</b>    | <b>6.6%</b>    | <b>6.6%</b>    | <b>6.6%</b>    |
| Overall capital requirements (%)   | 17.4%          | 16.6%          | 16.6%          | 16.5%          | 16.5%          |
| CET1 available after meeting the total SREP own funds requirements (%)   | 13.2%          | 13.0%          | 12.6%          | 13.9%          | 13.9%          |
| <b>Leverage ratio</b>  |                |                |                |                |                |
| Leverage ratio total exposure measure  | 3,604,416      | 3,589,683      | 3,441,379      | 3,232,291      | 3,374,819      |
| Leverage ratio   | 4.8%           | 4.8%           | 4.8%           | 5.0%           | 4.8%           |
| <b>Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)</b>                         |                |                |                |                |                |
| 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%           |
| <b>Liquidity coverage ratio (LCR)*</b>   |                |                |                |                |                |
| Total high-quality liquid assets (HQLA) (Weighted value-average)   | 860,570        | 815,978        | 784,150        | 778,654        | 751,877        |
| Cash outflows - Total weighted value   | 634,114        | 600,174        | 591,031        | 595,289        | 567,668        |
| Cash inflows - Total weighted value  | 73,621         | 72,202         | 69,965         | 68,295         | 67,079         |
| Total net cash outflows (adjusted value)   | 560,493        | 527,972        | 521,066        | 526,994        | 500,589        |
| Liquidity coverage ratio   | 154%           | 156%           | 151%           | 149%           | 151%           |
| <b>Net stable funding ratio (NSFR)</b>   |                |                |                |                |                |
| Total available stable funding   | 2,138,889      | 2,125,152      | 2,059,478      | 2,026,413      | 1,993,554      |
| Total required stable funding  | 1,845,855      | 1,836,823      | 1,803,072      | 1,774,542      | 1,732,605      |
| NSFR ratio   | 116%           | 116%           | 114%           | 114%           | 115%           |

## Overview of risk-weighted exposure amounts

|   | RWEA           |                | Own funds requirements |                |
|---|----------------|----------------|------------------------|----------------|
|   | 30 Sep<br>2022 | 30 Jun<br>2022 | 30 Sep<br>2022         | 30 Jun<br>2022 |
| <b>Credit risk (excluding CCR)</b>  | <b>708,946</b> | <b>713,840</b> | <b>56,716</b>          | <b>57,107</b>  |
| Of which standardised approach  | 182,785        | 190,705        | 14,623                 | 15,256         |
| Of which foundation IRB (FIRB) approach   | 54,988         | 55,439         | 4,399                  | 4,435          |
| Of which slotting approach  |                |                |                        |                |
| Of which equities under simple risk-weighted approach                               | 4,136          | 3,581          | 331                    | 286            |
| Of which advanced IRB (AIRB) approach   | 232,128        | 228,418        | 18,570                 | 18,273         |
| Of which risk weight floors   | 234,909        | 235,697        | 18,793                 | 18,856         |
| <b>Counterparty credit risk - CCR</b>   | <b>14,804</b>  | <b>14,186</b>  | <b>1,184</b>           | <b>1,135</b>   |
| Of which standardised approach  | 10,325         | 9,954          | 826                    | 796            |
| Of which internal model method (IMM)  |                |                |                        |                |
| Of which exposures to a CCP   | 186            | 266            | 15                     | 21             |
| Of which credit valuation adjustment - CVA  | 3,559          | 3,315          | 285                    | 265            |
| Of which other CCR  | 734            | 651            | 59                     | 52             |
| <b>Settlement risk</b>  |                |                |                        |                |
| <b>Securitisation exposures in the non-trading book (after the cap)</b>             |                |                |                        |                |
| Of which SEC-IRBA approach  |                |                |                        |                |
| Of which SEC-ERBA (including IAA)   |                |                |                        |                |
| Of which SEC-SA approach  |                |                |                        |                |
| Of which 1,250%/ deduction  |                |                |                        |                |
| <b>Position, foreign exchange and commodities risks (market risk)</b>               | <b>34,459</b>  | <b>31,028</b>  | <b>2,757</b>           | <b>2,482</b>   |
| Of which standardised approach  | 34,459         | 31,028         | 2,757                  | 2,482          |
| Of which IMA  |                |                |                        |                |
| <b>Large exposures</b>  |                |                |                        |                |
| <b>Operational risk</b>   | <b>71,651</b>  | <b>71,651</b>  | <b>5,732</b>           | <b>5,732</b>   |
| Of which basic indicator approach   |                |                |                        |                |
| Of which standardised approach  | 71,651         | 71,651         | 5,732                  | 5,732          |
| Of which advanced measurement approach  |                |                |                        |                |
| <b>Amounts below the thresholds for deduction<br/>(subject to 250% risk weight)</b> |                |                |                        |                |
| <b>Total</b>  | <b>829,860</b> | <b>830,705</b> | <b>66,389</b>          | <b>66,456</b>  |

## 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. Exposures in Handelsbanken plc 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 74% 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, commodity price 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. Handelsbanken's low tolerance of risk means that the Bank is also well-equipped to operate under difficult market conditions. This applies to the changed environment for interest

rates and inflation in the wake of the new uncertainty factors in the European and global economies brought about partly by Russia's invasion of Ukraine. 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. Russia's invasion of Ukraine also heightens the risk of different types of cyberattack. The Bank's security department is monitoring developments and assesses the risk of various scenarios on an ongoing basis. Thus far, no attacks have affected the Bank's customers.

### 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 845bn at 30 September 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

|  | 30 Sep<br>2022 | 30 Jun<br>2022 | 31 Mar<br>2022 | 31 Dec<br>2021 | 30 Sep<br>2021 |
|--|----------------|----------------|----------------|----------------|----------------|
| Market value, SEK m  |                |                |                |                |                |
| <b>Level 1 assets</b>  | <b>839,101</b> | <b>824,191</b> | <b>730,345</b> | <b>592,976</b> | <b>745,795</b> |
| Cash and balances with central banks   | 639,308        | 651,029        | 552,115        | 438,668        | 614,597        |
| Securities issued or guaranteed by sovereigns, central banks, MDBs and international organisations | 139,826        | 127,402        | 130,753        | 110,326        | 94,312         |
| Securities issued by municipalites and PSEs  | 449            | 517            | 590            | 616            | 748            |
| Extremely high quality covered bonds   | 59,518         | 45,244         | 46,887         | 43,366         | 36,138         |
| <b>Level 2 assets</b>  | <b>6,213</b>   | <b>2,125</b>   | <b>2,960</b>   | <b>2,649</b>   | <b>5,612</b>   |
| Level 2A assets  | 6,030          | 1,945          | 2,659          | 2,449          | 5,501          |
| <i>Securities issued or guaranteed by sovereigns, central banks, municipalities and PSEs</i>       | 3,744          | 501            | 844            | 617            | 3,215          |
| <i>High quality covered bonds</i>  | 2,286          | 1,444          | 1,815          | 1,832          | 2,286          |
| <i>Corporate debt securities (lowest rating AA-)</i>   | -              | -              | -              | -              | -              |
| Level 2B assets  | 183            | 179            | 301            | 200            | 111            |
| <i>Asset-backed securities</i>   | -              | -              | -              | -              | -              |
| <i>High quality covered bonds</i>  | -              | -              | -              | -              | -              |
| <i>Corporate debt securities (rated A+ to BBB-)</i>  | 183            | 179            | 301            | 200            | 111            |
| <i>Shares (major stock index)</i>  | -              | -              | -              | -              | -              |
| <b>Total liquid assets</b>   | <b>845,314</b> | <b>826,316</b> | <b>733,305</b> | <b>595,625</b> | <b>751,407</b> |
| <i>of which in SEK</i>   | 300,841        | 274,225        | 252,423        | 211,451        | 284,564        |
| <i>of which in EUR</i>   | 207,206        | 214,108        | 165,307        | 158,159        | 170,099        |
| <i>of which in USD</i>   | 158,275        | 163,140        | 157,091        | 65,596         | 147,934        |
| <i>of which in other currencies</i>  | 178,992        | 174,843        | 158,484        | 160,419        | 148,810        |

| 30 September 2022  |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|
| Market value, SEK m  | SEK            | EUR            | USD            | Other          | Total          |
| <b>Level 1 assets</b>  | <b>299,726</b> | <b>206,813</b> | <b>157,730</b> | <b>174,832</b> | <b>839,101</b> |
| Cash and balances with central banks   | 156,276        | 195,953        | 144,598        | 142,481        | 639,308        |
| Securities issued or guaranteed by sovereigns, central banks, MDBs and international organisations | 109,015        | 10,860         | 13,132         | 6,819          | 139,826        |
| Securities issued by municipalites and PSEs  | 449            | -              | -              | -              | 449            |
| Extremely high quality covered bonds   | 33,986         | -              | -              | 25,532         | 59,518         |
| <b>Level 2 assets</b>  | <b>1,115</b>   | <b>393</b>     | <b>545</b>     | <b>4,160</b>   | <b>6,213</b>   |
| Level 2A assets  | 1,115          | 210            | 545            | 4,160          | 6,030          |
| <i>Securities issued or guaranteed by sovereigns, central banks, municipalities and PSEs</i>       | -              | -              | -              | 3,744          | 3,744          |
| <i>High quality covered bonds</i>  | 1,115          | 210            | 545            | 416            | 2,286          |
| <i>Corporate debt securities (lowest rating AA-)</i>   | -              | -              | -              | -              | -              |
| Level 2B assets  | -              | 183            | -              | -              | 183            |
| <i>Asset-backed securities</i>   | -              | -              | -              | -              | -              |
| <i>High quality covered bonds</i>  | -              | -              | -              | -              | -              |
| <i>Corporate debt securities (rated A+ to BBB-)</i>  | -              | 183            | -              | -              | 183            |
| <i>Shares (major stock index)</i>  | -              | -              | -              | -              | -              |
| <b>Total liquid assets</b>   | <b>300,841</b> | <b>207,206</b> | <b>158,275</b> | <b>178,992</b> | <b>845,314</b> |

## Maturities for financial assets and liabilities

| 30 September 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            |
|--|----------------|------------------|----------------|----------------|----------------|----------------|------------------|------------------|
| <b>Assets</b>  |                |                  |                |                |                |                |                  |                  |
| Cash and balances with central banks   | 642,460        | -                | -              | -              | -              | -              | -                | 642,460          |
| Interest-bearing securities eligible as collateral with central banks *  | 130,114        | -                | -              | -              | -              | -              | -                | 130,114          |
| Bonds and other interest-bearing securities *  | 43,865         | -                | -              | -              | -              | -              | -                | 43,865           |
| Loans to credit institutions   | 27,009         | 98               | 98             | 98             | 98             | 98             | 98               | 27,599           |
| <i>of which reverse repos</i>  | 17,984         | -                | -              | -              | -              | -              | -                | 17,984           |
| Loans to the public  | 70,020         | 298,196          | 298,196        | 298,196        | 298,196        | 298,196        | 298,196          | 1,859,199        |
| <i>of which reverse repos</i>  | 18,297         | -                | -              | -              | -              | -              | -                | 18,297           |
| Other **   | 25,970         | -                | -              | -              | -              | -              | -                | 25,970           |
| <i>of which shares and participating interests</i>   | 20,033         | -                | -              | -              | -              | -              | -                | 20,033           |
| <i>of which claims on investment banking settlements</i>   | 5,937          | -                | -              | -              | -              | -              | -                | 5,937            |
| <b>Total</b>   | <b>939,438</b> | <b>298,295</b>   | <b>298,295</b> | <b>298,295</b> | <b>298,295</b> | <b>298,295</b> | <b>298,295</b>   | <b>2,729,207</b> |
| <b>Other liabilities</b>   |                |                  |                |                |                |                |                  |                  |
| Due to credit institutions ***   | 72,555         | 40,752           | 27             | 520            | 78             | 448            | 7,235            | 121,615          |
| <i>of which repos</i>  | -              | -                | -              | -              | -              | -              | -                | -                |
| <i>of which deposits from central banks</i>  | 13,127         | 38,787           | -              | -              | -              | -              | 296              | 52,210           |
| Deposits and borrowing from the public ***   | 132,256        | 71,188           | 18,659         | 5,344          | 1,022          | 5,974          | 1,351,863        | 1,586,306        |
| <i>of which repos</i>  | 12,182         | -                | -              | -              | -              | -              | -                | 12,182           |
| Issued securities  | 119,491        | 429,893          | 255,264        | 123,415        | 435,015        | 137,950        | -                | 1,501,028        |
| <i>of which covered bonds</i>  | -              | 21,259           | 73,481         | 77,247         | 356,349        | 85,351         | -                | 613,687          |
| <i>of which bank certificates (CDs) with original maturity of less than one year</i>                           | 53,270         | 146,068          | 84,703         | -              | -              | -              | -                | 284,041          |
| <i>of which corporate certificates (CPs) with original maturity of less than one year</i>                      | 64,641         | 232,775          | 62,110         | -              | -              | -              | -                | 359,526          |
| <i>of which bank certificates (CDs) and corporate certificates (CPs) with original maturity above one year</i> | 564            | 7,093            | 9,435          | -              | -              | -              | -                | 17,092           |
| <i>of which Senior Non-Preferred Bonds</i>   | -              | -                | -              | -              | 19,183         | 28,674         | -                | 47,857           |
| <i>of which senior bonds and other securities with original maturity of more than one year</i>                 | 1,017          | 22,700           | 25,535         | 46,168         | 59,483         | 23,925         | -                | 178,828          |
| Subordinated liabilities   | -              | 11,128           | -              | 13,071         | 10,491         | 10,369         | -                | 45,059           |
| Other **   | 16,204         | -                | -              | -              | -              | -              | 458,426          | 474,630          |
| <i>of which short positions</i>  | 10,990         | -                | -              | -              | -              | -              | -                | 10,990           |
| <i>of which investment banking settlement debts</i>  | 5,214          | -                | -              | -              | -              | -              | -                | 5,214            |
| <b>Total</b>   | <b>340,506</b> | <b>552,961</b>   | <b>273,950</b> | <b>142,350</b> | <b>446,606</b> | <b>154,741</b> | <b>1,817,524</b> | <b>3,728,638</b> |

\* 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)

|  | 30 Sep<br>2022 | 30 Jun<br>2022 | 31 Mar<br>2022 | 31 Dec<br>2021 | 30 Sep<br>2021 |
|--|----------------|----------------|----------------|----------------|----------------|
| Liquidity coverage ratio (LCR) - sub-components, SEK m     |                |                |                |                |                |
| <b>High quality liquidity assets</b>                       | <b>840,152</b> | <b>822,767</b> | <b>729,474</b> | <b>592,122</b> | <b>747,998</b> |
| <b>Cash outflows</b>                                       |                |                |                |                |                |
| Retail deposits and deposits from small business customers | 70,478         | 72,154         | 68,982         | 66,550         | 64,465         |
| Unsecured wholesale funding                                | 415,380        | 368,990        | 338,241        | 289,879        | 391,599        |
| Secured wholesale funding                                  | 14,003         | 16,041         | 12,139         | 11,305         | 8,988          |
| Other cash outflows  | 78,856         | 65,123         | 64,559         | 63,566         | 67,344         |
| <b>Total cash outflows</b>                                 | <b>578,717</b> | <b>522,308</b> | <b>483,921</b> | <b>431,300</b> | <b>532,396</b> |
| <b>Cash inflows</b>  |                |                |                |                |                |
| Inflows from fully performing exposures                    | 28,025         | 24,960         | 26,785         | 22,375         | 28,502         |
| Other cash inflows   | 31,494         | 40,613         | 25,706         | 19,474         | 31,514         |
| <b>Total cash inflows</b>                                  | <b>59,519</b>  | <b>65,573</b>  | <b>52,491</b>  | <b>41,849</b>  | <b>60,016</b>  |
| <b>Liquidity coverage ratio (LCR)</b>                      | <b>162%</b>    | <b>180%</b>    | <b>169%</b>    | <b>152%</b>    | <b>158%</b>    |

## Net stable funding ratio (NSFR)

|   | 30 Sep<br>2022   | 30 Jun<br>2022   | 31 Mar<br>2022   | 31 Dec<br>2021   | 30 Sep<br>2021   |
|---|------------------|------------------|------------------|------------------|------------------|
| Net stable funding ratio (NSFR) - sub-components, SEK m |                  |                  |                  |                  |                  |
| <b>Available stable funding (ASF)</b>                   |                  |                  |                  |                  |                  |
| Capital items and instruments                           | 229,506          | 218,869          | 206,938          | 202,877          | 199,264          |
| Retail deposits   | 749,894          | 752,687          | 718,486          | 704,382          | 691,608          |
| Wholesale funding                                       | 1,152,859        | 1,147,415        | 1,128,476        | 1,113,915        | 1,097,418        |
| Other liabilities                                       | 6,630            | 6,180            | 5,578            | 5,239            | 5,264            |
| <b>Total Available stable funding (ASF)</b>             | <b>2,138,889</b> | <b>2,125,152</b> | <b>2,059,478</b> | <b>2,026,413</b> | <b>1,993,554</b> |
| <b>Required stable funding (RSF)</b>                    |                  |                  |                  |                  |                  |
| Total high-quality liquid assets (HQLA)                 | 8,759            | 7,706            | 8,658            | 7,927            | 6,158            |
| Assets encumbered for more than 12 months in cover pool | 454,427          | 426,639          | 461,542          | 449,323          | 419,349          |
| Performing loans and securities                         | 1,302,501        | 1,312,824        | 1,249,790        | 1,223,354        | 1,214,465        |
| Other assets  | 55,797           | 64,867           | 58,547           | 69,258           | 67,913           |
| Off-balance sheet items                                 | 24,371           | 24,788           | 24,535           | 24,680           | 24,720           |
| <b>Total Required stable funding (RSF)</b>              | <b>1,845,855</b> | <b>1,836,823</b> | <b>1,803,072</b> | <b>1,774,542</b> | <b>1,732,605</b> |
| <b>Net stable funding ratio (NSFR)</b>                  | <b>116%</b>      | <b>116%</b>      | <b>114%</b>      | <b>114%</b>      | <b>115%</b>      |

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 162%, 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 116%.

## Stress test with liquidity-creating measures

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

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

gradually in the first month. It is further assumed that the Bank will continue to conduct its core activities, i.e. that fixed-term deposits from and loans to households and companies will be renewed at maturity and that issued commitments and credit facilities will be partly utilised by customers. Simultaneously, consideration is given to the fact that cash, balances and other lending to central banks are components which can provide the Bank with immediate liquidity. Consideration is also given to liquid securities, such as government bonds, covered bonds and other securities of very high credit quality which can provide the Bank with immediate liquidity. In addition, the Bank can create liquidity through utilising the unutilised issue amount for covered bonds and by implementing other liquidity-creating measures to gradually provide the Bank with liquidity.

## Non-encumbered assets, NEA

| 30 September 2022  |              |   |
|--|--------------|---|
| SEK bn   | NEA          | Accumulated coverage ratio in % of unsecured funding* |
| Holdings with central banks and securities in the liquidity portfolio*** | 845          | 84%   |
| Mortgage loans   | 869          | 171%  |
| Other household lending  | 165          | 187%  |
| Property company lending lowest risk class (1-3)                         | 318          | 219%  |
| Other corporate lending lowest risk class (1-3)                          | 150          | 234%  |
| Loans to credit institutions lowest risk class (1-3)                     | 6            | 235%  |
| Other corporate lending  | 324          | 267%  |
| Other assets   | 83           | 275%  |
| <b>Total non-encumbered assets (NEA)</b>                                 | <b>2,760</b> | <b>275%</b>   |
| <b>Encumbered assets without underlying liabilities**</b>                | <b>73</b>    |   |
| Encumbered assets with underlying liabilities                            | 896          |   |
| <b>Total assets, Group</b>   | <b>3,729</b> |   |

| 31 December 2021   |              |   |
|--|--------------|---|
| SEK bn   | NEA          | Accumulated coverage ratio in % of unsecured funding* |
| Holdings with central banks and securities in the liquidity portfolio*** | 596          | 68%   |
| Mortgage loans   | 792          | 158%  |
| Other household lending  | 192          | 180%  |
| Property company lending lowest risk class (1-3)                         | 298          | 213%  |
| Other corporate lending lowest risk class (1-3)                          | 122          | 227%  |
| Loans to credit institutions lowest risk class (1-3)                     | 28           | 230%  |
| Other corporate lending  | 298          | 264%  |
| Other assets   | 36           | 268%  |
| <b>Total non-encumbered assets (NEA)</b>                                 | <b>2,362</b> | <b>268%</b>   |
| <b>Encumbered assets without underlying liabilities**</b>                | <b>65</b>    |   |
| Encumbered assets with underlying liabilities                            | 920          |   |
| <b>Total assets, Group</b>   | <b>3,347</b> |   |

\* Issued short and long non-secured funding and liabilities to credit institutions.

\*\* Over-collateralisation in cover pool (OC) and assets to cover Operational Continuity in Resolution requirement in the UK.

\*\*\* Relates to eligible as collateral value in central banks.

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 10-19.

## 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  | Q3<br>2022    | Q2<br>2022    | Change     | Q3<br>2021    | Change     | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Change      | Full year<br>2021 |
|--|---------------|---------------|------------|---------------|------------|-----------------|-----------------|-------------|-------------------|
| Net interest income  | 4,995         | 4,010         | 25%        | 3,335         | 50%        | 12,556          | 10,010          | 25%         | 13,502            |
| Dividends received   | 176           | 111           | 58%        | 189           | -7%        | 437             | 815             | -46%        | 17,611            |
| Net fee and commission income  | 1,246         | 1,288         | -3%        | 1,243         | 0%         | 3,915           | 3,770           | 4%          | 5,230             |
| Net gains/losses on financial transactions   | 145           | -931          |            | 479           | -70%       | -532            | 1,822           |             | 1,808             |
| Other operating income   | 801           | 846           | -5%        | 703           | 14%        | 2,428           | 2,195           | 11%         | 3,576             |
| <b>Total income</b>  | <b>7,363</b>  | <b>5,324</b>  | <b>38%</b> | <b>5,949</b>  | <b>24%</b> | <b>18,804</b>   | <b>18,612</b>   | <b>1%</b>   | <b>41,727</b>     |
| Staff costs  | -3,193        | -2,856        | 12%        | -2,529        | 26%        | -8,920          | -7,998          | 12%         | -10,242           |
| Other administrative expenses  | -1,651        | -1,989        | -17%       | -1,364        | 21%        | -5,257          | -4,198          | 25%         | -6,002            |
| Depreciation, amortisation and impairment of property, equipment and intangible assets | -599          | -594          | 1%         | -632          | -5%        | -1,799          | -1,977          | -9%         | -2,803            |
| <b>Total expenses before credit losses</b>   | <b>-5,442</b> | <b>-5,439</b> | <b>0%</b>  | <b>-4,525</b> | <b>20%</b> | <b>-15,975</b>  | <b>-14,173</b>  | <b>13%</b>  | <b>-19,047</b>    |
| <b>Profit before credit losses, risk tax and resolution fee</b>                        | <b>1,921</b>  | <b>-115</b>   |            | <b>1,424</b>  | <b>35%</b> | <b>2,829</b>    | <b>4,439</b>    | <b>-36%</b> | <b>22,680</b>     |
| Net credit losses  | 59            | 7             |            | -41           |            | 10              | -73             |             | -55               |
| Impairment of financial assets   | -             | -             |            | -             |            | -25             | -               |             | -1,180            |
| Risk tax and resolution fee  | -398          | -279          | 43%        | -140          | 184%       | -1,064          | -323            | 229%        | -366              |
| <b>Operating profit</b>  | <b>1,582</b>  | <b>-387</b>   |            | <b>1,243</b>  | <b>27%</b> | <b>1,751</b>    | <b>4,043</b>    | <b>-57%</b> | <b>21,079</b>     |
| Appropriations   | 19            | -             |            | -             |            | 20              | 31              | -35%        | 227               |
| <b>Profit before tax</b>   | <b>1,600</b>  | <b>-387</b>   |            | <b>1,243</b>  | <b>29%</b> | <b>1,770</b>    | <b>4,074</b>    | <b>-57%</b> | <b>21,306</b>     |
| Taxes  | -454          | 37            |            | -277          | 64%        | -552            | -878            | -37%        | -4,618            |
| <b>Profit for the period</b>   | <b>1,147</b>  | <b>-349</b>   |            | <b>966</b>    | <b>19%</b> | <b>1,219</b>    | <b>3,196</b>    | <b>-62%</b> | <b>16,688</b>     |

## STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

| SEK m  | Q3<br>2022   | Q2<br>2022   | Change      | Q3<br>2021   | Change      | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Change      | Full year<br>2021 |
|--|--------------|--------------|-------------|--------------|-------------|-----------------|-----------------|-------------|-------------------|
| <b>Profit for the period</b>   | <b>1,147</b> | <b>-349</b>  |             | <b>966</b>   | <b>19%</b>  | <b>1,219</b>    | <b>3,196</b>    | <b>-62%</b> | <b>16,688</b>     |
| <b>Other comprehensive income</b>  |              |              |             |              |             |                 |                 |             |                   |
| <b>Items that will not be reclassified to the income statement</b>                           |              |              |             |              |             |                 |                 |             |                   |
| Instruments measured at fair value through other comprehensive income - equity instruments   | 74           | 7            |             | -2           |             | 90              | 49              |             | 62                |
| Tax on items that will not be reclassified to income statement                               | -15          | 1            |             | 1            |             | -16             | -2              |             | -3                |
| <i>of which equity instruments measured at fair value through other comprehensive income</i> | -15          | 1            |             | 1            |             | -16             | -2              |             | -3                |
| <b>Total items that will not be reclassified to the income statement</b>                     | <b>59</b>    | <b>8</b>     |             | <b>-1</b>    |             | <b>74</b>       | <b>47</b>       |             | <b>59</b>         |
| <b>Items that may subsequently be reclassified to the income statement</b>                   |              |              |             |              |             |                 |                 |             |                   |
| Cash flow hedges   | 2,022        | 1,207        | 68%         | 145          |             | 4,342           | 46              |             | 246               |
| Instruments measured at fair value through other comprehensive income - debt instruments     | -13          | -29          |             | 3            |             | -86             | 19              |             | 6                 |
| Translation differences for the period   | 133          | 129          | 3%          | 302          | -56%        | 890             | 811             | 10%         | 1,034             |
| <i>of which hedging net investment in foreign operations</i>                                 | -19          | -32          | 41%         | -2           |             | -69             | -67             | -3%         | -63               |
| Tax on items that may subsequently be reclassified to the income statement                   | -407         | -237         | -72%        | -30          |             | -868            | -               |             | -39               |
| <i>of which cash flow hedges</i>   | -416         | -249         | -67%        | -30          |             | -894            | -10             |             | -51               |
| <i>of which debt instruments measured at fair value through other comprehensive income</i>   | 3            | 6            |             | -1           |             | 12              | -4              |             | -1                |
| <i>of which hedging net investment in foreign operations</i>                                 | 4            | 6            | -33%        | 1            | 300%        | 14              | 14              | 0%          | 13                |
| <b>Total items that may subsequently be reclassified to the income statement</b>             | <b>1,735</b> | <b>1,070</b> | <b>62%</b>  | <b>420</b>   | <b>313%</b> | <b>4,278</b>    | <b>876</b>      | <b>388%</b> | <b>1,247</b>      |
| <b>Total other comprehensive income for the period</b>                                       | <b>1,791</b> | <b>1,079</b> | <b>66%</b>  | <b>419</b>   | <b>327%</b> | <b>4,352</b>    | <b>923</b>      | <b>372%</b> | <b>1,306</b>      |
| <b>Total comprehensive income for the period</b>   | <b>2,938</b> | <b>730</b>   | <b>302%</b> | <b>1,385</b> | <b>112%</b> | <b>5,571</b>    | <b>4,119</b>    | <b>35%</b>  | <b>17,994</b>     |

## Comment on results – Parent company JANUARY – SEPTEMBER 2022 compared with JANUARY – SEPTEMBER 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.

Svenska Handelsbanken AB reached an agreement with Jyske Bank A/S during the second quarter regarding the transfer of Handelsbanken's operations in Denmark. The divestment process for the Finnish operations is continuing according to plan.

The parent company's operating profit fell by 57% to SEK 1,751m (4,043), mainly due to a SEK 2,354m decrease in net gains/losses on financial transactions, as well as the addition of an expense for Swedish risk tax of SEK 747m compared with the previous year. The negative change in net gains/losses on financial transactions during the third 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. Dividends have been received amounting to SEK 437m (815). Profit for the period decreased to SEK 1,219m (3,196). Net interest income increased by 25% to SEK 12,556m (10,010), and net fee and commission income increased by 4% to SEK 3,915m (3,770). Since year-end 2021, the parent company's equity has decreased to SEK 140,503m (144,220).

## BALANCE SHEET – PARENT COMPANY

| SEK m   | 30 Sep<br>2022   | 30 Jun<br>2022   | 31 Mar<br>2022   | 31 Dec<br>2021   | 30 Sep<br>2021   |
|---|------------------|------------------|------------------|------------------|------------------|
| <b>Assets</b>   |                  |                  |                  |                  |                  |
| Cash and balances with central banks                                  | 496,932          | 540,690          | 458,039          | 338,768          | 526,001          |
| Interest-bearing securities eligible as collateral with central banks | 130,097          | 114,338          | 121,996          | 100,538          | 95,676           |
| Loans to credit institutions  | 1,105,903        | 1,049,080        | 1,012,434        | 986,897          | 987,255          |
| Loans to the public   | 678,884          | 662,966          | 643,007          | 611,852          | 584,229          |
| Value change of interest hedged item in portfolio hedge               | -20,923          | -15,153          | -8,413           | -1,904           | -977             |
| Bonds and other interest-bearing securities                           | 46,795           | 40,785           | 44,963           | 34,323           | 30,578           |
| Shares  | 14,312           | 14,819           | 13,470           | 13,481           | 14,239           |
| Shares in subsidiaries and investments<br>in associates               | 72,770           | 72,757           | 72,537           | 71,967           | 73,123           |
| Assets where the customer bears the value change risk                 | 7,546            | 7,838            | 8,338            | 8,952            | 8,388            |
| Derivative instruments  | 97,421           | 65,757           | 31,222           | 30,946           | 29,693           |
| Intangible assets   | 3,046            | 3,098            | 3,110            | 3,129            | 3,313            |
| Property, equipment and leasing assets                                | 6,710            | 6,818            | 6,956            | 7,043            | 7,268            |
| Current tax assets  | 2,965            | 2,491            | 1,143            | 0                | 2,675            |
| Deferred tax assets   | 664              | 659              | 726              | 668              | 424              |
| Other assets  | 5,457            | 19,609           | 16,262           | 22,287           | 16,751           |
| Prepaid expenses and accrued income                                   | 1,437            | 1,625            | 1,970            | 1,187            | 1,784            |
| <b>Total assets</b>   | <b>2,650,016</b> | <b>2,588,176</b> | <b>2,427,762</b> | <b>2,230,134</b> | <b>2,380,420</b> |
| <b>Liabilities and equity</b>   |                  |                  |                  |                  |                  |
| Due to credit institutions  | 201,904          | 203,503          | 191,834          | 153,490          | 211,792          |
| Deposits and borrowing from the public                                | 1,344,912        | 1,326,625        | 1,266,050        | 1,173,172        | 1,230,745        |
| Liabilities where the customer bears the value change risk            | 7,546            | 7,838            | 8,338            | 8,952            | 8,388            |
| Issued securities   | 849,526          | 811,445          | 725,832          | 679,808          | 702,738          |
| Derivative instruments  | 33,793           | 27,772           | 25,131           | 21,033           | 21,463           |
| Short positions   | 10,990           | 14,140           | 17,665           | 4,105            | 14,350           |
| Current tax liabilities   | -                | -                | 0                | 264              | -                |
| Deferred tax liabilities  | 1,122            | 709              | 678              | 436              | 210              |
| Provisions  | 997              | 1,102            | 984              | 1,011            | 1,204            |
| Other liabilities   | 9,413            | 15,100           | 19,448           | 7,631            | 15,689           |
| Accrued expenses and deferred income                                  | 3,567            | 3,263            | 3,438            | 3,049            | 2,520            |
| Subordinated liabilities  | 45,058           | 38,516           | 31,434           | 32,257           | 31,579           |
| <b>Total liabilities</b>  | <b>2,508,826</b> | <b>2,450,012</b> | <b>2,290,832</b> | <b>2,085,208</b> | <b>2,240,678</b> |
| <b>Untaxed reserves</b>   | <b>687</b>       | <b>706</b>       | <b>706</b>       | <b>706</b>       | <b>902</b>       |
| 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   | 11,987           | 10,215           | 9,132            | 7,651            | 7,431            |
| Retained earnings   | 115,471          | 115,344          | 114,844          | 108,054          | 116,386          |
| Profit for the period   | 1,219            | 72               | 421              | 16,688           | 3,196            |
| <b>Total equity</b>   | <b>140,503</b>   | <b>137,458</b>   | <b>136,224</b>   | <b>144,220</b>   | <b>138,840</b>   |
| <b>Total liabilities and equity</b>                                   | <b>2,650,016</b> | <b>2,588,176</b> | <b>2,427,762</b> | <b>2,230,134</b> | <b>2,380,420</b> |

## CHANGE IN EQUITY – PARENT COMPANY

| January - September 2022   | 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 * |   |                |
| <b>Opening equity 2022</b>   | <b>3,069</b>      | <b>2,682</b>      | <b>2,913</b>                           | <b>8,758</b>        | <b>823</b>      | <b>158</b>           | <b>1,075</b>          | <b>124,742</b>                              | <b>144,220</b> |
| Profit for the period  |                   |                   |  |                     |                 |                      |                       | 1,219                                       | 1,219          |
| Other comprehensive income<br><i>of which reclassified within equity</i> |                   |                   |  |                     | 3,448           | 0                    | 904                   |   | 4,352          |
|  |                   |                   |  |                     |                 |                      | -612                  |   | -612           |
| <b>Total comprehensive income for the period</b>                         |                   |                   |  |                     | <b>3,448</b>    | <b>0</b>             | <b>904</b>            | <b>1,219</b>                                | <b>5,571</b>   |
| Reclassified to retained earnings  |                   |                   |  |                     |                 |                      |                       | 612   | 612            |
| Dividend   |                   |                   |  |                     |                 |                      |                       | -9,900                                      | -9,900         |
| Fund for internally developed software                                   |                   |                   | -16                                    |                     |                 |                      |                       | 16  |                |
| <b>Closing equity</b>  | <b>3,069</b>      | <b>2,682</b>      | <b>2,895</b>                           | <b>8,758</b>        | <b>4,270</b>    | <b>159</b>           | <b>1,981</b>          | <b>116,690</b>                              | <b>140,503</b> |

| January – December 2021<br>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 * |   |                |
| <b>Opening equity 2020</b>   | <b>3,069</b>      | <b>2,682</b>      | <b>3,274</b>                           | <b>8,758</b>        | <b>628</b>      | <b>94</b>            | <b>28</b>             | <b>124,306</b>                              | <b>142,839</b> |
| Profit for the period  |                   |                   |  |                     |                 |                      |                       | 16,688                                      | 16,688         |
| Other comprehensive income<br><i>of which reclassified within equity</i> |                   |                   |  |                     | 195             | 64                   | 1,047                 |   | 1,306          |
|  |                   |                   |  |                     |                 |                      | -53                   |   | -53            |
| <b>Total comprehensive income for the period</b>                         |                   |                   |  |                     | <b>195</b>      | <b>64</b>            | <b>1,047</b>          | <b>16,688</b>                               | <b>17,994</b>  |
| Reclassified to retained earnings  |                   |                   |  |                     |                 |                      |                       | 53  | 53             |
| Dividend**   |                   |                   |  |                     |                 |                      |                       | -16,666                                     | -16,666        |
| Fund for internally developed software                                   |                   |                   | -361                                   |                     |                 |                      |                       | 361   |                |
| <b>Closing equity</b>  | <b>3,069</b>      | <b>2,682</b>      | <b>2,913</b>                           | <b>8,758</b>        | <b>823</b>      | <b>158</b>           | <b>1,075</b>          | <b>124,742</b>                              | <b>144,220</b> |

| January – September 2021<br>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 * |   |                |
| <b>Opening equity 2020</b>   | <b>3,069</b>      | <b>2,682</b>      | <b>3,274</b>                           | <b>8,758</b>        | <b>628</b>      | <b>94</b>            | <b>28</b>             | <b>124,306</b>                              | <b>142,839</b> |
| Profit for the period  |                   |                   |  |                     |                 |                      |                       | 3,196                                       | 3,196          |
| Other comprehensive income<br><i>of which reclassified within equity</i> |                   |                   |  |                     | 36              | 62                   | 825                   |   | 923            |
| <b>Total comprehensive income for the period</b>                         |                   |                   |  |                     | <b>36</b>       | <b>62</b>            | <b>825</b>            | <b>3,196</b>                                | <b>4,119</b>   |
| Dividend   |                   |                   |  |                     |                 |                      |                       | -8,118                                      | -8,118         |
| Fund for internally developed software                                   |                   |                   | -193                                   |                     |                 |                      |                       | 198   |                |
| <b>Closing equity</b>  | <b>3,069</b>      | <b>2,682</b>      | <b>3,081</b>                           | <b>8,758</b>        | <b>664</b>      | <b>156</b>           | <b>853</b>            | <b>119,582</b>                              | <b>138,840</b> |

\* Included in fair value fund.

\*\* Ordinary dividends amounted to SEK 8,118m, while the additional dividend amounted to SEK 8,548m. The shareholders received the additional dividend in the form of shares in AB Industrivärden, which Svenska Handelsbanken AB acquired from Svenska Handelsbankens Pensionsstiftelse (Pension Foundation).

## CONDENSED STATEMENT OF CASH FLOWS – PARENT COMPANY

| SEK m   | Jan-Sep<br>2022 | Jan-Sep<br>2021 | Full year<br>2021 |
|---|-----------------|-----------------|-------------------|
| Operating profit  | 1,751           | 4,043           | 21,079            |
| Adjustment for non-cash items in profit/loss                  | 2,667           | 1,893           | -12,199           |
| Paid income tax   | -3,777          | -3,213          | -4,269            |
| Changes in the assets and liabilities of operating activities | 108,995         | 220,848         | 39,735            |
| <b>Cash flow from operating activities</b>                    | <b>109,636</b>  | <b>223,571</b>  | <b>44,346</b>     |
| Change in shares  | -173            | -90             | -107              |
| Change in property and equipment                              | -1,037          | -1,415          | -1,562            |
| Change in intangible assets                                   | -336            | -296            | -450              |
| <b>Cash flow from investing activities</b>                    | <b>-1,547</b>   | <b>-1,801</b>   | <b>-2,119</b>     |
| Repayment of subordinated loans                               | -               | -9,811          | -10,130           |
| Issued subordinated loans                                     | 11,528          | -               | -                 |
| Dividend paid   | -9,900          | -8,118          | -16,666           |
| Received Group contributions                                  | 16,685          | 15,135          | 15,135            |
| <b>Cash flow from financing activities</b>                    | <b>18,313</b>   | <b>-2,794</b>   | <b>-11,661</b>    |
| <b>Liquid funds at beginning of the year</b>                  | <b>338,768</b>  | <b>297,362</b>  | <b>297,362</b>    |
| Cash flow for the period                                      | 126,402         | 218,976         | 30,566            |
| Exchange rate difference on liquid funds                      | 31,763          | 9,663           | 10,840            |
| <b>Liquid funds at end of year*</b>                           | <b>496,932</b>  | <b>526,001</b>  | <b>338,768</b>    |

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



## OWN FUNDS AND CAPITAL REQUIREMENTS – PARENT COMPANY

### Key metrics

|  | 30 Sep<br>2022 | 30 Jun<br>2022 | 31 Mar<br>2022 | 31 Dec<br>2021 | 30 Sep<br>2021 |
|--|----------------|----------------|----------------|----------------|----------------|
| <b>Available own funds</b>   |                |                |                |                |                |
| Common equity tier 1 (CET1) capital  | 130,995        | 130,214        | 129,805        | 129,054        | 123,915        |
| Tier 1 capital   | 147,564        | 145,555        | 143,718        | 142,567        | 136,991        |
| Total capital  | 166,140        | 168,819        | 161,096        | 159,803        | 154,106        |
| <b>Risk-weighted exposure amounts</b>  |                |                |                |                |                |
| Total risk-weighted exposure amount  | 460,099        | 471,791        | 464,799        | 426,749        | 423,452        |
| <b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>   |                |                |                |                |                |
| Common equity tier 1 ratio (%)   | 28.5%          | 27.6%          | 27.9%          | 30.2%          | 29.3%          |
| Tier 1 ratio (%)   | 32.1%          | 30.9%          | 30.9%          | 33.4%          | 32.4%          |
| Total capital ratio (%)  | 36.1%          | 35.8%          | 34.7%          | 37.4%          | 36.4%          |
| <b>Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)</b> |                |                |                |                |                |
| leverage (%)   | 1.7%           | 1.6%           | 1.6%           | 1.6%           | 1.6%           |
| of which: to be made up of CET1 capital (percentage points)  | 1.0%           | 0.9%           | 0.9%           | 0.9%           | 0.9%           |
| of which: to be made up of Tier 1 capital (percentage points)  | 1.3%           | 1.2%           | 1.2%           | 1.2%           | 1.2%           |
| Total SREP own funds requirements (%)  | 9.7%           | 9.6%           | 9.6%           | 9.6%           | 9.6%           |
| <b>Combined buffer requirement (as a percentage of risk-weighted exposure amount)</b>  |                |                |                |                |                |
| 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 (%)  | 0.8%           | 0.3%           | 0.2%           | 0.2%           | 0.2%           |
| Systemic risk buffer (%)   |                |                |                |                |                |
| Global Systemically Important Institution buffer (%)   |                |                |                |                |                |
| Other Systemically Important Institution buffer  |                |                |                |                |                |
| Combined buffer requirement (%)  | 3.3%           | 2.8%           | 2.7%           | 2.7%           | 2.7%           |
| Overall capital requirements (%)   | 13.0%          | 12.3%          | 12.3%          | 12.2%          | 12.2%          |
| CET1 available after meeting the total SREP own funds requirements (%)   | 26.4%          | 22.2%          | 25.1%          | 23.8%          | 23.8%          |
| <b>Leverage ratio</b>  |                |                |                |                |                |
| Leverage ratio total exposure measure  | 1,806,127      | 1,805,514      | 1,696,968      | 1,500,320      | 1,695,039      |
| Leverage ratio   | 8.2%           | 8.1%           | 8.5%           | 9.5%           | 8.1%           |
| <b>Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)</b>                         |                |                |                |                |                |
| 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%           |
| <b>Liquidity coverage ratio (LCR)*</b>   |                |                |                |                |                |
| Total high-quality liquid assets (HQLA) (Weighted value-average)   | 762,242        | 721,374        | 690,055        | 682,980        | 656,441        |
| Cash outflows - Total weighted value   | 622,625        | 599,300        | 592,160        | 593,559        | 566,475        |
| Cash inflows - Total weighted value  | 136,185        | 131,736        | 122,643        | 118,459        | 115,295        |
| Total net cash outflows (adjusted value)   | 486,440        | 467,564        | 469,517        | 475,100        | 451,180        |
| Liquidity coverage ratio   | 158%           | 156%           | 148%           | 144%           | 146%           |
| <b>Net stable funding ratio (NSFR)</b>   |                |                |                |                |                |
| Total available stable funding   | 1,392,059      | 1,382,736      | 1,318,109      | 1,271,284      | 1,258,863      |
| Total required stable funding  | 1,295,231      | 1,328,763      | 1,274,734      | 1,293,235      | 1,228,027      |
| NSFR ratio   | 107%           | 104%           | 103%           | 98%            | 103%           |

\* High quality liquid assets and cashflows refer to the average of the values at each month-end during the last 12 months. The ratio is calculated based on these averages.

## Overview of risk-weighted exposure amounts

|   | RWEA           |                | Own funds requirements |                |
|---|----------------|----------------|------------------------|----------------|
|   | 30 Sep<br>2022 | 30 Jun<br>2022 | 30 Sep<br>2022         | 30 Jun<br>2022 |
| <b>Credit risk (excluding CCR)</b>  | <b>374,768</b> | <b>380,429</b> | <b>29,981</b>          | <b>30,434</b>  |
| Of which standardised approach  | 148,812        | 153,872        | 11,905                 | 12,310         |
| Of which foundation IRB (FIRB) approach   | 47,891         | 47,922         | 3,831                  | 3,834          |
| Of which slotting approach  |                |                |                        |                |
| Of which equities under simple risk-weighted approach                               | 3,992          | 3,479          | 319                    | 278            |
| Of which advanced IRB (AIRB) approach   | 143,112        | 142,741        | 11,449                 | 11,419         |
| Of which risk weight floors   | 30,961         | 32,415         | 2,477                  | 2,593          |
| <b>Counterparty credit risk - CCR</b>   | <b>14,771</b>  | <b>14,185</b>  | <b>1,182</b>           | <b>1,135</b>   |
| Of which standardised approach  | 10,292         | 9,952          | 823                    | 796            |
| Of which internal model method (IMM)  |                |                |                        |                |
| Of which exposures to a CCP   | 186            | 266            | 15                     | 21             |
| Of which credit valuation adjustment - CVA  | 3,559          | 3,315          | 285                    | 265            |
| Of which other CCR  | 734            | 652            | 59                     | 52             |
| <b>Settlement risk</b>  |                |                |                        |                |
| <b>Securitisation exposures in the non-trading book (after the cap)</b>             |                |                |                        |                |
| Of which SEC-IRBA approach  |                |                |                        |                |
| Of which SEC-ERBA (including IAA)   |                |                |                        |                |
| Of which SEC-SA approach  |                |                |                        |                |
| Of which 1,250%/ deduction  |                |                |                        |                |
| <b>Position, foreign exchange and commodities risks (market risk)</b>               | <b>33,468</b>  | <b>40,085</b>  | <b>2,677</b>           | <b>3,207</b>   |
| Of which standardised approach  | 33,468         | 40,085         | 2,677                  | 3,207          |
| Of which IMA  |                |                |                        |                |
| <b>Large exposures</b>  |                |                |                        |                |
| <b>Operational risk</b>   | <b>37,092</b>  | <b>37,092</b>  | <b>2,967</b>           | <b>2,967</b>   |
| Of which basic indicator approach   |                |                |                        |                |
| Of which standardised approach  | 37,092         | 37,092         | 2,967                  | 2,967          |
| Of which advanced measurement approach  |                |                |                        |                |
| <b>Amounts below the thresholds for deduction<br/>(subject to 250% risk weight)</b> |                |                |                        |                |
| <b>Total</b>  | <b>460,099</b> | <b>471,791</b> | <b>36,808</b>          | <b>37,743</b>  |

## SUBMISSION OF REPORT

I hereby submit this interim report.

Stockholm, 19 October 2022

Carina Åkerström  
President and Group Chief Executive  
Officer

# Information regarding the Press Conference and Telephone Conference

An online press conference will be held on 19 October 2022 at 09:00 a.m.

Press releases, presentations, a fact book and a recording of the press conference will be available at [handelsbanken.com/ir](https://handelsbanken.com/ir).

The highlights report for the January – December 2022 period will be published on 8 February 2023.

For further information, please contact:

Carina Åkerström, President and Group Chief Executive

Tel: +46 (0)8 22 92 20

Carl Cederschiöld, CFO

Tel: +46 (0)8 22 92 20

Peter Grabe, Head of Investor Relations

Tel: +46 (0)8 701 11 67, [peter.grabe@handelsbanken.se](mailto:peter.grabe@handelsbanken.se)

# 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 as at 30 September 2022 and for the nine-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, 19 October 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 24% during the first nine months of the year. The Stockholm stock exchange's bank index was down 16%. Handelsbanken's class A shares closed at SEK 91.62, a decline of 6%. Including the distributed dividend of SEK 5.00 per share, the total return was -1%.

Over the last five years, the Swedish stock market (OMX Stockholm 30) has gone up by 12%, while the bank index (OMX Stockholm Banks PI) has fallen by 20%. During the same period, the price of Handelsbanken's class A share has declined by 22%.

### SHARE PRICE PERFORMANCE PREVIOUS 5 YEARS

Index 100 = September 29, 2017



### ANALYSTS WHO COVER THE BANK

| Company                       | Analyst           | Email address                    |
|-------------------------------|-------------------|----------------------------------|
| ABG SUNDAL COLLIER            | Magnus Andersson  | magnus.andersson@abgsc.se        |
| ARCTIC SECURITIES             | Roy Tilley        | roy.tilley@arcticsec.no          |
| AUTONOMOUS                    | Jacob Kruse       | jkruse@autonomous-research.com   |
| BANK OF AMERICA MERRILL LYNCH | David Taranto     | david.taranto@bofab.com          |
| BARCLAYS                      | Namita Samtani    | namita.samtani@barclays.com      |
| BERENBERG BANK                | Adam Barrass      | adam.barrass@berenberg.com       |
| CARNEGIE                      | Jens Hallen       | jens.hallen@carnegie.se          |
| CITIGROUP                     | Maria Semikhatova | maria.semikhatova@citi.com       |
| CREDIT SUISSE                 | Omar Keenan       | omar.keenan@credit-suisse.com    |
| DANSKE BANK                   | Andreas Håkansson | andreas.hakansson@danskebank.com |
| DEUTSCHE BANK                 | Kazim Andac       | kazim.andac@db.com               |
| DNB                           | Nicholas McBeath  | nicholas.mcbeath@dnb.se          |
| EXANE BNP PARIBAS             | Nick Davey        | nick.davey@exanebnpparibas.com   |
| GOLDMAN SACHS                 | Martin Leitgeb    | martin.leitgeb@gs.com            |
| HSBC                          | Piers Brown       | piers.brown@hsbc.com             |
| JEFFERIES INTERNATIONAL       | Joseph Dickerson  | jdickerson@jefferies.com         |
| J P MORGAN                    | Sofie Peterzens   | sofie.c.peterzens@jpmorgan.com   |
| KEEFE, BRUYETTE & WOODS       | Hari Sivakumaran  | sivakumaranh@kbw.com             |
| KEPLERCHEUVREUX               | Robin Rane        | rrane@keplercheuvreux.com        |
| MEDIOBANCA                    | Riccardo Rovere   | riccardo.rovere@mediobanca.it    |
| NORDEA                        | Rickard Strand    | rickard.strand@nordea.com        |
| PARETO SECURITIES             | Kristin Dahlberg  | kristin.dahlberg@paretosec.com   |
| REDBURN                       | Chris Hartley     | chris.hartley@redburn.com        |
| SEB                           | Maths Lijedahl    | maths.lijedahl@seb.se            |
| SOCIETE GENERALE              | Geoff Dawes       | geoff.dawes@sgcib.com            |
| UBS                           | Johan Ekblom      | johan.ekblom@ubs.com             |

