

# Interim Report

January-March

# 2023

# Handelsbanken's Interim Report

## January - March 2023

- Good capital situation and liquidity position create long-term stability
- 57% increase to underlying profit compared with previous year
- Income climbing and costs well under control
- Improved C/I ratio together with intensified investment rate in growth initiatives and profitability-generating IT development and business development
- Good credit quality with a credit loss ratio of 0.01%
- 15.0% return on equity

| SEK m  | Q1<br>2023    | Q4<br>2022    | Change<br>% | Change after<br>adjustment of<br>items affecting<br>comparability* | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Change<br>% | Change after<br>adjustment of<br>items affecting<br>comparability* |
|--|---------------|---------------|-------------|--|-----------------|-----------------|-------------|--|
| Net interest income  | 11,485        | 10,631        | 8%          | 5%   | 11,485          | 8,014           | 43%         | 45%  |
| <i>of which funding costs related to discontinuing operations in Finland</i>           |               | -295          |             |  |                 | 125             |             |  |
| Net fee and commission income  | 2,766         | 2,694         | 3%          | 3%   | 2,766           | 2,877           | -4%         | -4%  |
| Net gains/losses on financial transactions   | 602           | 570           | 6%          | 6%   | 602             | 420             | 43%         | 43%  |
| Other income items   | 132           | 158           | -16%        |  | 132             | 1,012           | -87%        |  |
| <b>Total income</b>  | <b>14,985</b> | <b>14,053</b> | <b>7%</b>   | <b>4%</b>  | <b>14,985</b>   | <b>12,323</b>   | <b>22%</b>  | <b>34%</b>   |
| Staff costs, excl. Oktogonen   | -3,268        | -3,417        | -4%         | 0%   | -3,268          | -3,071          | 6%          | 6%   |
| Oktogonen  | -202          | -51           | 296%        |  | -202            | -87             | 132%        |  |
| Other expenses   | -1,852        | -1,949        | -5%         | -5%  | -1,852          | -1,559          | 19%         | 18%  |
| Depreciation, amortisation and impairment of property, equipment and intangible assets | -454          | -423          | 7%          | 7%   | -454            | -430            | 6%          | 5%   |
| <b>Total expenses</b>  | <b>-5,776</b> | <b>-5,839</b> | <b>-1%</b>  | <b>-1%</b>   | <b>-5,776</b>   | <b>-5,147</b>   | <b>12%</b>  | <b>10%</b>   |
| <i>of which development costs</i>  | -812          | -782          | 4%          |  | -812            | -674            | 20%         |  |
| Credit losses  | -30           | -54           | -44%        |  | -30             | -6              | 400%        |  |
| Gains/losses on disposal of property, equipment and intangible assets                  | 7             | 0             |             |  | 7               | 14              | -50%        |  |
| Risk tax and resolution fee  | -671          | -582          | 15%         |  | -671            | -559            | 20%         |  |
| <b>Operating profit</b>  | <b>8,516</b>  | <b>7,578</b>  | <b>12%</b>  | <b>8%</b>  | <b>8,516</b>    | <b>6,624</b>    | <b>29%</b>  | <b>57%</b>   |
| Taxes  | -1,934        | -1,325        | 46%         |  | -1,934          | -1,243          | 56%         |  |
| <b>Profit for the period from continuing operations</b>                                | <b>6,582</b>  | <b>6,252</b>  | <b>5%</b>   |  | <b>6,582</b>    | <b>5,381</b>    | <b>22%</b>  |  |
| Profit for the period from discontinued operations after tax                           | 232           | -265          |             |  | 232             | 307             | -24%        |  |
| <b>Profit for the period</b>   | <b>6,814</b>  | <b>5,988</b>  | <b>14%</b>  |  | <b>6,814</b>    | <b>5,687</b>    | <b>20%</b>  |  |

### Key performance indicators

|                                    |         |         |  |  |         |         |  |  |
|------------------------------------|---------|---------|--|--|---------|---------|--|--|
| Earnings per share, SEK            | 3.44    | 3.02    |  |  | 3.44    | 2.87    |  |  |
| Total equity                       | 184,875 | 194,024 |  |  | 184,875 | 176,104 |  |  |
| Return on equity, total operations | 15.0%   | 13.6%   |  |  | 15.0%   | 13.6%   |  |  |
| C/I ratio, Continuing operations   | 38.5%   | 41.5%   |  |  | 38.5%   | 41.8%   |  |  |
| Common equity tier 1 ratio, CRR    | 19.4%   | 19.6%   |  |  | 19.4%   | 18.7%   |  |  |
| Credit loss ratio, %               | 0.01    | 0.01    |  |  | 0.01    | 0.00    |  |  |

\* Items affecting comparability: Funding costs related to discontinued operations in Finland (net interest income) SEK -295m (Q4 2022), SEK 125m (Q1 2022); Oktogonen (staff costs) SEK -202m (Q1 2023), SEK -51m (Q4 2022), SEK -87m (Q1 2022); payroll tax on pensions (staff costs) SEK -152m (Q4 2022); capital gains from real estate sales (other income) SEK 1,059m (Q1 2022) and foreign exchange effects, which are presented in the tables on pages 6 and 8, respectively.

# The Chief Executive Officer's comments on Q1 2023

The start of this year was dominated by a continuation of the downward trend in the economy and efforts to fight inflation. Uncertainty also with higher interest rates spread across the global financial sector, which again highlighted the discrepancies between different banks' approaches to risk – whether liquidity risk, market risk, capital adequacy risk or credit risk.

At Handelsbanken, we always maintain the same view of risk. Risks linked to events we have no control over, such as disruptions in the financial markets, changes in the economy or regulatory amendments, are risks we always aim to limit. Instead, our business is founded on well-balanced credit risk, and customers with good cash flows. For decades, our low risk tolerance has generated good growth coupled with low credit losses – a combination which has built stable, lasting shareholder value over time.

The Bank's balance sheet reflects its low funding and liquidity risk. All long-term lending is funded with a surplus by stable deposits and long-term market funding. Liabilities are covered by short term assets, and a liquidity reserve of SEK 765bn which serves as an extra layer of insulation against unexpected financial outflows. In addition, additional liquidity-generating measures are available in the form of an unutilised issue amount for covered bonds, which would generate SEK 700bn if activated.

The capital position is good. The common equity tier 1 ratio was 19.4%, representing a buffer of 4.0 percentage points over the requirement, including announced rises to countercyclical buffer requirements. Given the heightened macroeconomic and geopolitical uncertainty, together with an intensification of uncertainties surrounding the global financial system, our assessment is that a slightly more conservative approach to capital adequacy than in normal circumstances is commercially justified at present. The long-standing target range of 1-3 percentage points above the requirement remains, however, unchanged. Generally, our approach is relatively simple: growth and stability must never be compromised by the capital situation, and the Bank must always be there for its customers in times of financial turbulence, no matter the circumstances.

Credit quality remains good. The Bank's customers have their finances in order and sustainable cash flows even in periods of stress. The overwhelming majority of the Bank's total lending, just over 90%, is secured via mortgages with low LTV ratios – usually in the form of single-family houses, housing co-operative apartments, residential properties or commercial properties. The rise in interest rates has had a particular impact on the property market, due to increased funding costs when maturing loans are to be refinanced. The Bank's ongoing monitoring of its exposures to property management companies has shown that credit quality remains good. The reason for this is the resilient cash flows, low LTV ratios and active interventions by owners when finances have needed strengthening.

All in all, the Bank's low risk tolerance and robust financial position give it the freedom to support customers, make investments to enhance efficiency and profitability, and grow the business all at the same time – whatever is going on in the world. For the Bank's customers, employees, investors and society in general, this provides reassurance that serves to strengthen our long-term relationships.

The Bank's overall credit rating with the leading ratings agencies is the best in the world, and the Bank was named "Safest European Bank" by Global Finance last year.

Although the quarter was again tumultuous in many ways, profit for the first quarter was at a new record-high level. Income mainly increased as a result of the continued recovery of margins, and again was at its highest ever levels, in all home markets. Expenses fell, while investments in development increased slightly compared with the previous quarter. The C/I ratio improved to 39%. Credit losses stayed very low, with a credit loss ratio of 0.01%, and return on equity increased to 15%.

In Sweden, the C/I ratio is 30%. The Bank was largest in the Swedish corporate market, with a 22% share of lending. In the mortgage market, the Bank's share of net inflows has recovered significantly, although volume growth across the market as a whole has slowed dramatically. The Bank's share of the Swedish savings market continues to grow. During the first quarter, 45% of all net new savings were in Handelsbanken's mutual funds.

In the UK, income rose by 56% in local currency terms compared with the corresponding period of the previous year, and expenses were up by 6%. The C/I ratio is now down to 46% from 68% at the same period last year. In *Norway* and *the Netherlands* too, the business continued to exhibit stable growth, with income steadily increasing and cost control at good levels.

Cost awareness is deeply rooted in the Bank's culture. Even though development capacity has been bolstered considerably over the past year, the C/I ratio has nonetheless improved. The Bank is investing in technology to support its digitalisation using value-creating data and innovation. The purpose of these investments – other than offering the sector's most personal advisory sessions in tandem with a leading digital experience – is to enable customers to seamlessly move between branches and digital meeting places. Our working methods are supported via an increasingly automated IT landscape, using ever more cloud-based services. This strategy creates the conditions for improved efficiency, profitability, growth and high customer satisfaction.

Handelsbanken works consistently and fastidiously on the different ways it can contribute to the transition to a more sustainable society – from savings and investment solutions to green financing. And everything in between. There is an extremely deep level of commitment to this throughout the Bank. Moreover, it is very closely allied to the Bank's ongoing ambition to run its business with a long-term – and thus sustainable – perspective.

Good financial stability and durability have always served the Bank and its customers well. They give us the freedom to act as we wish, and ensure that our customers always have a stable counterparty they can rely on, whatever else is going on in the world.



Carina Åkerström  
President and Chief  
Executive Officer

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For definitions and calculation of alternative performance measures, together with specifications of special and non-recurring items, please see the Fact Book which is available at [handelsbanken.com/ir](https://handelsbanken.com/ir). The figures presented in the tables in this interim report have not been rounded off, which may result in the sum totals for certain sub-items not equalling the total presented.

## Group – Overview

### Adjusted comparative figures

As of the financial year 2023, the Group applies IFRS 17 Insurance Contracts. Relevant comparative figures (income statement, balance sheet and key metrics) have been recalculated as though the standard had also applied during 2022. For additional disclosures, refer to Note 1 Accounting policies and the tables presented under “Recalculation resulting from transition to IFRS 17”.

| SEK m  | Q1<br>2023    | Q4<br>2022    | Change     | Q1<br>2022    | Change     | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Change     | Full year<br>2022 |
|--|---------------|---------------|------------|---------------|------------|-----------------|-----------------|------------|-------------------|
| <b>Summary income statement</b>  |               |               |            |               |            |                 |                 |            |                   |
| Net interest income  | 11,485        | 10,631        | 8%         | 8,014         | 43%        | 11,485          | 8,014           | 43%        | 36,614            |
| Net fee and commission income  | 2,766         | 2,694         | 3%         | 2,877         | -4%        | 2,766           | 2,877           | -4%        | 10,981            |
| Net gains/losses on financial transactions   | 602           | 570           | 6%         | 420           | 43%        | 602             | 420             | 43%        | 1,540             |
| Net insurance result   | 91            | 60            | 52%        | -90           |            | 91              | -90             |            | -11               |
| Other dividend income  | 1             | 15            | -93%       | 1             | 0%         | 1               | 1               | 0%         | 17                |
| Share of profit of associates  | -1            | -2            | 50%        | 2             |            | -1              | 2               |            | -13               |
| Other income   | 42            | 85            | -51%       | 1,098         | -96%       | 42              | 1,098           | -96%       | 1,246             |
| <b>Total income</b>  | <b>14,985</b> | <b>14,053</b> | <b>7%</b>  | <b>12,323</b> | <b>22%</b> | <b>14,985</b>   | <b>12,323</b>   | <b>22%</b> | <b>50,375</b>     |
| Staff costs  | -3,470        | -3,468        | 0%         | -3,158        | 10%        | -3,470          | -3,158          | 10%        | -13,040           |
| Other expenses   | -1,852        | -1,949        | -5%        | -1,559        | 19%        | -1,852          | -1,559          | 19%        | -6,526            |
| Depreciation, amortisation and impairment of property, equipment and intangible assets | -454          | -423          | 7%         | -430          | 6%         | -454            | -430            | 6%         | -1,646            |
| <b>Total expenses</b>  | <b>-5,776</b> | <b>-5,839</b> | <b>-1%</b> | <b>-5,147</b> | <b>12%</b> | <b>-5,776</b>   | <b>-5,147</b>   | <b>12%</b> | <b>-21,212</b>    |
| <b>Profit before credit losses, risk tax and resolution fee</b>                        | <b>9,210</b>  | <b>8,214</b>  | <b>12%</b> | <b>7,176</b>  | <b>28%</b> | <b>9,210</b>    | <b>7,176</b>    | <b>28%</b> | <b>29,163</b>     |
| Net credit losses  | -30           | -54           | -44%       | -6            | 400%       | -30             | -6              | 400%       | -47               |
| Gains/losses on disposal of property, equipment and intangible assets                  | 7             |               |            | 14            | -50%       | 7               | 14              | -50%       | 24                |
| Risk tax and resolution fee  | -671          | -582          | 15%        | -559          | 20%        | -671            | -559            | 20%        | -2,311            |
| <b>Operating profit</b>  | <b>8,516</b>  | <b>7,578</b>  | <b>12%</b> | <b>6,624</b>  | <b>29%</b> | <b>8,516</b>    | <b>6,624</b>    | <b>29%</b> | <b>26,829</b>     |
| Taxes  | -1,934        | -1,325        | 46%        | -1,243        | 56%        | -1,934          | -1,243          | 56%        | -5,431            |
| <b>Profit for the period from continuing operations</b>                                | <b>6,582</b>  | <b>6,252</b>  | <b>5%</b>  | <b>5,381</b>  | <b>22%</b> | <b>6,582</b>    | <b>5,381</b>    | <b>22%</b> | <b>21,398</b>     |
| Profit for the period from discontinued operations after tax                           | 232           | -265          |            | 307           | -24%       | 232             | 307             | -24%       | 280               |
| <b>Profit for the period</b>   | <b>6,814</b>  | <b>5,988</b>  | <b>14%</b> | <b>5,687</b>  | <b>20%</b> | <b>6,814</b>    | <b>5,687</b>    | <b>20%</b> | <b>21,678</b>     |
| <b>Summary balance sheet*, end of period</b>   |               |               |            |               |            |                 |                 |            |                   |
| Loans to the public  | 2,306,742     | 2,315,818     | 0%         | 2,209,362     | 4%         | 2,306,742       | 2,209,362       | 4%         | 2,315,818         |
| <i>of which households</i>   | 1,235,315     | 1,241,282     | 0%         | 1,219,590     | 1%         | 1,235,315       | 1,219,590       | 1%         | 1,241,282         |
| <i>of which corporates</i>   | 1,071,427     | 1,074,536     | 0%         | 989,772       | 8%         | 1,071,427       | 989,772         | 8%         | 1,074,536         |
| Deposits and borrowing from the public   | 1,435,563     | 1,318,925     | 9%         | 1,371,092     | 5%         | 1,435,563       | 1,371,092       | 5%         | 1,318,925         |
| <i>of which households</i>   | 599,171       | 605,634       | -1%        | 587,954       | 2%         | 599,171         | 587,954         | 2%         | 605,634           |
| <i>of which corporates</i>   | 836,391       | 713,291       | 17%        | 783,138       | 7%         | 836,391         | 783,138         | 7%         | 713,291           |
| Total equity   | 184,875       | 194,024       | -5%        | 176,104       | 5%         | 184,875         | 176,104         | 5%         | 194,024           |
| Total assets   | 3,602,079     | 3,453,716     | 4%         | 3,545,916     | 2%         | 3,602,079       | 3,545,916       | 2%         | 3,453,716         |
| <b>Summary of key figures</b>  |               |               |            |               |            |                 |                 |            |                   |
| Return on equity, total operations   | 15.0%         | 13.6%         |            | 13.6%         |            | 15.0%           | 13.6%           |            | 12.8%             |
| C/l ratio, Continuing operations   | 38.5%         | 41.5%         |            | 41.8%         |            | 38.5%           | 41.8%           |            | 42.1%             |
| Earnings per share, SEK  | 3.44          | 3.02          |            | 2.87          |            | 3.44            | 2.87            |            | 10.95             |
| Common equity tier 1 ratio, CRR  | 19.4%         | 19.6%         |            | 18.7%         |            | 19.4%           | 18.7%           |            | 19.6%             |
| Total capital ratio, CRR   | 23.6%         | 23.8%         |            | 22.5%         |            | 23.6%           | 22.5%           |            | 23.8%             |

\* A specification of assets and liabilities held for sale in the disposal group in Finland is set out in Note 10.

## Q1 2023 COMPARED WITH Q4 2022

Operating profit increased by 12% to SEK 8,516m (7,578), or 8% adjusted for items affecting comparability.

Income rose by 7%, or SEK 932m, to SEK 14,985m (14,053), and by 4% adjusted for items affecting comparability. The increase was mainly attributable to improved net interest income.

Expenses decreased by 1% to SEK -5,776m (-5,839).

The C/I ratio improved to 38.5% (41.5).

The credit loss ratio was 0.01% (0.01).

Profit for the period climbed by 14% to SEK 6,814m (5,988).

Earnings per share grew to SEK 3.44 (3.02).

Return on equity increased to 15.0% (13.6).

The common equity tier 1 ratio was 19.4% (19.6).

### Income

| SEK m   | Q1<br>2023    | Q4<br>2022    | Change    |
|---|---------------|---------------|-----------|
| Net interest income   | 11,485        | 10,631        | 8%        |
| of which funding costs related to discontinuing operations in Finland |               | -295          |           |
| Net fee and commission income   | 2,766         | 2,694         | 3%        |
| Net gains/losses on financial trans.                                  | 602           | 570           | 6%        |
| Other   | 132           | 158           | -16%      |
| <b>Total income</b>   | <b>14,985</b> | <b>14,053</b> | <b>7%</b> |

The decision was made in autumn 2021 to sell the operations in Finland. As of 2023, discontinued operations include – as well as customer-driven net interest income – the expenses for the part that is market funded via Group Treasury for the disposal group in Finland. During the period of comparison, these latter expenses were reported in net interest income from continuing operations, and are included in the table of items affecting comparability.

Net interest income grew by 8%, or SEK 854m, to SEK 11,485m (10,631). Adjusted for items affecting comparability, which during the comparison quarter included funding costs of SEK -295m relating to the disposal group in Finland, net interest income increased by 5%. The increase can be attributed to the continued recovery of interest rate margins. All in all, the net effect of margins and funding costs had a SEK 757m positive impact. Changed business volumes had an impact of SEK -84m. The quarter-on-quarter contribution to net interest income from the liquidity portfolio was SEK -75m. Foreign exchange effects had an impact of SEK -12m. Government fees for the Swedish and Norwegian deposit guarantee schemes had a SEK 48m impact on the quarter-on-quarter change to net interest income, whereby the comparison quarter included the final settlement for the full year 2022. The day effect was SEK -179m. Other effects had a SEK 104m impact on net interest income, of which SEK 68m was attributable to the inclusion during the comparison quarter of funding costs in Group Treasury related to the divested operations in Denmark (which were sold during the fourth quarter).

Net fee and commission income climbed by 3% to SEK 2,766m (2,694). Fund management, custody and other asset management commissions increased by 2% to SEK 1,585m (1,554), which included a 2% increase in mutual fund commissions to SEK 1,351m (1,322). The increase is attributable to net inflows and increased market values. Following normal seasonal patterns, net payment commissions decreased by 9% to SEK 400m (438), with net card commissions totalling SEK 241m (262). Brokerage income grew by 16% to SEK 123m (106) while advisory commissions

increased to SEK 105m (24). Lending and deposit commissions fell by 2% to SEK 296m (303). Insurance commissions were SEK 167m (163). Other items in net fee and commission income amounted to SEK 90m (106).

Net gains/losses on financial transactions increased by 6%, or SEK 32m, to SEK 602m (570). The contribution from the Bank's liquidity portfolio was SEK -43m (-3), and thus the quarter-on-quarter effect was SEK -40m. The contribution from the customer-driven business in Handelsbanken Capital Markets was SEK 250m (289), and thus the quarter-on-quarter effect was SEK -39m. Other effects increased net gains/losses on financial transactions by SEK 111m and amounted to SEK 395m (284).

Net insurance result increased by SEK 31m to SEK 91m (60), where SEK 25m of the increase was due to higher return on assets held on behalf of policyholders. The remainder of the increase was due to a SEK 6m improvement to insurance result, to SEK 27m (21).

Remaining income items totalled SEK 42m (98).

### Expenses

| SEK m   | Q1<br>2023    | Q4<br>2022    | Change     |            |
|---|---------------|---------------|------------|------------|
| <b>Staff costs</b>  | <b>-3,470</b> | <b>-3,468</b> | <b>-2</b>  | <b>0%</b>  |
| Development expenses                                      | -382          | -325          | -57        | 18%        |
| Other excl. items affecting comparability                 | -2,886        | -2,940        | 54         | -2%        |
| Items affecting comparability                             | -202          | -203          | 1          | 0%         |
| Oktagonen   | -202          | -51           | -151       | 296%       |
| Foreign exchange effects                                  | 0             | 0             |            |            |
| Other items affecting comparability                       | 0             | -152          | 152        | -100%      |
| <b>Other expenses</b>                                     | <b>-1,852</b> | <b>-1,949</b> | <b>97</b>  | <b>-5%</b> |
| Development expenses                                      | -430          | -457          | 27         | -6%        |
| Other excl. items affecting comparability                 | -1,419        | -1,492        | 73         | -5%        |
| Items affecting comparability                             | -3            | -3            |            |            |
| Foreign exchange effects                                  | -3            | -3            |            |            |
| <b>Depreciation and amortisation</b>                      | <b>-454</b>   | <b>-423</b>   | <b>-31</b> | <b>7%</b>  |
| Items affecting comparability                             | -1            | -1            |            |            |
| Foreign exchange effects                                  | -1            | -1            |            |            |
| <b>Total expenses</b>                                     | <b>-5,776</b> | <b>-5,839</b> | <b>63</b>  | <b>-1%</b> |
| Development expenses                                      | -812          | -782          | -30        | 4%         |
| Other excl. items affecting comparability                 | -4,758        | -4,854        | 96         | -2%        |
| Items affecting comparability                             | -206          | -203          | -3         | 1%         |
| Oktagonen   | -202          | -51           | -151       | 296%       |
| Foreign exchange effects                                  | -4            | -4            |            |            |
| Other items affecting comparability                       | 0             | -152          | 152        | -100%      |
| <b>Change, adjusted for items affecting comparability</b> |               |               |            | <b>-1%</b> |

### Development expenses

| SEK m                       | Q1<br>2023  | Q4<br>2022  | Change    |
|-----------------------------|-------------|-------------|-----------|
| Development spend           | -1,081      | -1,055      | 2%        |
| staff costs                 | -470        | -418        | 12%       |
| other costs                 | -611        | -637        | -4%       |
| Capitalised costs           | 269         | 273         | -1%       |
| staff costs                 | 88          | 93          | -5%       |
| other costs                 | 181         | 180         | 1%        |
| <b>Development expenses</b> | <b>-812</b> | <b>-782</b> | <b>4%</b> |

Staff costs were virtually unchanged at SEK -3,470m (-3,468). The provision for the Oktagonen profit-sharing scheme was SEK -202m (-51), with the amount for the quarter in its entirety comprising an adjustment of the previous year's preliminary provision. Additional payroll tax on pension disbursements of SEK -152m was recognised during the comparison quarter. Other pension costs decreased by SEK 136m to SEK -252m

(-388) due to a stronger pension system with larger net assets, and a higher discount rate at the start of the year compared with the start of the previous year. The remaining part of the change in expenses was chiefly due to annual salary adjustments which took effect on 1 January, and an increase in the number of employees. The average number of employees grew by 157 to 11,331 (11,174).

*Other expenses* fell by 5% to SEK -1,852m (-1,949).

*Development expenses (Development spend after capitalised costs)* for IT and business development increased by 4%, or SEK 30m, to SEK -812m (-782). Total development spend increased by 2% to SEK -1,081m (-1,055). Capitalised costs amounted to SEK 269m (273), corresponding to a capitalisation rate of 25% (26). The capitalisation rate can vary over time, due to the nature of the projects to which the development relates.

### Depreciation, amortisation and impairment

| SEK m  | Q1<br>2023 | Q4<br>2022 | Change |
|--|------------|------------|--------|
| Depreciation, amortisation and impairment of property, equipment and intangible assets | -454       | -423       | 7%     |
| <i>of which Amortisation and impairment of intangible IT-assets</i>                    | -179       | -156       | 15%    |
| Intangible IT-assets on the balance sheet at the balance sheet date                    | 3,569      | 3,493      | 2%     |

*Depreciation, amortisation and impairment* increased by 7% to SEK -454m (-423).

### Credit losses

| SEK m   | Q1<br>2023 | Q4<br>2022 | Change |
|---|------------|------------|--------|
| Net credit losses                                 | -30        | -54        | 24     |
| <i>of which additional provision requirements</i> | -3         | -44        | 41     |
| Credit loss ratio as % of loans to the public     | 0.01       | 0.01       |        |

*Credit losses* were SEK -30m (-54), and the credit loss ratio was 0.01% (0.01). The expert-based provision increased by SEK 3m to SEK -624m (-621).

### Risk tax and resolution fee

The *risk tax and resolution fee* totalled SEK -671m (-582), of which foreign exchange effects accounted for SEK 5m. The risk tax totalled SEK -411m (-329). For the tax year 2023, the risk tax comprises 0.06% (0.05) of the basis of assessment. The resolution fee totalled SEK -260m (-253).

### Taxes

The *effective tax rate in continuing operations* was 22.7% (17.6). The difference between this rate and the corporate tax rate in Sweden of 20.6% derives primarily from the higher tax rate in the UK operations, as well as from non-deductible interest expenses on subordinated loans. The tax rate in the comparison quarter was significantly lower due the one-off effect of recognising deferred tax income from previous years in continuing operations, whereas deferred tax liabilities were recognised in discontinued operations.

The *effective tax rate in total operations (including discontinued operations)* was 22.4% (28.2). The significantly higher tax rate in the comparison quarter was primarily due to the sale of the Danish operations, with the recognised reversal of goodwill and other intangible assets, amounting to SEK -2.8bn, being non-deductible.

### Discontinued operations

Profit/loss from discontinued operations consists of the external income and expenses in the operations in Finland that are in the process of being divested, as well as additional costs in Sweden deriving from discontinued operations. The discontinued operations in Denmark were also included during part of the comparison quarter.

*Profit from discontinued operations, after tax*, amounted to SEK 232m (-265). The effect of the sale of the operations in Denmark had a SEK -326m impact on profit in the comparison quarter. The comparison quarter also did not include expenses for market funding via the Group Treasury department, amounting to SEK -295m, which was instead reported in net interest income in continuing operations.

Income was SEK 641m (1,394), of which SEK 641m (857) was attributable to the operations in Finland. Net interest income in Finland was SEK 530m (746). The decrease is due to the aforementioned effect of recognising market funding expenses in continuing operations during the comparison quarter.

*Expenses* decreased to SEK -365m (-827), of which SEK -334m (-375) referred to local expenses for the discontinued operations in Finland.

*Credit losses* consisted of net recoveries and amounted to SEK 16m (-25).

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

| SEK m   | Q1<br>2023  | Q4<br>2022  |
|---|-------------|-------------|
| Fundingcost related to discontinuing operations in Finland                            |             | -295        |
| Oktogonen: adjustment of allocation 2021 (staff costs)                                | -202        |             |
| Oktogonen: provision current year (staff costs)                                       |             | -51         |
| Payroll tax on pension due to unclaimed reimbursement for pension costs (staff costs) |             | -152        |
| <b>Total</b>  | <b>-202</b> | <b>-498</b> |

### Foreign exchange effects

| Foreign exchange effects vs. previous quarter, SEK m                  | Q1<br>2023 |
|---|------------|
| Net interest income   | -12        |
| Net fee and commission income   | -1         |
| Net result of financial transactions                                  | -1         |
| Other income  | 49         |
| <b>Total income</b>   | <b>35</b>  |
| Staff costs   | 0          |
| Other administrative expenses   | -3         |
| Depreciation and amortisation   | -1         |
| <b>Total expenses</b>   | <b>-4</b>  |
| Net loan losses   | -1         |
| Gains/losses on disposal of property, equipment and intangible assets | 0          |
| Risk tax and resolution fee   | 5          |
| <b>Operating profit</b>   | <b>35</b>  |

## JANUARY – MARCH 2023 COMPARED WITH JANUARY – MARCH 2022

Operating profit increased by 29% to SEK 8,516m (6,624). Adjusted for items affecting comparability, profit improved by 57%, with income increasing by 34% and expenses increasing by 10%.

Income grew by 22% to SEK 14,985m (12,323). Adjusted for items affecting comparability, income climbed by 34%. The increase was mainly attributable to higher business volumes and recovered interest rate margins.

Expenses rose by 12% to SEK -5,776m (-5,147). Adjusted for Oktogonen, expenses increased by SEK 514m, or 10%. Of this increase, SEK 138m was due to increased investments in IT and business development.

The *C/I ratio* improved to 38.5% (41.8).

The *credit loss ratio* was 0.01% (0.00).

Profit for the period increased by 20% to SEK 6,814m (5,687).

Earnings per share grew by 20% to SEK 3.44 (2.87).

Return on equity increased to 15.0% (13.6).

The common equity tier 1 ratio was 19.4% (18.7).

### Income

| SEK m   | Jan-Mar 2023  | Jan-Mar 2022  | Change     |
|---|---------------|---------------|------------|
| Net interest income   | 11,485        | 8,014         | 43%        |
| of which funding costs related to discontinuing operations in Finland |               | 125           |            |
| Net fee and commission income   | 2,766         | 2,877         | -4%        |
| Net gains/losses on financial trans.                                  | 602           | 420           | 43%        |
| Other   | 132           | 1,012         | -87%       |
| <b>Total income</b>   | <b>14,985</b> | <b>12,323</b> | <b>22%</b> |

Net interest income grew by 43%, or SEK 3,471m, to SEK 11,485m (8,014). Adjusted for the aforementioned effects of SEK 125m related to the disposal group in Finland and foreign exchange effects, net interest income increased by 45%. The increase can be attributed to higher business volumes and recovered interest rate margins. All in all, the net effect of margins and funding costs had a SEK 3,338m positive impact. Higher business volumes contributed SEK 232m. The contribution to net interest income from the liquidity portfolio was SEK -110m. Higher fees for deposit guarantee schemes had an impact of SEK -21m. Foreign exchange effects made a positive contribution of SEK 25m. Other effects had a SEK 132m impact on net interest income.

Net fee and commission income went down by 4%, or SEK 111m, to SEK 2,766m (2,877). All in all, fund management, custody and other asset management commissions decreased by 6% to SEK 1,585m (1,695). The decrease includes fund commission income that, as a result of lower market values, declined by 6% to SEK 1,351m (1,444). Brokerage income declined by 14% to SEK 123m (143). Net payment commissions grew by 6% to SEK 400m (378), with net card commissions totalling SEK 241m (223). Lending and deposit commissions rose by 7% to SEK 296m (277). Insurance commissions declined by 5% to SEK 167m (175). Advisory commissions were unchanged at SEK 105m (105). Other net fee and commission income amounted to SEK 90m (104).

Net gains/losses on financial transactions increased by 43%, or SEK 182m, to SEK 602m (420). The Bank's liquidity portfolio had a positive effect between the comparison quarters of SEK 110m, and amounted to SEK -43m (-153). The contribution from the customer-driven business in Handelsbanken Capital Markets decreased by SEK 61m to

SEK 250m (311). Other effects increased net gains/losses on financial transactions by SEK 133m and amounted to SEK 395m (262).

Net insurance result increased by SEK 181m to SEK 91m (-90), with the insurance result amounting to SEK 27m (78). The return on assets held on behalf of policyholders improved and made a positive contribution of SEK 64m (-168) to net insurance result.

Remaining income items totalled SEK 42m (1,102). Non-recurring income of SEK 1,059m was recognised during the period of comparison, deriving from sales of real estate holding subsidiaries.

### Expenses

| SEK m   | Jan-Mar 2023  | Jan-Mar 2022  | Change      |            |
|---|---------------|---------------|-------------|------------|
| <b>Staff costs</b>  | <b>-3,470</b> | <b>-3,158</b> | <b>-312</b> | <b>10%</b> |
| Development expenses                                      | -382          | -338          | -44         | 13%        |
| Other excl. items affecting comparability                 | -2,872        | -2,733        | -139        | 5%         |
| Items affecting comparability                             | -216          | -87           | -129        | 149%       |
| Oktogonen   | -202          | -87           | -115        |            |
| Foreign exchange effects                                  | -14           |               | -14         |            |
| Other items affecting comparability                       | 0             | 0             |             |            |
| <b>Other expenses</b>                                     | <b>-1,852</b> | <b>-1,559</b> | <b>-293</b> | <b>19%</b> |
| Development expenses                                      | -430          | -336          | -94         | 28%        |
| Other excl. items affecting comparability                 | -1,413        | -1,223        | -190        | 16%        |
| Items affecting comparability                             | -9            |               | -9          |            |
| Foreign exchange effects                                  | -9            |               | -9          |            |
| <b>Depreciation and amortisation</b>                      | <b>-454</b>   | <b>-430</b>   | <b>-24</b>  | <b>6%</b>  |
| Items affecting comparability                             | -2            |               | -2          |            |
| Foreign exchange effects                                  | -2            |               | -2          |            |
| <b>Total expenses</b>                                     | <b>-5,776</b> | <b>-5,147</b> | <b>-629</b> | <b>12%</b> |
| Development expenses                                      | -812          | -674          | -138        | 20%        |
| Other excl. items affecting comparability                 | -4,737        | -4,386        | -351        | 8%         |
| Items affecting comparability                             | -227          | -87           | -140        | 161%       |
| Oktogonen   | -202          | -87           | -115        |            |
| Foreign exchange effects                                  | -25           |               | -25         |            |
| Other items affecting comparability                       | 0             |               |             |            |
| <b>Change, adjusted for items affecting comparability</b> |               |               |             | <b>10%</b> |

### Development expenses

| SEK m                       | Jan-Mar 2023 | Jan-Mar 2022 | Change     |
|-----------------------------|--------------|--------------|------------|
| Development spend           | -1,081       | -817         | 32%        |
| staff costs                 | -470         | -402         | 17%        |
| other costs                 | -611         | -415         | 47%        |
| Capitalised costs           | 269          | 143          | 88%        |
| staff costs                 | 88           | 64           | 38%        |
| other costs                 | 181          | 79           | 129%       |
| <b>Development expenses</b> | <b>-812</b>  | <b>-674</b>  | <b>20%</b> |

Staff costs rose by 10%, or SEK 312m, compared with the corresponding period of the previous year. The provision for the Oktogonen profit-sharing scheme was SEK -202m (-87), with the amount for the period in its entirety comprising an adjustment of the previous year's preliminary provision. Adjusted for Oktogonen, staff costs increased by 6%. The average number of employees in continuing operations grew by 588 to 11,331 (10,743).

Other expenses rose by 19% to SEK -1,852m (-1,559). Of this SEK 293m increase, SEK 94m was due to higher development expenses.

Development expenses rose overall by 20% to SEK -812m (-674). Total development spend climbed by 32% to SEK -1,081m (-817). Capitalised costs amounted to



SEK 269m (143), and the capitalisation rate was thus 25% (18).

### Depreciation, amortisation and impairment

| SEK m  | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Change |
|--|-----------------|-----------------|--------|
| Depreciation, amortisation and impairment of property, equipment and intangible assets | -454            | -430            | 6%     |
| of which Amortisation and impairment of intangible IT-assets                           | -179            | -147            | 22%    |
| Intangible IT-assets on the balance sheet at the balance sheet date                    | 3,569           | 3,392           | 5%     |

Depreciation, amortisation and impairment of property, equipment and intangible assets rose by 6% to SEK -454m (-430).

### Credit losses

| SEK m   | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Change |
|---|-----------------|-----------------|--------|
| Net credit losses                             | -30             | -6              | -24    |
| of which additional provision requirements    | -3              | -13             | 10     |
| Credit loss ratio as % of loans to the public | 0.01            | 0.00            |        |

Credit losses were SEK -30m (-6), and the credit loss ratio was 0.01% (0.00) of loans to the public. The expert-based provision was SEK -624m (-512).

### Risk tax and resolution fee

The risk tax and resolution fee totalled SEK -671m (-559). The risk tax totalled SEK -411m (-329). For the tax year 2023, the risk tax comprises 0.06% (0.05) of the basis of assessment. The resolution fee totalled SEK -260m (-230).

### Taxes

The effective tax rate in total operations (including discontinued operations) was 22.4% (19.3).

The effective tax rate in continuing operations was 22.7% (18.9). The difference between this rate and the corporate tax rate in Sweden of 20.6% derives primarily from the higher tax rate in the UK operations, as well as from non-deductible interest expenses on subordinated loans.

### Discontinued operations

Profit/loss from discontinued operations consists of the external income and expenses in the operations in Finland that are in the process of being divested, as well as additional costs in Sweden deriving from discontinued operations. The now-divested operations in Denmark were also included during the period of comparison.

Profit from discontinued operations, after tax, amounted to SEK 232m (307).

Income was SEK 641m (997), of which SEK 641m (356) was attributable to the discontinued operations in Finland. Net interest income in Finland rose by SEK 295m to SEK 530m (235). The period of comparison did not include expenses of SEK 125m for market funding via the Group Treasury department, which were instead recognised in net interest income in continuing operations.

Expenses decreased to SEK -365m (-564), of which SEK -334m (-224) referred to local expenses for the discontinued operations in Finland.

Credit losses consisted of net recoveries and amounted to SEK 16m (16).

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

| SEK m  | Jan-Mar<br>2023 | Jan-Mar<br>2022 |
|--|-----------------|-----------------|
| Fundingcost related to discontinuing operations in Finland |                 | 125             |
| Capital gains from sales of properties (other income)      |                 | 1,059           |
| Oktagonen: adjustment of allocation 2021 (staff costs)     | -202            | -53             |
| Oktagonen: provision current year (staff costs)            |                 | -34             |
| <b>Total</b>   | <b>-202</b>     | <b>1,097</b>    |

### Foreign exchange effects

| Foreign exchange effects vs. previous quarter, SEK m                  | Jan-Mar<br>2023 |
|---|-----------------|
| Net interest income   | 25              |
| Net fee and commission income   | 6               |
| Net result of financial transactions                                  | 1               |
| Other income  | 0               |
| <b>Total income</b>   | <b>32</b>       |
| Staff costs   | -14             |
| Other administrative expenses   | -9              |
| Depreciation and amortisation   | -2              |
| <b>Total expenses</b>   | <b>-25</b>      |
| Net loan losses   | 8               |
| Gains/losses on disposal of property, equipment and intangible assets | 0               |
| Risk tax and resolution fee   | 0               |
| <b>Operating profit</b>   | <b>15</b>       |

## BUSINESS DEVELOPMENT

The Bank is investing in technology to support its digitalisation using value-creating data and innovation. The purpose of these investments is – other than offering the sector's most personal advisory sessions in tandem with a leading digital experience – to enable customers to seamlessly move between branches and digital meeting places. Our working methods are supported via an increasingly automated IT landscape, using ever more cloud-based services. This strategy creates the conditions for improved efficiency, profitability, growth and high customer satisfaction.

In *Sweden*, development is focused on improving accessibility to the Bank's offerings – for example, through the digitalisation of the mortgage process and strengthening of the savings offering.

In *Norway*, the Bank is investing to significantly strengthen its capacity and improve the customer experience in the private market, by expanding digital accessibility. The goal is to create the market's best digital customer experience, as a supplement to a very strong branch-based advisory offering.

In the *UK*, opportunities are being carved out to effectively grow the business by upgrading the core banking system, while simultaneously developing digital customer meetings.

In the *Netherlands*, too, the focus is on improving the digital customer meeting, specifically in terms of the lending and savings business, and on the digitalisation of business support.

The implementation of a CRM system is under way in our largest home markets, which will create opportunities for personalised customer offerings and seamless case management across digital and physical channels.

### Q1 2023 compared with Q4 2022

The average volume of *loans to the public* in the home markets (Sweden, Norway, the UK and the Netherlands) grew by 1%, and amounted to SEK 2,275bn (2,262), an increase of SEK 13bn.

The average volume of *deposits and borrowing from the public* in the home markets amounted to SEK 1,261bn during the quarter (1,277), a change of SEK -16bn.

Total *assets under management* in the Group increased by 6.1% to SEK 971bn (915) at the end of the period, of which SEK 892bn (845) was invested in the Bank's mutual funds. The net flow in the Bank's mutual funds during the quarter was SEK 8.6bn (4.7).

### January – March 2023 compared with January – March 2022

The average volume of *loans to the public* in the home markets (Sweden, Norway, the UK and the Netherlands) grew by 5%, and amounted to SEK 2,275bn (2,167), an increase of SEK 108bn.

The average volume of *deposits and borrowing from the public* in the home markets grew by 1%, and the average volume was SEK 1,261bn (1,243), an increase of SEK 18bn.

Total *assets under management* in the Group at the end of the period amounted to SEK 971bn (1,004). Of the assets under management, SEK 892bn (917) was invested in mutual funds. New mutual fund savings in the home markets during the period amounted net to SEK 8.4bn (-4.5). Of the new savings in the Swedish mutual fund market during the first three months of the year, a total of 45% was invested in Handelsbanken's funds. The Bank's share of the Swedish mutual fund market rose to 12.3% (12.0).

## FUNDING AND LIQUIDITY

For decades, Handelsbanken has adopted a prudent approach to funding, with a low risk profile. The funding strategy is based on a diversified, balanced utilisation of several stable funding sources, comprising deposits from households and SMEs, deposits from non-financial entities and market funding diversified across different types of debt instruments in multiple currencies.

Long-term assets are funded with stable long-term liabilities in the form of stable market funding and long-term stable deposits and borrowing from the public. Short-term liabilities, in the form of other deposits and borrowing from the public and short-term market funding, is matched by short-term assets and a liquidity reserve of SEK 765bn (676 at the end of the previous quarter). Of this reserve, 90% is deposited with central banks and 10% is invested in holdings of government bonds and highly liquid covered bonds. The interest rate risk in the bond holdings is hedged using derivative instruments, and the entirety of the holdings is measured at market value on an ongoing basis.

The Bank's low pledging ratio of its assets acts as further protection against liquidity risk, as it entails an unutilised issue amount in excess of SEK 700bn, mainly in the form of covered bonds. The low encumbrance also serves as a layer of protection for holders of the Bank's senior bonds. The ratio of non-encumbered assets to unsecured market funding increased to 274% at the end of the quarter (272 at the end of the previous quarter).

At the end of the quarter, the Group's liquidity coverage ratio (LCR), calculated according to the European Commission's delegated regulation, was 151% (163% at the end of the preceding quarter). At the end of the quarter, the net stable funding ratio (NSFR) according to CRR2 was 115% (114 at the end of the preceding quarter).

During the first quarter, the Bank had access to and issued bonds, in spite of the occasionally very turbulent market climate. A contributing factor to the Bank's good access to market funding is that its credit rating among the leading rating agencies is, overall, the highest in the world, a position shared with but a few other commercial banks.

At the end of the quarter, the Bank issued its first green covered bond, EUR 1bn with a maturity of 5 years. The high levels of demand, together with the size and pricing of the issue, were clear signs of the Bank's strength and good reputation in the international funding market.

Bond issues during the quarter totalled SEK 64bn (48 during the corresponding quarter of the previous year), of which SEK 46bn (34) was in covered bonds and SEK 18bn (14) was in senior bonds.

## CAPITAL

At the end of the period, the common equity tier 1 ratio was 19.4%. In the Bank's assessment, the overall common equity tier 1 capital requirement according to the Swedish Financial Supervisory Authority was 14.6%, corresponding to SEK 121bn, at the end of the quarter. The common equity tier 1 capital requirement in Pillar 2 is 2.3 percentage points (1.0 percentage points Pillar 2 guidance and 1.3 percentage points Pillar 2 requirement), corresponding to SEK 19bn. The countercyclical capital buffer was 1.1%. Announced but as yet non-implemented requirements are expected to raise the countercyclical capital buffer to 1.9% at the end of 2023, which would imply a total common equity tier 1 capital requirement of 15.4%, all else being equal.

At the end of the period, the total capital ratio was 23.6%. The Bank's estimation is that the Swedish Financial Supervisory Authority's total capital requirement amounted to 18.8% (corresponding to SEK 156bn) on the same date. The total capital requirement in Pillar 2 comprises 3.1 percentage points, corresponding to SEK 25bn.

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 32bn.

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 31 March 2023 compared with 31 December 2022

| SEK m                           | 31 Mar 2023 | 31 Dec 2022 | Change |
|---------------------------------|-------------|-------------|--------|
| Common equity tier 1 ratio, CRR | 19.4%       | 19.6%       | -0.2   |
| Total capital ratio, CRR        | 23.6%       | 23.8%       | -0.2   |
| Risk exposure amount, CRR       | 827,075     | 810,144     | 2%     |
| Common equity tier 1 capital    | 160,582     | 158,551     | 1%     |
| Total own funds                 | 195,398     | 193,186     | 1%     |
| Equity, Group                   | 184,875     | 196,030     | -6%    |

Total own funds amounted to SEK 195bn (193) and the total capital ratio was 23.6% (23.8). The common equity tier 1 capital was SEK 161bn (159), while the common equity tier 1 ratio was 19.4% (19.6).

Earnings raised the common equity tier 1 capital ratio by 0.4 percentage points, after a deduction for anticipated dividends. A dividend payout ratio of 53% was anticipated in the quarter, in line with the previous year's ordinary dividend payout ratio. Volume changes had a -0.1 percentage point impact on the common equity tier 1 ratio. Credit risk migrations contributed -0.1 percentage point. Improved credit quality in new agreements relative to closed agreements had an impact of 0.1 percentage point. The Bank made some amendments to its PD model for retail exposures during the quarter. The models are revised annually, and amendments were also made this year to reflect the anticipated effects of the ongoing IRB review. The amendments had a -0.1 percentage point net impact on the common equity tier 1 ratio. The effect was caused by an increased risk-weighted exposure amount of SEK 34.4bn due to the revision of IRB models, and a reduced risk-weighted exposure amount of SEK 30.0bn due to a lower effect from risk weight floors. Other effects had a -0.4 percentage point impact.

### Capital for consolidated situation 31 March 2023 compared with 31 March 2022

| SEK m                           | 31 Mar 2023 | 31 Mar 2022 | Change |
|---------------------------------|-------------|-------------|--------|
| Common equity tier 1 ratio, CRR | 19.4%       | 18.7%       | 0.7    |
| Total capital ratio, CRR        | 23.6%       | 22.5%       | 1.1    |
| Risk exposure amount, CRR       | 827,075     | 816,394     | 1%     |
| Common equity tier 1 capital    | 160,582     | 152,665     | 5%     |
| Total own funds                 | 195,398     | 183,956     | 6%     |
| Equity, Group                   | 184,875     | 176,104     | 5%     |

Total own funds were SEK 195bn (181), and the Bank's total capital ratio amounted to 23.6% (22.5). The common equity tier 1 capital was SEK 161bn (150), while the common equity tier 1 ratio was 19.4% (18.7).

Earnings raised the common equity tier 1 capital ratio by 0.6 percentage points, after a deduction for distributed and anticipated dividends. Higher exposure volumes contributed -0.1 percentage point. The effect of differing credit qualities for inflows and outflows increased the common equity tier 1 ratio by 0.1 percentage point, while rating migrations had an effect in the amount of -0.3 percentage points. The additional risk-weighted exposure amount for structural foreign exchange risk, of SEK 32bn, had a negative effect of -0.8 percentage points on the common equity tier 1 ratio. Foreign exchange effects contributed -0.1 percentage point. The sale of the operations in Denmark in Q4 2022 had a positive effect of 0.9 percentage points. Other effects increased the common equity tier 1 ratio by 0.4 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 56.2bn (54.6), while AFR was SEK 235.4bn (225.3). Thus, the ratio between AFR and EC was 419% (413). For the consolidated situation, EC totalled SEK 30.8bn (30.8), and AFR was SEK 229.9bn (218.2).

### Ratings

|                   | 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 *first quarter*, Handelsbanken issued its first green covered bond through its subsidiary Stadshypotek: a five-year bond of EUR 1bn.

It was announced early in the year that Handelsbanken had again – for the seventh year running – been included in the SAM Sustainability Yearbook. This means that Handelsbanken is among the top 15% most sustainable banks worldwide according to S&P Global's Corporate Sustainability Assessment.

Business volumes linked to the Bank's sustainability activities continued to grow. Compared with the corresponding period of the previous year, the volume of green loans increased by 91% to SEK 70.0bn (36.5); as part of this total, green mortgages grew by 227% to SEK 33.0bn (10.1). In addition, sustainability-linked loan facilities amounted to SEK 74.0bn (36.0).

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. In 2022, the European Commission and European supervisory authorities released statements on the interpretation of the regulations that caused a lack of clarity on the requirements for reporting a fund according to article 9.3. Given these uncertain

circumstances, Handelsbanken Fonder has chosen to adopt a conservative approach and report the Bank's Paris-aligned index funds as article 8 instead of article 9.3 funds. At the end of the first quarter, five of the Group's funds, representing 6% of assets under management, were reported in the highest category (article 9), i.e. a fund that has sustainable investments as its objective. A total of 100 funds, representing 89% of the managed fund volume, were reported in the second highest category (article 8), i.e. funds that promote environmental or social characteristics.

# Handelsbanken Group - Business segments in continuing operations

| January - March 2023  | Home markets  |               |              |                 |                 |             | Adj. & elim. | Total Jan-Mar 2023 |
|---|---------------|---------------|--------------|-----------------|-----------------|-------------|--------------|--------------------|
|   | Sweden        | UK            | Norway       | The Netherlands | Capital Markets | Other       |              |                    |
| SEK m   |               |               |              |                 |                 |             |              |                    |
| Net interest income   | 7,265         | 2,556         | 1,139        | 462             | 110             | -47         |              | 11,485             |
| Net fee and commission income   | 2,063         | 202           | 156          | 39              | 242             | 64          |              | 2,766              |
| Net gains/losses on financial transactions  | 202           | 60            | 22           | 3               | 250             | 65          |              | 602                |
| Net insurance result  | 90            |               | 1            |                 |                 |             |              | 91                 |
| Share of profit of associates   |               |               |              |                 |                 | -1          |              | -1                 |
| Other income  | 10            | 1             | 1            | 0               | 1               | 30          |              | 43                 |
| <b>Total income</b>   | <b>9,630</b>  | <b>2,820</b>  | <b>1,320</b> | <b>503</b>      | <b>603</b>      | <b>110</b>  |              | <b>14,985</b>      |
| Staff costs   | -1,018        | -714          | -274         | -126            | -293            | -1,137      | 92           | -3,470             |
| Other expenses  | -388          | -196          | -137         | -28             | -96             | -1,008      |              | -1,852             |
| Internal purchased and sold services  | -1,401        | -330          | -168         | -64             | -74             | 2,037       |              |                    |
| Depreciation, amortisation and impairments of property, equipment and intangible assets | -106          | -70           | -23          | -14             | -36             | -200        | -6           | -454               |
| <b>Total expenses</b>   | <b>-2,913</b> | <b>-1,309</b> | <b>-601</b>  | <b>-231</b>     | <b>-498</b>     | <b>-308</b> | <b>86</b>    | <b>-5,776</b>      |
| <b>Profit before credit losses, risk tax and resolution fee</b>                         | <b>6,717</b>  | <b>1,510</b>  | <b>719</b>   | <b>272</b>      | <b>105</b>      | <b>-199</b> | <b>86</b>    | <b>9,210</b>       |
| Net credit losses   | -39           | -9            | 4            | 1               | 5               | 7           |              | -30                |
| Gains/losses on disposal of property, equipment and intangible assets                   | 6             | 0             | 2            |                 |                 | 0           |              | 7                  |
| Risk tax and resolution fee   | -492          |               | -101         | -29             | -9              | -39         |              | -671               |
| <b>Operating profit</b>   | <b>6,191</b>  | <b>1,502</b>  | <b>624</b>   | <b>244</b>      | <b>100</b>      | <b>-231</b> | <b>86</b>    | <b>8,516</b>       |
| Profit allocation   | 140           | 13            | 12           | 0               | -172            | 6           |              |                    |
| <b>Operating profit after profit allocation</b>   | <b>6,331</b>  | <b>1,515</b>  | <b>636</b>   | <b>244</b>      | <b>-71</b>      | <b>-225</b> | <b>86</b>    | <b>8,516</b>       |
| Internal income   | 1,133         | 561           | -1,740       | -37             | 592             | -509        |              |                    |

| January - March 2022  | Home markets  |               |              |                 |                 |              | Adj. & elim. | Total Jan-Mar 2022 |
|---|---------------|---------------|--------------|-----------------|-----------------|--------------|--------------|--------------------|
|   | Sweden        | UK            | Norway       | The Netherlands | Capital Markets | Other        |              |                    |
| SEK m   |               |               |              |                 |                 |              |              |                    |
| Net interest income   | 4,798         | 1,535         | 1,061        | 303             | 64              | 252          |              | 8,014              |
| Net fee and commission income   | 2,158         | 201           | 169          | 35              | 259             | 56           |              | 2,877              |
| Net gains/losses on financial transactions  | 104           | 51            | 15           | 10              | 311             | -71          |              | 420                |
| Net insurance result  | -95           |               | 5            |                 |                 |              |              | -90                |
| Share of profit of associates   |               |               |              |                 |                 | 2            |              | 2                  |
| Other income  | 24            | 0             | 1            | 0               | 1               | 1,072        |              | 1,099              |
| <b>Total income</b>   | <b>6,989</b>  | <b>1,787</b>  | <b>1,252</b> | <b>348</b>      | <b>635</b>      | <b>1,312</b> |              | <b>12,323</b>      |
| Staff costs   | -992          | -646          | -251         | -106            | -297            | -879         | 14           | -3,158             |
| Other expenses  | -315          | -224          | -67          | -19             | -74             | -860         |              | -1,559             |
| Internal purchased and sold services  | -1,181        | -266          | -139         | -52             | -78             | 1,717        |              |                    |
| Depreciation, amortisation and impairments of property, equipment and intangible assets | -81           | -78           | -22          | -13             | -61             | -168         | -8           | -430               |
| <b>Total expenses</b>   | <b>-2,568</b> | <b>-1,215</b> | <b>-480</b>  | <b>-190</b>     | <b>-510</b>     | <b>-190</b>  | <b>7</b>     | <b>-5,147</b>      |
| <b>Profit before credit losses, risk tax and resolution fee</b>                         | <b>4,421</b>  | <b>572</b>    | <b>772</b>   | <b>157</b>      | <b>125</b>      | <b>1,122</b> | <b>7</b>     | <b>7,176</b>       |
| Net credit losses   | 126           | -27           | -158         | 1               | -1              | 52           |              | -6                 |
| Gains/losses on disposal of property, equipment and intangible assets                   | 1             | 10            | 2            |                 | 0               | 0            |              | 14                 |
| Risk tax and resolution fee   | -381          |               | -83          | -24             | -11             | -60          |              | -559               |
| <b>Operating profit</b>   | <b>4,168</b>  | <b>556</b>    | <b>532</b>   | <b>135</b>      | <b>113</b>      | <b>1,113</b> | <b>7</b>     | <b>6,624</b>       |
| Profit allocation   | 99            | 10            | 16           | 0               | -135            | 9            |              |                    |
| <b>Operating profit after profit allocation</b>   | <b>4,267</b>  | <b>566</b>    | <b>549</b>   | <b>135</b>      | <b>-22</b>      | <b>1,123</b> | <b>7</b>     | <b>6,624</b>       |
| Internal income   | -48           | -192          | -580         | -112            | -121            | 1,053        |              |                    |

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   | Q1<br>2023    | Q4<br>2022    | Change    | Q1<br>2022    | Change     | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Change     | Full year<br>2022 |
|---|---------------|---------------|-----------|---------------|------------|-----------------|-----------------|------------|-------------------|
| Net interest income   | 7,265         | 6,862         | 6%        | 4,798         | 51%        | 7,265           | 4,798           | 51%        | 23,082            |
| Net fee and commission income   | 2,063         | 2,073         | 0%        | 2,158         | -4%        | 2,063           | 2,158           | -4%        | 8,356             |
| Net gains/losses on financial transactions  | 202           | 133           | 52%       | 104           | 94%        | 202             | 104             | 94%        | 508               |
| Net insurance result  | 90            | 60            | 50%       | -95           |            | 90              | -95             |            | -41               |
| Other income  | 10            | 43            | -77%      | 24            | -58%       | 10              | 24              | -58%       | 103               |
| <b>Total income</b>   | <b>9,630</b>  | <b>9,170</b>  | <b>5%</b> | <b>6,989</b>  | <b>38%</b> | <b>9,630</b>    | <b>6,989</b>    | <b>38%</b> | <b>32,008</b>     |
| Staff costs   | -1,018        | -1,005        | 1%        | -992          | 3%         | -1,018          | -992            | 3%         | -3,978            |
| Other expenses  | -388          | -468          | -17%      | -315          | 23%        | -388            | -315            | 23%        | -1,497            |
| Internal purchased and sold services  | -1,401        | -1,197        | 17%       | -1,181        | 19%        | -1,401          | -1,181          | 19%        | -4,630            |
| Depreciation, amortisation and impairments of property, equipment and intangible assets | -106          | -105          | 1%        | -81           | 31%        | -106            | -81             | 31%        | -417              |
| <b>Total expenses</b>   | <b>-2,913</b> | <b>-2,775</b> | <b>5%</b> | <b>-2,568</b> | <b>13%</b> | <b>-2,913</b>   | <b>-2,568</b>   | <b>13%</b> | <b>-10,522</b>    |
| <b>Profit before credit losses, risk tax and resolution fee</b>                         | <b>6,717</b>  | <b>6,395</b>  | <b>5%</b> | <b>4,421</b>  | <b>52%</b> | <b>6,717</b>    | <b>4,421</b>    | <b>52%</b> | <b>21,486</b>     |
| Net credit losses   | -39           | -2            |           | 126           |            | -39             | 126             |            | 135               |
| Gains/losses on disposal of property, equipment and intangible assets                   | 6             | 4             | 50%       | 1             | 500%       | 6               | 1               | 500%       | 10                |
| Risk tax and resolution fee   | -492          | -417          | 18%       | -381          | 29%        | -492            | -381            | 29%        | -1,659            |
| <b>Operating profit</b>   | <b>6,191</b>  | <b>5,980</b>  | <b>4%</b> | <b>4,168</b>  | <b>49%</b> | <b>6,191</b>    | <b>4,168</b>    | <b>49%</b> | <b>19,972</b>     |
| Profit allocation   | 140           | 98            | 43%       | 99            | 41%        | 140             | 99              | 41%        | 374               |
| <b>Operating profit after profit allocation</b>   | <b>6,331</b>  | <b>6,078</b>  | <b>4%</b> | <b>4,267</b>  | <b>48%</b> | <b>6,331</b>    | <b>4,267</b>    | <b>48%</b> | <b>20,346</b>     |
| Internal income   | 1,133         | 999           | 13%       | -48           |            | 1,133           | -48             |            | 1,727             |
| Cost/income ratio, %  | 29.8          | 29.9          |           | 36.2          |            | 29.8            | 36.2            |            | 32.5              |
| Credit loss ratio, %  | 0.01          | 0.00          |           | -0.02         |            | 0.01            | -0.02           |            | -0.01             |
| Allocated capital   | 121,806       | 106,101       | 15%       | 100,287       | 21%        | 121,806         | 100,287         | 21%        | 106,101           |
| Return on allocated capital, %  | 16.5          | 18.2          |           | 13.5          |            | 16.5            | 13.5            |            | 15.9              |
| Average number of employees   | 4,031         | 3,996         | 1%        | 3,791         | 6%         | 4,031           | 3,791           | 6%         | 3,907             |

## BUSINESS VOLUMES

| Average volumes, SEK bn                | Q1<br>2023   | Q4<br>2022   | Change     | Q1<br>2022   | Change    | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Change    | Full year<br>2022 |
|--|--------------|--------------|------------|--------------|-----------|-----------------|-----------------|-----------|-------------------|
| Loans to the public*                   |              |              |            |              |           |                 |                 |           |                   |
| Household                              | 984          | 984          | 0%         | 964          | 2%        | 984             | 964             | 2%        | 976               |
| <i>of which mortgage loans</i>         | 948          | 946          | 0%         | 924          | 3%        | 948             | 924             | 3%        | 936               |
| Corporates                             | 647          | 630          | 3%         | 570          | 13%       | 647             | 570             | 13%       | 602               |
| <i>of which mortgage loans</i>         | 431          | 418          | 3%         | 383          | 13%       | 431             | 383             | 13%       | 399               |
| <b>Total</b>                           | <b>1,631</b> | <b>1,614</b> | <b>1%</b>  | <b>1,534</b> | <b>6%</b> | <b>1,631</b>    | <b>1,534</b>    | <b>6%</b> | <b>1,577</b>      |
| Deposits and borrowing from the public |              |              |            |              |           |                 |                 |           |                   |
| Household                              | 479          | 487          | -2%        | 461          | 4%        | 479             | 461             | 4%        | 478               |
| Corporates                             | 380          | 384          | -1%        | 400          | -5%       | 380             | 400             | -5%       | 393               |
| <b>Total</b>                           | <b>859</b>   | <b>870</b>   | <b>-1%</b> | <b>861</b>   | <b>0%</b> | <b>859</b>      | <b>861</b>      | <b>0%</b> | <b>871</b>        |

\* Excluding loans to the National Debt Office.

## Q1 2023 COMPARED WITH Q4 2022

*Operating profit* increased by 4% to SEK 6,191m (5,980). *Return on allocated capital* was 16.5% (18.2). The *C/I ratio* was 29.8% (29.9).

*Income* increased by 5% to SEK 9,630m (9,170), mainly due to recovered interest rate margins.

*Expenses* rose by 5% to SEK -2,913m (-2,775).

*Net interest income* rose by 6%, or SEK 403m, to SEK 7,265m (6,862). Business volumes made a positive contribution of SEK 6m. The net amount of changed margins and funding costs increased net interest income by SEK 480m. The fee for the Swedish deposit guarantee scheme decreased by SEK 43m to SEK -77m (-120). The day effect had a negative impact of SEK 109m. Other effects amounted to SEK -17m.

*Net fee and commission income* was essentially unchanged at SEK 2,063m (2,073), in which a positive development of savings-related fee and commission income, including brokerage, was offset by lower fee and commission income from loans and deposits and payments.

*Net gains/losses on financial transactions* totalled SEK 202m (133).

*Net insurance result* was SEK 90m (60) and *Other income* was SEK 10m (43).

*Staff costs* rose by 1% to SEK -1,018m (-1,005), with the annual salary adjustment taking place during the quarter. The average number of employees increased by 1% to 4,031 (3,996).

*Other expense items* rose by 7% to SEK -1,895m (-1,770), mainly due to increased IT investments and business development.

*Credit losses* were SEK -39m (-2), and the credit loss ratio was 0.01% (0.00).

The *risk tax* totalled SEK -298m (-229). The *resolution fee* totalled SEK -194m (-186).

## JANUARY – MARCH 2023 COMPARED WITH JANUARY – MARCH 2022

*Operating profit* increased by 49% to SEK 6,191m (4,168). *Return on allocated capital* increased to 16.5% (13.5). The *C/I ratio* improved to 29.8% (36.2).

*Income* increased by 38% to SEK 9,630m (6,989).

*Expenses* rose by 13% to SEK -2,913m (-2,568).

*Net interest income* rose by 51%, or SEK 2,467m, to SEK 7,265m (4,798). Higher business volumes had a SEK 244m positive impact on net interest income. The net amount of changed margins and funding costs was positive, totalling SEK 2,185m. The fee for the Swedish deposit guarantee scheme increased by SEK 18m to SEK -77m (-59). Other effects in net interest income contributed SEK 56m.

*Net fee and commission income* declined by 4% to SEK 2,063m (2,158). Mutual fund commissions fell by SEK -83m, or 7%, to SEK 1,165m (1,248). Custody and other asset management commissions decreased by 9% to SEK 170m (186). The decrease was due to lower market values. Brokerage and other securities commissions

decreased by 20%. Commission income from loans and deposits and from guarantees increased by 4%. Net payment commissions went up by 9% to SEK 298m (273), of which net card commissions increased by 8% to SEK 213m (198).

*Net gains/losses on financial transactions* totalled SEK 202m (104).

*Net insurance result* was SEK 90m (-95), with the change explained by an improvement to the return on assets held on behalf of policyholders compared with the corresponding period of the previous year.

*Other income* amounted to SEK 10m (24).

*Staff costs* rose by 3% to SEK -1,018m (-992). The average number of employees grew by 6% to 4,031 (3,791).

*Other expense items* rose by 20% to SEK -1,895m (-1,577), mainly due to increased IT investments and business development.

*Credit losses* were SEK -39m (126), and the credit loss ratio was 0.01% (-0.02).

The *risk tax* amounted to SEK -298m (-210), and the *resolution fee* amounted to SEK -194m (-171).

## BUSINESS DEVELOPMENT

### Q1 2023 compared with Q4 2022

The total *average volume of lending* grew by 1% to SEK 1,631bn (1,614). Household lending was unchanged at SEK 984bn (984). Corporate lending increased by 3% to SEK 647bn (630).

The total *average volume of deposits* fell by 1% to SEK 859bn (870). Household deposits went down by 2% to SEK 479bn (487), while corporate deposits decreased by 1% to SEK 380bn (384).

New savings in the Bank's mutual funds in Sweden were net SEK 7.6bn (6.4) and the *total volume of assets under management* was SEK 778bn (741) at the end of the period.

### January – March 2023 compared with January – March 2022

The total *average volume of lending* grew by 6% to SEK 1,631bn (1,534). Household lending increased by 2% to SEK 984bn (964) and corporate lending increased by 13% to SEK 647bn (570).

The total *average volume of deposits* was essentially unchanged at SEK 859bn (861). Household deposits went up by 4% to SEK 479bn (461), while corporate deposits decreased by 5% to SEK 380bn (400).

The *total volume of assets under management* was SEK 778bn (775) 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. The net inflow in Handelsbanken's mutual funds during the first quarter amounted to SEK 7.6bn (-3.4), which corresponds to a market share of 45%.

The Bank's share of the Swedish mutual fund market rose to 12.3% (12.0).

# Handelsbanken UK

## INCOME STATEMENT

| SEK m   | Q1            |               |            | Q4            |             |               | Q1            |             |               | Full year |
|---|---------------|---------------|------------|---------------|-------------|---------------|---------------|-------------|---------------|-----------|
|   | 2023          | 2022          | Change     | 2022          | Change      | 2023          | 2022          | Change      | 2022          |           |
| Net interest income   | 2,556         | 2,358         | 8%         | 1,535         | 67%         | 2,556         | 1,535         | 67%         | 7,580         |           |
| Net fee and commission income   | 202           | 196           | 3%         | 201           | 0%          | 202           | 201           | 0%          | 807           |           |
| Net gains/losses on financial transactions  | 60            | 70            | -14%       | 51            | 18%         | 60            | 51            | 18%         | 248           |           |
| Other income  | 1             | 14            | -93%       | 0             |             | 1             | 0             |             | 14            |           |
| <b>Total income</b>   | <b>2,820</b>  | <b>2,637</b>  | <b>7%</b>  | <b>1,787</b>  | <b>58%</b>  | <b>2,820</b>  | <b>1,787</b>  | <b>58%</b>  | <b>8,649</b>  |           |
| Staff costs   | -714          | -675          | 6%         | -646          | 11%         | -714          | -646          | 11%         | -2,693        |           |
| Other expenses  | -196          | -230          | -15%       | -224          | -13%        | -196          | -224          | -13%        | -789          |           |
| Internal purchased and sold services  | -330          | -280          | 18%        | -266          | 24%         | -330          | -266          | 24%         | -1,076        |           |
| Depreciation, amortisation and impairments of property, equipment and intangible assets | -70           | -74           | -5%        | -78           | -10%        | -70           | -78           | -10%        | -313          |           |
| <b>Total expenses</b>   | <b>-1,309</b> | <b>-1,259</b> | <b>4%</b>  | <b>-1,215</b> | <b>8%</b>   | <b>-1,309</b> | <b>-1,215</b> | <b>8%</b>   | <b>-4,872</b> |           |
| <b>Profit before credit losses, risk tax and resolution fee</b>                         | <b>1,510</b>  | <b>1,379</b>  | <b>9%</b>  | <b>572</b>    | <b>164%</b> | <b>1,510</b>  | <b>572</b>    | <b>164%</b> | <b>3,778</b>  |           |
| Net credit losses   | -9            | -51           | -82%       | -27           | -67%        | -9            | -27           | -67%        | -55           |           |
| Gains/losses on disposal of property, equipment and intangible assets                   | 0             | 0             | 0%         | 10            | -100%       | 0             | 10            | -100%       | 10            |           |
| <b>Operating profit</b>   | <b>1,502</b>  | <b>1,328</b>  | <b>13%</b> | <b>556</b>    | <b>170%</b> | <b>1,502</b>  | <b>556</b>    | <b>170%</b> | <b>3,733</b>  |           |
| Profit allocation   | 13            | 15            | -13%       | 10            | 30%         | 13            | 10            | 30%         | 49            |           |
| <b>Operating profit after profit allocation</b>   | <b>1,515</b>  | <b>1,342</b>  | <b>13%</b> | <b>566</b>    | <b>168%</b> | <b>1,515</b>  | <b>566</b>    | <b>168%</b> | <b>3,781</b>  |           |
| Internal income   | 561           | 332           | 69%        | -192          |             | 561           | -192          |             | 52            |           |
| Cost/income ratio, %  | 46.2          | 47.5          |            | 67.6          |             | 46.2          | 67.6          |             | 56.0          |           |
| Credit loss ratio, %  | 0.03          | 0.08          |            | 0.01          |             | 0.03          | 0.01          |             | 0.01          |           |
| Allocated capital   | 21,553        | 20,436        | 5%         | 19,809        | 9%          | 21,553        | 19,809        | 9%          | 20,436        |           |
| Return on allocated capital, %  | 22.3          | 20.9          |            | 9.1           |             | 22.3          | 9.1           |             | 15.1          |           |
| Average number of employees   | 2,582         | 2,536         | 2%         | 2,428         | 6%          | 2,582         | 2,428         | 6%          | 2,481         |           |

## INCOME STATEMENT IN LOCAL CURRENCY

| GBP m   | Q1            |               |            | Q4           |             |               | Q1           |             |               | Full year |
|---|---------------|---------------|------------|--------------|-------------|---------------|--------------|-------------|---------------|-----------|
|   | 2023          | 2022          | Change     | 2022         | Change      | 2023          | 2022         | Change      | 2022          |           |
| Net interest income   | 201.5         | 187.9         | 7%         | 122.5        | 64%         | 201.5         | 122.5        | 64%         | 608.1         |           |
| Net fee and commission income   | 16.0          | 15.5          | 3%         | 16.0         | 0%          | 16.0          | 16.0         | 0%          | 64.7          |           |
| Net gains/losses on financial transactions  | 4.8           | 5.6           | -14%       | 4.1          | 17%         | 4.8           | 4.1          | 17%         | 19.9          |           |
| Other income  | 0.1           | 1.1           | -91%       | 0.0          |             | 0.1           | 0.0          |             | 1.1           |           |
| <b>Total income</b>   | <b>222.3</b>  | <b>210.1</b>  | <b>6%</b>  | <b>142.7</b> | <b>56%</b>  | <b>222.3</b>  | <b>142.7</b> | <b>56%</b>  | <b>693.8</b>  |           |
| Staff costs   | -56.3         | -53.7         | 5%         | -51.6        | 9%          | -56.3         | -51.6        | 9%          | -216.1        |           |
| Other expenses  | -15.4         | -18.3         | -16%       | -17.9        | -14%        | -15.4         | -17.9        | -14%        | -63.3         |           |
| Internal purchased and sold services  | -26.0         | -22.2         | 17%        | -21.3        | 22%         | -26.0         | -21.3        | 22%         | -86.3         |           |
| Depreciation, amortisation and impairments of property, equipment and intangible assets | -5.5          | -5.8          | -5%        | -6.2         | -11%        | -5.5          | -6.2         | -11%        | -25.1         |           |
| <b>Total expenses</b>   | <b>-103.2</b> | <b>-100.1</b> | <b>3%</b>  | <b>-97.0</b> | <b>6%</b>   | <b>-103.2</b> | <b>-97.0</b> | <b>6%</b>   | <b>-390.8</b> |           |
| <b>Profit before credit losses, risk tax and resolution fee</b>                         | <b>119.1</b>  | <b>110.0</b>  | <b>8%</b>  | <b>45.7</b>  | <b>161%</b> | <b>119.1</b>  | <b>45.7</b>  | <b>161%</b> | <b>303.0</b>  |           |
| Net credit losses   | -0.7          | -4.1          | -83%       | -2.1         | -67%        | -0.7          | -2.1         | -67%        | -4.4          |           |
| Gains/losses on disposal of property, equipment and intangible assets                   | 0.0           | 0.0           |            | 0.8          | -100%       | 0.0           | 0.8          | -100%       | 0.8           |           |
| <b>Operating profit</b>   | <b>118.4</b>  | <b>105.9</b>  | <b>12%</b> | <b>44.4</b>  | <b>167%</b> | <b>118.4</b>  | <b>44.4</b>  | <b>167%</b> | <b>299.4</b>  |           |
| Profit allocation   | 1.0           | 1.2           | -17%       | 0.8          | 25%         | 1.0           | 0.8          | 25%         | 3.9           |           |
| <b>Operating profit after profit allocation</b>   | <b>119.4</b>  | <b>107.1</b>  | <b>11%</b> | <b>45.2</b>  | <b>164%</b> | <b>119.4</b>  | <b>45.2</b>  | <b>164%</b> | <b>303.3</b>  |           |

## BUSINESS VOLUMES

| Average volumes, GBP m                 | Q1            |               |            | Q4            |            |               | Q1            |            |               | Full year |
|--|---------------|---------------|------------|---------------|------------|---------------|---------------|------------|---------------|-----------|
|  | 2023          | 2022          | Change     | 2022          | Change     | 2023          | 2022          | Change     | 2022          |           |
| Loans to the public                    |               |               |            |               |            |               |               |            |               |           |
| Household                              | 5,732         | 5,861         | -2%        | 6,294         | -9%        | 5,732         | 6,294         | -9%        | 6,076         |           |
| Corporates                             | 13,192        | 13,409        | -2%        | 14,017        | -6%        | 13,192        | 14,017        | -6%        | 13,820        |           |
| <b>Total</b>                           | <b>18,925</b> | <b>19,270</b> | <b>-2%</b> | <b>20,311</b> | <b>-7%</b> | <b>18,925</b> | <b>20,311</b> | <b>-7%</b> | <b>19,896</b> |           |
| Deposits and borrowing from the public |               |               |            |               |            |               |               |            |               |           |
| Household                              | 5,623         | 5,890         | -5%        | 5,590         | 1%         | 5,623         | 5,590         | 1%         | 5,770         |           |
| Corporates                             | 14,893        | 15,020        | -1%        | 13,649        | 9%         | 14,893        | 13,649        | 9%         | 14,310        |           |
| <b>Total</b>                           | <b>20,516</b> | <b>20,910</b> | <b>-2%</b> | <b>19,239</b> | <b>7%</b>  | <b>20,516</b> | <b>19,239</b> | <b>7%</b>  | <b>20,080</b> |           |



## Q1 2023 COMPARED WITH Q4 2022

*Operating profit* increased by 13% to SEK 1,502m (1,328). Expressed in local currency, operating profit increased by 12%. *Return on allocated capital* increased to 22.3% (20.9), and the *C/I ratio* improved to 46.2% (47.5).

*Income* increased by 7% to SEK 2,820m (2,637). Expressed in local currency, income growth was 6%.

*Expenses* increased by 4% to SEK -1,309m (-1,259). Foreign exchange effects amounted to SEK -11m and, expressed in local currency, expenses increased by 3%.

*Net interest income* grew by 8% to SEK 2,556m (2,358). In local currency terms, net interest income increased by 7%. The net amount of changed margins and funding costs increased net interest income by SEK 304m. Changed business volumes had an impact of SEK -102m on net interest income. The day effect had an impact of SEK -47m. Foreign exchange effects on net interest income amounted to SEK 19m. Other effects made a positive contribution of SEK 24m.

*Net fee and commission income* increased by 3% to SEK 202m (196). Foreign exchange effects amounted to SEK 2m, and in local currency terms, net fee and commission income rose by 3%. The increase was due to positive developments in both savings-related fee and commission income, and deposit and lending commissions.

*Staff costs* rose by 6% to SEK -714m (-675). The average number of employees was 2,582 (2,536).

*Other expense items* rose by 2% to SEK -596m (-584).

*Credit losses* were SEK -9m (-51), and the credit loss ratio was 0.03% (0.08).

## JANUARY – MARCH 2023 COMPARED WITH JANUARY – MARCH 2022

*Operating profit* rose by 170%, or SEK 946m, to SEK 1,502m (556). Expressed in local currency, operating profit increased by 167%. *Return on allocated capital* improved to 22.3% (9.1). The *C/I ratio* improved to 46.2% (67.6).

*Income* increased by 58% to SEK 2,820m (1,787). Foreign exchange effects on income amounted to SEK 21m, and in local currency terms, income rose by 56%.

*Expenses* increased by 8% to SEK -1,309m (-1,215). Adjusted for foreign exchange effects of SEK -14m, expenses increased in local currency terms by 6%.

*Net interest income* rose by 67%, or SEK 1,021m, to SEK 2,556m (1,535). Foreign exchange effects had a positive impact of SEK 18m on net interest income. Expressed in local currency, net interest income increased by 64%. The net amount of changed margins and funding costs increased net interest income by SEK 1,054m. Lower business volumes had an impact of SEK -95m. Other effects made a contribution of SEK 44m.

*Net fee and commission income* increased marginally to SEK 202m (201). Foreign exchange effects were marginal. Commission income from the fund management, custody account management and asset management business, including brokerage and advisory services, decreased by 2% to SEK 107m (109). Net payment commissions were unchanged at SEK 62m (62).

*Staff costs* rose by 11% to SEK -714m (-646). Adjusted for foreign exchange effects, the increase in staff costs was 9% in local currency terms. The average number of employees grew by 6% to 2,582 (2,428).

*Other expense items* increased by 5% to SEK -596m (-568), as a result of increased investments in IT and business development. Expressed in local currency, other expense items went up by 3%.

*Credit losses* totalled SEK -9m (-27). The credit loss ratio was 0.03% (0.01).

## BUSINESS DEVELOPMENT

### Q1 2023 compared with Q4 2022

The total *average volume of lending* decreased by 2% to GBP 18.9bn (19.3). Household lending and corporate lending each decreased by 2%, to GBP 5.7bn (5.9), and GBP 13.2bn (13.4), respectively.

The total *average volume of deposits* decreased by 2% to GBP 20.5bn (20.9). Household deposits decreased by 5% to GBP 5.6bn (5.9), and corporate deposits decreased by 1% to GBP 14.9bn (15.0).

The volume of assets under management in Handelsbanken Wealth & Asset Management at the end of the period totalled GBP 4.1bn (4.1). New savings in Handelsbanken Wealth & Asset Management during the quarter totalled net GBP 25m (47).

### January – March 2023 compared with January – March 2022

The total *average volume of lending* decreased by 7% to GBP 18.9bn (20.3). Household lending decreased by 9% to GBP 5.7bn (6.3), and corporate lending decreased by 6% to GBP 13.2bn (14.0).

The total *average volume of deposits* increased by 7% to GBP 20.5bn (19.2). Household deposits increased by 1% to GBP 5.6bn (5.6), and corporate deposits increased by 9% to GBP 14.9bn (13.7).

The volume of assets under management in Handelsbanken Wealth & Asset Management at the end of the period totalled GBP 4.1bn (4.3). New savings during the period totalled GBP 25m (-47).

# Handelsbanken Norway

## INCOME STATEMENT

| SEK m   | Q1           |              |           | Q4           |            |              | Jan-Mar      |            |               | Full year |
|---|--------------|--------------|-----------|--------------|------------|--------------|--------------|------------|---------------|-----------|
|   | 2023         | 2022         | Change    | 2022         | Change     | 2023         | 2022         | Change     | 2022          |           |
| Net interest income   | 1,139        | 1,091        | 4%        | 1,061        | 7%         | 1,139        | 1,061        | 7%         | 4,264         |           |
| Net fee and commission income   | 156          | 167          | -7%       | 169          | -8%        | 156          | 169          | -8%        | 688           |           |
| Net gains/losses on financial transactions  | 22           | 32           | -31%      | 15           | 47%        | 22           | 15           | 47%        | 90            |           |
| Net insurance result  | 1            | 0            |           | 5            | -80%       | 1            | 5            | -80%       | 30            |           |
| Other income  | 1            | 16           | -94%      | 1            | 0%         | 1            | 1            | 0%         | 25            |           |
| <b>Total income</b>   | <b>1,320</b> | <b>1,305</b> | <b>1%</b> | <b>1,252</b> | <b>5%</b>  | <b>1,320</b> | <b>1,252</b> | <b>5%</b>  | <b>5,097</b>  |           |
| Staff costs   | -274         | -266         | 3%        | -251         | 9%         | -274         | -251         | 9%         | -1,028        |           |
| Other expenses  | -137         | -100         | 37%       | -67          | 104%       | -137         | -67          | 104%       | -295          |           |
| Internal purchased and sold services  | -168         | -198         | -15%      | -139         | 21%        | -168         | -139         | 21%        | -667          |           |
| Depreciation, amortisation and impairments of property, equipment and intangible assets | -23          | -24          | -4%       | -22          | 5%         | -23          | -22          | 5%         | -92           |           |
| <b>Total expenses</b>   | <b>-601</b>  | <b>-588</b>  | <b>2%</b> | <b>-480</b>  | <b>25%</b> | <b>-601</b>  | <b>-480</b>  | <b>25%</b> | <b>-2,082</b> |           |
| <b>Profit before credit losses, risk tax and resolution fee</b>                         | <b>719</b>   | <b>718</b>   | <b>0%</b> | <b>772</b>   | <b>-7%</b> | <b>719</b>   | <b>772</b>   | <b>-7%</b> | <b>3,016</b>  |           |
| Net credit losses   | 4            | -13          |           | -158         |            | 4            | -158         |            | -152          |           |
| Gains/losses on disposal of property, equipment and intangible assets                   | 2            | 2            | 0%        | 2            | 0%         | 2            | 2            | 0%         | 6             |           |
| Risk tax and resolution fee   | -101         | -90          | 12%       | -83          | 22%        | -101         | -83          | 22%        | -359          |           |
| <b>Operating profit</b>   | <b>624</b>   | <b>615</b>   | <b>1%</b> | <b>532</b>   | <b>17%</b> | <b>624</b>   | <b>532</b>   | <b>17%</b> | <b>2,510</b>  |           |
| Profit allocation   | 12           | 18           | -33%      | 16           | -25%       | 12           | 16           | -25%       | 69            |           |
| <b>Operating profit after profit allocation</b>   | <b>636</b>   | <b>633</b>   | <b>0%</b> | <b>549</b>   | <b>16%</b> | <b>636</b>   | <b>549</b>   | <b>16%</b> | <b>2,579</b>  |           |
| Internal income   | -1,740       | -1,604       | -8%       | -580         | -200%      | -1,740       | -580         | -200%      | -3,838        |           |
| Cost/income ratio, %  | 45.1         | 44.4         |           | 37.9         |            | 45.1         | 37.9         |            | 40.3          |           |
| Credit loss ratio, %  | 0.02         | 0.03         |           | 0.15         |            | 0.02         | 0.15         |            | 0.04          |           |
| Allocated capital   | 22,648       | 20,074       | 13%       | 18,909       | 20%        | 22,648       | 18,909       | 20%        | 20,074        |           |
| Return on allocated capital, %  | 8.9          | 10.0         |           | 9.2          |            | 8.9          | 9.2          |            | 10.5          |           |
| Average number of employees   | 783          | 764          | 2%        | 754          | 4%         | 783          | 754          | 4%         | 763           |           |

## INCOME STATEMENT IN LOCAL CURRENCY

| NOK m   | Q1           |              |           | Q4           |            |              | Jan-Mar      |            |               | Full year |
|---|--------------|--------------|-----------|--------------|------------|--------------|--------------|------------|---------------|-----------|
|   | 2023         | 2022         | Change    | 2022         | Change     | 2023         | 2022         | Change     | 2022          |           |
| Net interest income   | 1,117        | 1,037        | 8%        | 1,005        | 11%        | 1,117        | 1,005        | 11%        | 4,052         |           |
| Net fee and commission income   | 153          | 159          | -4%       | 160          | -4%        | 153          | 160          | -4%        | 654           |           |
| Net gains/losses on financial transactions  | 22           | 30           | -27%      | 14           | 57%        | 22           | 14           | 57%        | 85            |           |
| Net insurance result  | 1            | 0            |           | 5            | -80%       | 1            | 5            | -80%       | 29            |           |
| Other income  | 1            | 15           | -93%      | 1            | 0%         | 1            | 1            | 0%         | 24            |           |
| <b>Total income</b>   | <b>1,295</b> | <b>1,241</b> | <b>4%</b> | <b>1,185</b> | <b>9%</b>  | <b>1,295</b> | <b>1,185</b> | <b>9%</b>  | <b>4,844</b>  |           |
| Staff costs   | -268         | -252         | 6%        | -238         | 13%        | -268         | -238         | 13%        | -977          |           |
| Other expenses  | -134         | -95          | 41%       | -64          | 109%       | -134         | -64          | 109%       | -280          |           |
| Internal purchased and sold services  | -164         | -189         | -13%      | -132         | 24%        | -164         | -132         | 24%        | -634          |           |
| Depreciation, amortisation and impairments of property, equipment and intangible assets | -23          | -23          | 0%        | -21          | 10%        | -23          | -21          | 10%        | -87           |           |
| <b>Total expenses</b>   | <b>-590</b>  | <b>-558</b>  | <b>6%</b> | <b>-454</b>  | <b>30%</b> | <b>-590</b>  | <b>-454</b>  | <b>30%</b> | <b>-1,978</b> |           |
| <b>Profit before credit losses, risk tax and resolution fee</b>                         | <b>705</b>   | <b>682</b>   | <b>3%</b> | <b>731</b>   | <b>-4%</b> | <b>705</b>   | <b>731</b>   | <b>-4%</b> | <b>2,866</b>  |           |
| Net credit losses   | 4            | -12          |           | -150         |            | 4            | -150         |            | -144          |           |
| Gains/losses on disposal of property, equipment and intangible assets                   | 2            | 2            | 0%        | 2            | 0%         | 2            | 2            | 0%         | 6             |           |
| Risk tax and resolution fee   | -99          | -87          | 14%       | -78          | 27%        | -99          | -78          | 27%        | -342          |           |
| <b>Operating profit</b>   | <b>612</b>   | <b>585</b>   | <b>5%</b> | <b>504</b>   | <b>21%</b> | <b>612</b>   | <b>504</b>   | <b>21%</b> | <b>2,386</b>  |           |
| Profit allocation   | 12           | 17           | -29%      | 15           | -20%       | 12           | 15           | -20%       | 66            |           |
| <b>Operating profit after profit allocation</b>   | <b>624</b>   | <b>602</b>   | <b>4%</b> | <b>519</b>   | <b>20%</b> | <b>624</b>   | <b>519</b>   | <b>20%</b> | <b>2,451</b>  |           |

## BUSINESS VOLUMES

| Average volumes, NOK bn                | Q1           |              |           | Q4           |           |              | Jan-Mar      |           |              | Full year |
|--|--------------|--------------|-----------|--------------|-----------|--------------|--------------|-----------|--------------|-----------|
|  | 2023         | 2022         | Change    | 2022         | Change    | 2023         | 2022         | Change    | 2022         |           |
| Loans to the public                    |              |              |           |              |           |              |              |           |              |           |
| Household                              | 112.5        | 112.6        | 0%        | 110.1        | 2%        | 112.5        | 110.1        | 2%        | 111.5        |           |
| Corporates                             | 188.7        | 184.2        | 2%        | 174.1        | 8%        | 188.7        | 174.1        | 8%        | 178.9        |           |
| <b>Total</b>                           | <b>301.2</b> | <b>296.8</b> | <b>1%</b> | <b>284.1</b> | <b>6%</b> | <b>301.2</b> | <b>284.1</b> | <b>6%</b> | <b>290.4</b> |           |
| Deposits and borrowing from the public |              |              |           |              |           |              |              |           |              |           |
| Household                              | 31.3         | 31.4         | 0%        | 29.7         | 5%        | 31.3         | 29.7         | 5%        | 31.0         |           |
| Corporates                             | 67.8         | 67.7         | 0%        | 65.9         | 3%        | 67.8         | 65.9         | 3%        | 67.7         |           |
| <b>Total</b>                           | <b>99.1</b>  | <b>99.1</b>  | <b>0%</b> | <b>95.5</b>  | <b>4%</b> | <b>99.1</b>  | <b>95.5</b>  | <b>4%</b> | <b>98.6</b>  |           |

## Q1 2023 COMPARED WITH Q4 2022

*Operating profit* increased by 1% to SEK 624m (615). Foreign exchange effects on operating profit amounted to SEK -14m, and in local currency terms, operating profit rose by 5%. *Return on allocated capital* was 8.9% (10.0), and the *C/I ratio* was 45.1% (44.4).

*Income* increased by 1% to SEK 1,320m (1,305). Foreign exchange effects on income totalled SEK -36m, and expressed in local currency terms, income grew by 4%.

*Expenses* rose by 2% to SEK -601m (-588). Foreign exchange effects on expenses totalled SEK 16m, and expressed in local currency terms, expenses grew by 6%. The rise was due to increased IT development and business development within the private market offering.

*Net interest income* grew by 4% to SEK 1,139m (1,091). Foreign exchange effects on net interest income amounted to SEK -30m, and in local currency terms, net interest income rose by 8%. Higher business volumes made a positive contribution of SEK 10m. The net amount of changed margins and funding costs increased net interest income by SEK 104m, including the negative effect of the required notification period, meaning a six-week delay before interest rates can be changed for household customers, which was SEK -25m (-117). The day effect had an impact of SEK -20m. Other effects on net interest income, including the deposit guarantee scheme, had a SEK -16m impact.

*Net fee and commission income* declined by 7% to SEK 156m (167). Foreign exchange effects amounted to SEK -4m, and in local currency terms, net fee and commission income fell by 4%. This was due to higher lending and deposit commissions being offset by lower savings- and payment-related commissions.

*Net gains/losses on financial transactions* totalled SEK 22m (32).

*Net insurance result* was SEK 1m (0) and *Other income* was SEK 1m (16).

*Staff costs* rose by 3% to SEK -274m (-266). Foreign exchange effects on staff costs totalled SEK 9m, and expressed in local currency terms, staff costs grew by 6%. The average number of employees grew by 2% to 783 (764).

*Other expense items* increased by 2% to SEK -328m (-322). Expressed in local currency, other expense items went up by 5%. The increase was due to continued investment in IT and business development.

*Credit losses* consisted of net recoveries of SEK 4m (-13). The credit loss ratio was 0.02% (0.03).

The *risk tax* amounted to SEK -58m (-43), and the *resolution fee* amounted to SEK -43m (-47), of which foreign exchange effects accounted for SEK 6m.

## JANUARY – MARCH 2023 COMPARED WITH JANUARY – MARCH 2022

*Operating profit* increased by 17% to SEK 624m (532). Foreign exchange effects on operating profit amounted to SEK -20m, and in local currency terms, operating profit increased by 21%. *Return on allocated capital* went down to 8.9% (9.2). The *C/I ratio* was 45.1% (37.9).

*Income* grew by 5% to SEK 1,320m (1,252). Foreign exchange effects amounted to SEK -40m, and in local currency terms, income rose by 9%.

*Expenses* increased by 25% to SEK -601m (-480). Foreign exchange effects on expenses amounted to SEK 16m. In local

currency terms, expenses increased by 30%; this was mainly attributable to increased investments in IT and business development.

*Net interest income* increased by 7% to SEK 1,139m (1,061). Foreign exchange effects amounted to SEK -33m, and in local currency terms, net interest income rose by 11%. Higher business volumes made a positive contribution of SEK 51m. The net amount of changed margins and funding costs increased net interest income by SEK 41m, including the negative effect of the required notification period, which was SEK -25m (-26). Other effects on net interest income, including the deposit guarantee scheme, had a SEK 19m impact.

*Net fee and commission income* declined by 8% to SEK 156m (169). Foreign exchange effects amounted to SEK -6m, and in local currency terms, net fee and commission income went down by 4%. Commission income from the fund management, custody account management and asset management business, including brokerage and advisory services, decreased by 12% to SEK 87m (98). Net payment commissions decreased by 3% to SEK 42m (43).

*Net gains/losses on financial transactions* totalled SEK 22m (15).

*Net insurance result* was SEK 1m (5) and *Other income* was SEK 1m (1).

*Staff costs* rose by 9% to SEK -274m (-251). In local currency terms, the increase was 13%. The average number of employees increased by 4% to 783 (754).

*Other expense items* increased by 44% to SEK -328m (-228). In local currency terms, the increase was 48%.

*Credit losses* consisted of net recoveries of SEK 4m (-158). The credit loss ratio was 0.02% (0.15).

The *risk tax* amounted to SEK -58m (-40), and the *resolution fee* amounted to SEK -43m (-43).

## BUSINESS DEVELOPMENT

### Q1 2023 compared with Q4 2022

The total *average volume of lending* increased by 1% to NOK 301.2bn (296.8). Household lending decreased marginally to NOK 112.5bn (112.6), and corporate lending increased by 2% to NOK 188.7bn (184.2).

The total *average volume of deposits* was unchanged at NOK 99.1bn (99.1). Household deposits were NOK 31.3bn (31.4), and corporate deposits amounted to NOK 67.8bn (67.7).

New savings in the Bank's mutual funds in Norway during the quarter totalled net SEK 1.0bn (-0.7). The total volume of assets under management was SEK 37bn (35).

### January – March 2023 compared with January – March 2022

The total *average volume of lending* increased by 6% to NOK 301.2bn (284.1). Household lending increased by 2% to NOK 112.5bn (110.1), and corporate lending increased by 8% to NOK 188.7bn (174.1).

The total *average volume of deposits* increased by 4% to NOK 99.1bn (95.5). Household deposits increased by 5% to NOK 31.3bn (29.7), and corporate deposits increased by 3% to NOK 67.8bn (65.9).

The net flow in the Bank's mutual funds in Norway during the period totalled SEK 1.0bn (-0.9). The total volume of assets under management was SEK 37bn (40).

# Handelsbanken the Netherlands

## INCOME STATEMENT

| SEK m   | Q1<br>2023  | Q4<br>2022  | Change     | Q1<br>2022  | Change     | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Change     | Full year<br>2022 |
|---|-------------|-------------|------------|-------------|------------|-----------------|-----------------|------------|-------------------|
| Net interest income   | 462         | 410         | 13%        | 303         | 52%        | 462             | 303             | 52%        | 1,354             |
| Net fee and commission income   | 39          | 40          | -3%        | 35          | 11%        | 39              | 35              | 11%        | 147               |
| Net gains/losses on financial transactions  | 3           | 3           | 0%         | 10          | -70%       | 3               | 10              | -70%       | 21                |
| Other income  | 0           | 0           | 0%         | 0           |            | 0               | 0               | 0%         | 1                 |
| <b>Total income</b>   | <b>503</b>  | <b>453</b>  | <b>11%</b> | <b>348</b>  | <b>45%</b> | <b>503</b>      | <b>348</b>      | <b>45%</b> | <b>1,523</b>      |
| Staff costs   | -126        | -117        | 8%         | -106        | 19%        | -126            | -106            | 19%        | -442              |
| Other expenses  | -28         | -27         | 4%         | -19         | 47%        | -28             | -19             | 47%        | -94               |
| Internal purchased and sold services  | -64         | -71         | -10%       | -52         | 23%        | -64             | -52             | 23%        | -241              |
| Depreciation, amortisation and impairments of property, equipment and intangible assets | -14         | -17         | -18%       | -13         | 8%         | -14             | -13             | 8%         | -54               |
| <b>Total expenses</b>   | <b>-231</b> | <b>-233</b> | <b>-1%</b> | <b>-190</b> | <b>22%</b> | <b>-231</b>     | <b>-190</b>     | <b>22%</b> | <b>-832</b>       |
| <b>Profit before credit losses, risk tax and resolution fee</b>                         | <b>272</b>  | <b>220</b>  | <b>24%</b> | <b>157</b>  | <b>73%</b> | <b>272</b>      | <b>157</b>      | <b>73%</b> | <b>691</b>        |
| Net credit losses   | 1           | 3           | -67%       | 1           | 0%         | 1               | 1               | 0%         | 0                 |
| Risk tax and resolution fee   | -29         | -19         | 53%        | -24         | 21%        | -29             | -24             | 21%        | -81               |
| <b>Operating profit</b>   | <b>244</b>  | <b>204</b>  | <b>20%</b> | <b>135</b>  | <b>81%</b> | <b>244</b>      | <b>135</b>      | <b>81%</b> | <b>610</b>        |
| Profit allocation   | 0           | 0           | 0%         | 0           | 0%         | 0               | 0               | 0%         | 0                 |
| <b>Operating profit after profit allocation</b>   | <b>244</b>  | <b>205</b>  | <b>19%</b> | <b>135</b>  | <b>81%</b> | <b>244</b>      | <b>135</b>      | <b>81%</b> | <b>610</b>        |
| Internal income   | -37         | -79         | 53%        | -112        | 67%        | -37             | -112            | 67%        | -453              |
| Cost/income ratio, %  | 45.9        | 51.4        |            | 54.6        |            | 45.9            | 54.6            |            | 54.6              |
| Credit loss ratio, %  | 0.00        | -0.02       |            | -0.01       |            | 0.00            | -0.01           |            | 0.00              |
| Allocated capital   | 4,764       | 3,582       | 33%        | 3,056       | 56%        | 4,764           | 3,056           | 56%        | 3,582             |
| Return on allocated capital, %  | 16.3        | 18.2        |            | 14.0        |            | 16.3            | 14.0            |            | 14.7              |
| Average number of employees   | 375         | 369         | 2%         | 346         | 8%         | 375             | 346             | 8%         | 357               |

## INCOME STATEMENT IN LOCAL CURRENCY

| EUR m   | Q1<br>2023   | Q4<br>2022   | Change     | Q1<br>2022   | Change     | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Change     | Full year<br>2022 |
|---|--------------|--------------|------------|--------------|------------|-----------------|-----------------|------------|-------------------|
| Net interest income   | 41.2         | 37.7         | 9%         | 28.9         | 43%        | 41.2            | 28.9            | 43%        | 127.4             |
| Net fee and commission income   | 3.4          | 3.7          | -8%        | 3.3          | 3%         | 3.4             | 3.3             | 3%         | 13.8              |
| Net gains/losses on financial transactions  | 0.2          | 0.2          | 0%         | 0.9          | -78%       | 0.2             | 0.9             | -78%       | 2.0               |
| Other income  | 0.0          | 0.1          | -100%      | 0.1          | -100%      | 0.0             | 0.1             | -100%      | 0.1               |
| <b>Total income</b>   | <b>44.9</b>  | <b>41.7</b>  | <b>8%</b>  | <b>33.2</b>  | <b>35%</b> | <b>44.9</b>     | <b>33.2</b>     | <b>35%</b> | <b>143.3</b>      |
| Staff costs   | -11.2        | -10.8        | 4%         | -10.1        | 11%        | -11.2           | -10.1           | 11%        | -41.6             |
| Other expenses  | -2.5         | -2.5         | 0%         | -1.8         | 39%        | -2.5            | -1.8            | 39%        | -8.9              |
| Internal purchased and sold services  | -5.7         | -6.5         | -12%       | -5.0         | 14%        | -5.7            | -5.0            | 14%        | -22.7             |
| Depreciation, amortisation and impairments of property, equipment and intangible assets | -1.2         | -1.6         | -25%       | -1.2         | 0%         | -1.2            | -1.2            | 0%         | -5.1              |
| <b>Total expenses</b>   | <b>-20.6</b> | <b>-21.3</b> | <b>-3%</b> | <b>-18.1</b> | <b>14%</b> | <b>-20.6</b>    | <b>-18.1</b>    | <b>14%</b> | <b>-78.2</b>      |
| <b>Profit before credit losses, risk tax and resolution fee</b>                         | <b>24.3</b>  | <b>20.3</b>  | <b>20%</b> | <b>15.0</b>  | <b>62%</b> | <b>24.3</b>     | <b>15.0</b>     | <b>62%</b> | <b>65.0</b>       |
| Net credit losses   | 0.1          | 0.3          | -67%       | 0.1          | 0%         | 0.1             | 0.1             | 0%         | 0.0               |
| Risk tax and resolution fee   | -2.6         | -1.7         | 53%        | -2.3         | 13%        | -2.6            | -2.3            | 13%        | -7.6              |
| <b>Operating profit</b>   | <b>21.8</b>  | <b>18.9</b>  | <b>15%</b> | <b>12.9</b>  | <b>69%</b> | <b>21.8</b>     | <b>12.9</b>     | <b>69%</b> | <b>57.4</b>       |
| Profit allocation   | 0.0          | 0.0          |            | 0.0          |            | 0.0             | 0.0             |            | 0.0               |
| <b>Operating profit after profit allocation</b>   | <b>21.8</b>  | <b>18.9</b>  | <b>15%</b> | <b>12.9</b>  | <b>69%</b> | <b>21.8</b>     | <b>12.9</b>     | <b>69%</b> | <b>57.4</b>       |

## BUSINESS VOLUMES

| Average volumes, EUR m                 | Q1<br>2023   | Q4<br>2022   | Change     | Q1<br>2022   | Change     | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Change     | Full year<br>2022 |
|--|--------------|--------------|------------|--------------|------------|-----------------|-----------------|------------|-------------------|
| Loans to the public                    |              |              |            |              |            |                 |                 |            |                   |
| Household                              | 4,902        | 4,918        | 0%         | 4,431        | 11%        | 4,902           | 4,431           | 11%        | 4,723             |
| Corporates                             | 3,729        | 3,657        | 2%         | 3,168        | 18%        | 3,729           | 3,168           | 18%        | 3,453             |
| <b>Total</b>                           | <b>8,631</b> | <b>8,575</b> | <b>1%</b>  | <b>7,599</b> | <b>14%</b> | <b>8,631</b>    | <b>7,599</b>    | <b>14%</b> | <b>8,177</b>      |
| Deposits and borrowing from the public |              |              |            |              |            |                 |                 |            |                   |
| Household                              | 650          | 665          | -2%        | 632          | 3%         | 650             | 632             | 3%         | 673               |
| Corporates                             | 2,965        | 2,996        | -1%        | 3,218        | -8%        | 2,965           | 3,218           | -8%        | 3,308             |
| <b>Total</b>                           | <b>3,615</b> | <b>3,662</b> | <b>-1%</b> | <b>3,849</b> | <b>-6%</b> | <b>3,615</b>    | <b>3,849</b>    | <b>-6%</b> | <b>3,982</b>      |

## Q1 2023 COMPARED WITH Q4 2022

*Operating profit* increased by 20% to SEK 244m (204). Expressed in local currency, operating profit increased by 15%. *Return on allocated capital* was 16.3% (18.2), and the *C/I ratio* improved to 45.9% (51.4).

*Income* increased by 11% to SEK 503m (453). Expressed in local currency, income growth was 8%.

*Expenses* decreased by 1% to SEK -231m (-233). In local currency terms, expenses decreased by 3%.

*Net interest income* increased by 13% to SEK 462m (410), corresponding to 9% in local currency terms. Higher business volumes had a marginally positive impact on net interest income of SEK 2m. The net effect of changed margins and funding costs was an increase in net interest income amounting to SEK 40m. The day effect had an impact of SEK -3m. Other effects, including the deposit guarantee scheme, had a SEK 3m impact on net interest income.

*Net fee and commission income* declined by 3% to SEK 39m (40). In local currency terms, the corresponding decrease was 8%. The lower figure for net fee and commission income is due exclusively to lower mutual fund commissions, which amounted to SEK 15m (18).

*Staff costs* rose by 8% to SEK -126m (-117). Expressed in local currency, staff costs rose by 4%. The average number of employees increased by 2% to 375 (369).

*Other expense items* fell by 8% to SEK -106m (-115). In local currency, the corresponding decrease was 11%.

*Credit losses* consisted of net recoveries of SEK 1m (3). The credit loss ratio was 0.00% (-0.02).

The *risk tax* amounted to SEK -19m (-11), and the *resolution fee* amounted to SEK -10m (-8).

## JANUARY – MARCH 2023 COMPARED WITH JANUARY – MARCH 2022

*Operating profit* improved by 81% to SEK 244m (135), due to higher income. Foreign exchange effects on operating profit amounted to SEK 11m, and in local currency terms, operating profit increased by 69%. *Return on allocated capital* was 16.3% (14.0), and the *C/I ratio* improved to 45.9% (54.6).

*Income* grew by 45% to SEK 503m (348). Foreign exchange effects on income totalled SEK 23m, and in local currency terms income grew by 35%.

*Expenses* rose by 22% to SEK -231m (-190). Foreign exchange effects on expenses were SEK -13m and, expressed in local currency, expenses increased by 14%, mainly due to increased IT development and business growth.

*Net interest income* increased by 52% to SEK 462m (303). Foreign exchange effects amounted to SEK 20m, and in local currency terms, net interest income rose by 43%. Higher business volumes had a SEK 32m positive impact on net interest income. The net amount of changed margins and funding costs increased net interest income by SEK 105m. Other effects, including the deposit guarantee scheme, had a SEK 2m positive impact on net interest income.

*Net fee and commission income* increased by 11% to SEK 39m (35). Foreign exchange effects amounted to SEK 2m, and in local currency terms, net fee and commission income rose by 3%. This was chiefly due to a 29% increase in custody and other asset management commissions to SEK 22m (17).

*Staff costs* rose by 19% to SEK -126m (-106), representing a 11% increase in local currency terms. The average number of employees grew by 8% to 375 (346).

*Other expense items* increased by 26% in total to SEK -106m (-84). In local currency terms, the equivalent

increase was 18%, mainly attributable to increased investments in IT and business development.

Credit losses consisted of net recoveries of SEK 1m (1). The credit loss ratio was 0.00% (-0.01).

The *risk tax* amounted to SEK -19m (-15), and the *resolution fee* amounted to SEK -10m (-9).

## BUSINESS DEVELOPMENT

### Q1 2023 compared with Q4 2022

The total *average volume of lending* increased by 1% to EUR 8.6bn (8.6). Household lending was unchanged and amounted to EUR 4.9bn (4.9), and corporate lending increased by 2% to EUR 3.7bn (3.7).

The total *average volume of deposits* decreased by 1% to EUR 3.6bn (3.7). Household deposits decreased by 2% to EUR 0.7bn (0.7), and corporate deposits decreased by 1% to EUR 3.0bn (3.0).

Assets under management at Optimix totalled EUR 2.0bn (1.9) at the end of the period, including the company's own mutual funds.

### January – March 2023 compared with January – March 2022

The total *average volume of lending* increased by 14% to EUR 8.6bn (7.6). Household lending increased by 11% to EUR 4.9bn (4.4), and corporate lending increased by 18% to EUR 3.7bn (3.2).

The total *average volume of deposits* decreased by 6% to EUR 3.6bn (3.8). Household deposits increased by 3% to EUR 0.7bn (0.6), and corporate deposits decreased by 8% to EUR 3.0bn (3.2).

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

# 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   | Q1<br>2023  | Q4<br>2022  | Change      | Q1<br>2022  | Change       | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Change       | Full year<br>2022 |
|---|-------------|-------------|-------------|-------------|--------------|-----------------|-----------------|--------------|-------------------|
| Net interest income   | 110         | 105         | 5%          | 64          | 72%          | 110             | 64              | 72%          | 301               |
| Net fee and commission income   | 242         | 191         | 27%         | 259         | -7%          | 242             | 259             | -7%          | 771               |
| Net gains/losses on financial transactions  | 250         | 289         | -13%        | 311         | -20%         | 250             | 311             | -20%         | 1,131             |
| Other income  | 1           | 1           | 0%          | 1           | 0%           | 1               | 1               | 0%           | 9                 |
| <b>Total income</b>   | <b>603</b>  | <b>586</b>  | <b>3%</b>   | <b>635</b>  | <b>-5%</b>   | <b>603</b>      | <b>635</b>      | <b>-5%</b>   | <b>2,212</b>      |
| Staff costs   | -293        | -275        | 7%          | -297        | -1%          | -293            | -297            | -1%          | -1,143            |
| Other expenses  | -96         | -97         | -1%         | -74         | 30%          | -96             | -74             | 30%          | -326              |
| Internal purchased and sold services  | -74         | -78         | -5%         | -78         | -5%          | -74             | -78             | -5%          | -344              |
| Depreciation, amortisation and impairments of property, equipment and intangible assets | -36         | -36         | 0%          | -61         | -41%         | -36             | -61             | -41%         | -147              |
| <b>Total expenses</b>   | <b>-498</b> | <b>-485</b> | <b>3%</b>   | <b>-510</b> | <b>-2%</b>   | <b>-498</b>     | <b>-510</b>     | <b>-2%</b>   | <b>-1,959</b>     |
| <b>Profit before credit losses, risk tax and resolution fee</b>                         | <b>105</b>  | <b>101</b>  | <b>4%</b>   | <b>125</b>  | <b>-16%</b>  | <b>105</b>      | <b>125</b>      | <b>-16%</b>  | <b>253</b>        |
| Net credit losses   | 5           | -1          |             | -1          |              | 5               | -1              |              | -13               |
| Gains/losses on disposal of property, equipment and intangible assets                   |             | 0           |             | 0           |              |                 | 0               |              | 0                 |
| Risk tax and resolution fee   | -9          | -8          | 13%         | -11         | -18%         | -9              | -11             | -18%         | -33               |
| <b>Operating profit</b>   | <b>100</b>  | <b>92</b>   | <b>9%</b>   | <b>113</b>  | <b>-12%</b>  | <b>100</b>      | <b>113</b>      | <b>-12%</b>  | <b>206</b>        |
| Profit allocation   | -172        | -142        | 21%         | -135        | 27%          | -172            | -135            | 27%          | -531              |
| <b>Operating profit after profit allocation</b>   | <b>-71</b>  | <b>-49</b>  | <b>-45%</b> | <b>-22</b>  | <b>-223%</b> | <b>-71</b>      | <b>-22</b>      | <b>-223%</b> | <b>-324</b>       |
| Internal income   | 592         | 527         | 12%         | -121        |              | 592             | -121            |              | 615               |
| Cost/income ratio, %  | 115.5       | 109.2       |             | 102.0       |              | 115.5           | 102.0           |              | 116.5             |
| Credit loss ratio, %  | -0.11       | 0.02        |             | 0.00        |              | -0.11           | 0.00            |              | 0.06              |
| Allocated capital   | 2,320       | 2,072       | 12%         | 2,293       | 1%           | 2,320           | 2,293           | 1%           | 2,072             |
| Return on allocated capital, %  | -9.8        | -7.5        |             | -3.0        |              | -9.8            | -3.0            |              | -11.5             |
| Average number of employees   | 592         | 586         | 1%          | 589         | 1%           | 592             | 589             | 1%           | 585               |

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 segment.

### Q1 2023 COMPARED WITH Q4 2022

*Operating profit* improved to SEK 100m (92).

*Income* grew by 3% to SEK 603m (586).

*Net fee and commission income* rose by 27% to SEK 242m (191), which was mainly attributable to increased advisory commissions and rising securities commissions.

*Net gains/losses on financial transactions* decreased by 13% to SEK 250m (289).

*Expenses* rose by 3% to SEK -498m (-485). *Staff costs* rose by 7% to SEK -293m (-275), which includes annual salary adjustments. The average number of employees increased by 1% to 592 (586). Other expense items amounted to SEK -206m (-211).

The *risk tax and resolution fee* totalled SEK -9m (-7).

*Credit losses* consisted of net recoveries of SEK 5m (-1), and the credit loss ratio was -0.11% (0.02).

### JANUARY – MARCH 2023 COMPARED WITH JANUARY – MARCH 2022

*Operating profit* decreased to SEK 100m (113).

*Income* decreased by 5% to SEK 603m (635).

*Net fee and commission income* declined by 7% to SEK 242m (259).

*Net gains/losses on financial transactions* went down by 20% to SEK 250m (311), due mainly to the uncertainty and turbulence that followed in the wake of the geopolitical developments, involving higher energy prices and rising inflation, which began during the latter stages of Q1 of the previous year.

*Expenses* decreased by 2% to SEK -498m (-510). *Staff costs* fell by 1% to SEK -293m (-297). The average number of employees increased by 1% to 592 (589). *Other expense items* went down by 3% to SEK -206m (-213), chiefly due to the restructuring of international operations.

The *risk tax and resolution fee* totalled SEK -9m (-12).

*Credit losses* consisted of net recoveries of SEK 5m (-1), and the credit loss ratio was -0.11% (0.00).

### BUSINESS DEVELOPMENT

During the year, the Bank arranged 30 (28) bond issues at a value of EUR 4.0bn (4.0); green and sustainability-linked bonds accounted for EUR 1.6bn (0.5) of this total, or 40% (12%). 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, central staff functions and provisions for Oktogonen.

### INCOME STATEMENT

| SEK m   | Q1<br>2023  | Q4<br>2022  | Change      | Q1<br>2022   | Change      | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Change      | Full year<br>2022 |
|---|-------------|-------------|-------------|--------------|-------------|-----------------|-----------------|-------------|-------------------|
| Net interest income   | -47         | -195        | 76%         | 252          |             | -47             | 252             |             | 32                |
| Net fee and commission income   | 64          | 28          | 129%        | 56           | 14%         | 64              | 56              | 14%         | 213               |
| Net gains/losses on financial transactions  | 65          | 45          | 44%         | -71          |             | 65              | -71             |             | -457              |
| Share of profit of associates   | -1          | -2          | 50%         | 2            |             | -1              | 2               |             | -13               |
| Other income  | 30          | 25          | 20%         | 1,072        | -97%        | 30              | 1,072           | -97%        | 1,111             |
| <b>Total income</b>   | <b>110</b>  | <b>-100</b> |             | <b>1,312</b> | <b>-92%</b> | <b>110</b>      | <b>1,312</b>    | <b>-92%</b> | <b>885</b>        |
| Staff costs   | -1,137      | -1,140      | 0%          | -879         | 29%         | -1,137          | -879            | 29%         | -3,778            |
| Other expenses  | -1,008      | -1,026      | -2%         | -860         | 17%         | -1,008          | -860            | 17%         | -3,525            |
| Internal purchased and sold services  | 2,037       | 1,825       | 12%         | 1,717        | 19%         | 2,037           | 1,717           | 19%         | 6,959             |
| Depreciation, amortisation and impairments of property, equipment and intangible assets | -200        | -168        | 19%         | -168         | 19%         | -200            | -168            | 19%         | -601              |
| <b>Total expenses</b>   | <b>-308</b> | <b>-508</b> | <b>-39%</b> | <b>-190</b>  | <b>62%</b>  | <b>-308</b>     | <b>-190</b>     | <b>62%</b>  | <b>-944</b>       |
| <b>Profit before credit losses, risk tax and resolution fee</b>                         | <b>-199</b> | <b>-608</b> | <b>67%</b>  | <b>1,122</b> |             | <b>-199</b>     | <b>1,122</b>    |             | <b>-60</b>        |
| Net credit losses   | 7           | 10          | -30%        | 52           | -87%        | 7               | 52              | -87%        | 38                |
| Gains/losses on disposal of property, equipment and intangible assets                   | 0           | -6          |             | 0            | 0%          | 0               | 0               |             | -2                |
| Risk tax and resolution fee   | -39         | -49         | -20%        | -60          | -35%        | -39             | -60             | -35%        | -180              |
| <b>Operating profit</b>   | <b>-231</b> | <b>-652</b> | <b>65%</b>  | <b>1,113</b> |             | <b>-231</b>     | <b>1,113</b>    |             | <b>-203</b>       |
| Profit allocation   | 6           | 10          |             | 9            | -33%        | 6               | 9               | -33%        | 39                |
| <b>Operating profit after profit allocation</b>   | <b>-225</b> | <b>-642</b> | <b>65%</b>  | <b>1,123</b> |             | <b>-225</b>     | <b>1,123</b>    |             | <b>-164</b>       |
| Internal income   | -509        | -175        | -191%       | 1,053        |             | -509            | 1,053           |             | 1,897             |
| Average number of employees   | 2,968       | 2,923       | 2%          | 2,836        | 5%          | 2,968           | 2,836           | 5%          | 2,861             |
| Allocated capital Denmark and Finland   | 6,585       | 14,414      | -54%        | 14,128       | -53%        | 6,585           | 14,128          | -53%        | 14,414            |

### Q1 2023 COMPARED WITH Q4 2022

Operating profit was SEK -231m (-652).

Net interest income totalled SEK -47m (-195), with the comparison quarter including interest expenses of SEK -295m from the aforementioned effect related to market funding for the Finland disposal group.

Expenses decreased to SEK -308m (-508). The provision for Oktogonen was SEK -202m (-51), with the amount in its entirety comprising an adjustment of the previous year's provision.

The average number of employees totalled 2,968 (2,923); within this figure, the number of employees at the IT department was 1,961 (1,928).

### JANUARY – MARCH 2023 COMPARED WITH JANUARY – MARCH 2022

Operating profit was SEK -231m (1,113).

Income decreased to SEK 110m (1,312). The period of comparison includes income of SEK 1,059m from real estate sales and funding costs related to the operations in the Finland disposal group, amounting to SEK 125m.

Expenses totalled SEK -308m (-190). The provision for Oktogonen was SEK -202m (-87), with the period's amount in its entirety comprising an adjustment of the previous year's provision.

Depreciation, amortisation and impairment of property, equipment and intangible assets amounted to SEK -200m (-168).

The average number of employees fell by 5% to 2,968 (2,836), with the number of employees at the IT department totalling 1,961 (1,856).

## Key metrics – Group

|   | Q1<br>2023 | Q4<br>2022 | Q1<br>2022 | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Full year<br>2022 |
|---|------------|------------|------------|-----------------|-----------------|-------------------|
| Return on equity, total operations      | 15.0%      | 13.6%      | 13.6%      | 15.0%           | 13.6%           | 12.8%             |
| C/I ratio, Continuing operations        | 38.5%      | 41.5%      | 41.8%      | 38.5%           | 41.8%           | 42.1%             |
| Earnings per share, SEK                 | 3.44       | 3.02       | 2.87       | 3.44            | 2.87            | 10.95             |
| <i>of which continuing operations</i>   | 3.32       | 3.16       | 2.72       | 3.32            | 2.72            | 10.81             |
| <i>of which discontinued operations</i> | 0.12       | -0.13      | 0.15       | 0.12            | 0.15            | 0.14              |
| Ordinary dividend per share, SEK        |            |            |            |                 |                 | 5.50              |
| Total dividend per share, SEK           |            |            |            |                 |                 | 8.00              |
| Adjusted equity per share, SEK          | 93.39      | 98.14      | 88.54      | 93.39           | 88.54           | 98.14             |
| Common equity tier 1 ratio, CRR         | 19.4%      | 19.6%      | 18.7%      | 19.4%           | 18.7%           | 19.6%             |
| Total capital ratio, CRR                | 23.6%      | 23.8%      | 22.5%      | 23.6%           | 22.5%           | 23.8%             |
| Average number of employees             | 11,331     | 11,174     | 10,743     | 11,331          | 10,743          | 10,954            |

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

|  | Q1<br>2023    | Q4<br>2022    | Q1<br>2022    | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Full year<br>2022 |
|--|---------------|---------------|---------------|-----------------|-----------------|-------------------|
| 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  | 89.84         | 105.10        | 86.90         | 89.84           | 86.90           | 105.10            |
| Share price SHB class B, end of period, SEK  | 111.20        | 122.20        | 99.35         | 111.20          | 99.35           | 122.20            |
| Market capitalisation, end of period, SEK bn   | 178           | 208           | 172           | 178             | 173             | 208               |



# Condensed set of financial statements – Group

## INCOME STATEMENT - GROUP

| SEK m  | Q1<br>2023 | Q4<br>2022    | Change        | Q1<br>2022 | Change        | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Change        | Full year<br>2022 |                |
|--|------------|---------------|---------------|------------|---------------|-----------------|-----------------|---------------|-------------------|----------------|
| Interest income  | 32,926     | 27,151        | 21%           | 9,820      | 235%          | 32,926          | 9,820           | 235%          | 67,407            |                |
| <i>effective interest method and interest on derivatives in hedge accounting</i>       | 27,609     | 23,395        | 18%           | 9,440      | 192%          | 27,609          | 9,440           | 192%          | 59,702            |                |
| Interest expenses  | -21,441    | -16,520       | 30%           | -1,807     |               | -21,441         | -1,807          |               | -30,793           |                |
| Net interest income  | Note 2     | 11,485        | 10,631        | 8%         | 8,014         | 43%             | 11,485          | 8,014         | 43%               | 36,614         |
| Fee and commission income  |            | 3,118         | 3,042         | 2%         | 3,181         | -2%             | 3,118           | 3,181         | -2%               | 12,277         |
| Fee and commission expenses  |            | -352          | -348          | 1%         | -304          | 16%             | -352            | -304          | 16%               | -1,296         |
| Net fee and commission income  | Note 3     | 2,766         | 2,694         | 3%         | 2,877         | -4%             | 2,766           | 2,877         | -4%               | 10,981         |
| Net gains/losses on financial transactions   | Note 4     | 602           | 570           | 6%         | 420           | 43%             | 602             | 420           | 43%               | 1,540          |
| Insurance result   |            | 27            | 21            | 29%        | 78            | -65%            | 27              | 78            | -65%              | 280            |
| Return on assets held on behalf of policyholders                                       |            | 64            | 39            | 64%        | -168          |                 | 64              | -168          |                   | -291           |
| Net insurance result   | Note 5     | 91            | 60            | 52%        | -90           |                 | 91              | -90           |                   | -11            |
| Other dividend income  |            | 1             | 15            | -93%       | 1             | 0%              | 1               | 1             | 0%                | 17             |
| Share of profit of associates  |            | -1            | -2            | 50%        | 2             |                 | -1              | 2             |                   | -13            |
| Other income   |            | 42            | 85            | -51%       | 1,098         | -96%            | 42              | 1,098         | -96%              | 1,246          |
| <b>Total income</b>  |            | <b>14,985</b> | <b>14,053</b> | <b>7%</b>  | <b>12,323</b> | <b>22%</b>      | <b>14,985</b>   | <b>12,323</b> | <b>22%</b>        | <b>50,375</b>  |
| Staff costs  |            | -3,470        | -3,468        | 0%         | -3,158        | 10%             | -3,470          | -3,158        | 10%               | -13,040        |
| Other expenses   | Note 6     | -1,852        | -1,949        | -5%        | -1,559        | 19%             | -1,852          | -1,559        | 19%               | -6,526         |
| Depreciation, amortisation and impairment of property, equipment and intangible assets |            | -454          | -423          | 7%         | -430          | 6%              | -454            | -430          | 6%                | -1,646         |
| <b>Total expenses</b>  |            | <b>-5,776</b> | <b>-5,839</b> | <b>-1%</b> | <b>-5,147</b> | <b>12%</b>      | <b>-5,776</b>   | <b>-5,147</b> | <b>12%</b>        | <b>-21,212</b> |
| <b>Profit before credit losses, risk tax and resolution fee</b>                        |            | <b>9,210</b>  | <b>8,214</b>  | <b>12%</b> | <b>7,176</b>  | <b>28%</b>      | <b>9,210</b>    | <b>7,176</b>  | <b>28%</b>        | <b>29,163</b>  |
| Net credit losses  | Note 7     | -30           | -54           | -44%       | -6            | 400%            | -30             | -6            | 400%              | -47            |
| Gains/losses on disposal of property, equipment and intangible assets                  |            | 7             |               |            | 14            | -50%            | 7               | 14            | -50%              | 24             |
| Risk tax and resolution fee  |            | -671          | -582          | 15%        | -559          | 20%             | -671            | -559          | 20%               | -2,311         |
| <b>Operating profit</b>  |            | <b>8,516</b>  | <b>7,578</b>  | <b>12%</b> | <b>6,624</b>  | <b>29%</b>      | <b>8,516</b>    | <b>6,624</b>  | <b>29%</b>        | <b>26,829</b>  |
| Taxes  |            | -1,934        | -1,325        | 46%        | -1,243        | 56%             | -1,934          | -1,243        | 56%               | -5,431         |
| <b>Profit for the period from continuing operations</b>                                |            | <b>6,582</b>  | <b>6,252</b>  | <b>5%</b>  | <b>5,381</b>  | <b>22%</b>      | <b>6,582</b>    | <b>5,381</b>  | <b>22%</b>        | <b>21,398</b>  |
| Profit for the period from discontinued operations after tax                           | Note 10    | 232           | -265          |            | 307           | -24%            | 232             | 307           | -24%              | 280            |
| <b>Profit for the period</b>   |            | <b>6,814</b>  | <b>5,988</b>  | <b>14%</b> | <b>5,687</b>  | <b>20%</b>      | <b>6,814</b>    | <b>5,687</b>  | <b>20%</b>        | <b>21,678</b>  |
| Attributable to  |            |               |               |            |               |                 |                 |               |                   |                |
| Shareholders in Svenska Handelsbanken AB   |            | 6,814         | 5,987         | 14%        | 5,687         | 20%             | 6,814           | 5,687         | 20%               | 21,676         |
| Non-controlling interest   |            | 1             | 0             |            | 1             |                 | 1               | 1             |                   | 1              |

## EARNINGS PER SHARE - GROUP

|   | Q1<br>2023 | Q4<br>2022 | Change | Q1<br>2022 | Change | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Change | Full year<br>2022 |
|---|------------|------------|--------|------------|--------|-----------------|-----------------|--------|-------------------|
| Profit for the year, attributable to shareholders in Svenska Handelsbanken AB | 6,814      | 5,987      | 14%    | 5,687      | 20%    | 6,814           | 5,687           | 20%    | 21,676            |
| 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   | 3.44       | 3.02       | 14%    | 2.87       | 20%    | 3.44            | 2.87            | 20%    | 10.95             |
| Earnings per share, continuing operations, SEK                                | 3.32       | 3.16       | 5%     | 2.72       | 22%    | 3.32            | 2.72            | 22%    | 10.81             |
| Earnings per share, discontinued operations, SEK                              | 0.12       | -0.13      |        | 0.15       | -20%   | 0.12            | 0.15            | -20%   | 0.14              |

## STATEMENT OF COMPREHENSIVE INCOME – GROUP

| SEK m  | Q1<br>2023   | Q4<br>2022    | Change     | Q1<br>2022   | Change      | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Change      | Full year<br>2022 |
|--|--------------|---------------|------------|--------------|-------------|-----------------|-----------------|-------------|-------------------|
| <b>Profit for the period</b>   | <b>6,814</b> | <b>5,988</b>  | <b>14%</b> | <b>5,687</b> | <b>20%</b>  | <b>6,814</b>    | <b>5,687</b>    | <b>20%</b>  | <b>21,678</b>     |
| <b>Other comprehensive income</b>  |              |               |            |              |             |                 |                 |             |                   |
| <b>Items that will not be reclassified to the income statement</b>                           |              |               |            |              |             |                 |                 |             |                   |
| Defined benefit pension plans  | -220         | -1,087        | 80%        | 1,678        |             | -220            | 1,678           |             | 3,049             |
| Instruments measured at fair value through other comprehensive income - equity instruments   | 31           | -49           |            | 9            |             | 31              | 9               |             | 41                |
| Tax on items that will not be reclassified to income statement                               | 37           | 220           | -83%       | -344         |             | 37              | -344            |             | -642              |
| <i>of which defined benefit pension plans</i>  | 41           | 224           | -82%       | -343         |             | 41              | -343            |             | -622              |
| <i>of which equity instruments measured at fair value through other comprehensive income</i> | -4           | -3            |            | -2           |             | -4              | -2              |             | -19               |
| <b>Total items that will not be reclassified to the income statement</b>                     | <b>-152</b>  | <b>-917</b>   | <b>83%</b> | <b>1,343</b> |             | <b>-152</b>     | <b>1,343</b>    |             | <b>2,448</b>      |
| <b>Items that may subsequently be reclassified to the income statement</b>                   |              |               |            |              |             |                 |                 |             |                   |
| Cash flow hedges   | 333          | -1,499        |            | -1,287       |             | 333             | -1,287          |             | -2,640            |
| Instruments measured at fair value through other comprehensive income - debt instruments     | -2           | 28            |            | -44          |             | -2              | -44             |             | -60               |
| Insurance contracts  | -52          | -28           | -86%       | 419          |             | -52             | 419             |             | 793               |
| Translation differences for the period   | -335         | 766           |            | 883          |             | -335            | 883             |             | 2,312             |
| <i>of which hedging net investment in foreign operations</i>                                 | -78          | -88           | 11%        | -43          | -81%        | -78             | -43             | -81%        | -297              |
| Tax on items that may subsequently be reclassified to the income statement                   | 134          | -305          |            | 276          | -51%        | 134             | 277             | -52%        | -15               |
| <i>of which cash flow hedges</i>   | -69          | 309           |            | 265          |             | -69             | 265             |             | 544               |
| <i>of which debt instruments measured at fair value through other comprehensive income</i>   |              | -6            |            | 3            |             |                 | 3               |             | 6                 |
| <i>of which hedging net investment in foreign operations</i>                                 | 16           | 18            | -11%       | 9            | 78%         | 16              | 9               | 78%         | 61                |
| <i>of which translation difference</i>   | 187          | -626          |            |              |             | 187             |                 |             | -626              |
| <b>Total items that may subsequently be reclassified to the income statement</b>             | <b>79</b>    | <b>-1,038</b> |            | <b>248</b>   | <b>-68%</b> | <b>79</b>       | <b>248</b>      | <b>-68%</b> | <b>390</b>        |
| <b>Total other comprehensive income for the period</b>                                       | <b>-73</b>   | <b>-1,956</b> | <b>96%</b> | <b>1,592</b> |             | <b>-73</b>      | <b>1,592</b>    |             | <b>2,838</b>      |
| <b>Total comprehensive income for the period</b>   | <b>6,741</b> | <b>4,032</b>  | <b>67%</b> | <b>7,279</b> | <b>-7%</b>  | <b>6,741</b>    | <b>7,279</b>    | <b>-7%</b>  | <b>24,516</b>     |
| Attributable to  |              |               |            |              |             |                 |                 |             |                   |
| Shareholders in Svenska Handelsbanken AB   | 6,741        | 4,032         | 67%        | 7,279        | -7%         | 6,741           | 7,279           | -7%         | 24,516            |
| Non-controlling interest   | 1            | -1            |            | 2            | -50%        | 1               | 2               | -50%        | 1                 |

## QUARTERLY PERFORMANCE - GROUP

| SEK m  | Q1<br>2023    | Q4<br>2022    | Q3<br>2022    | Q2<br>2022    | Q1<br>2022    |
|--|---------------|---------------|---------------|---------------|---------------|
| Net interest income  | 11,485        | 10,631        | 9,579         | 8,390         | 8,014         |
| Net fee and commission income  | 2,766         | 2,694         | 2,700         | 2,710         | 2,877         |
| Net gains/losses on financial transactions   | 602           | 570           | 535           | 15            | 420           |
| Net insurance result   | 91            | 60            | 93            | -74           | -90           |
| Other dividend income  | 1             | 15            | -14           | 15            | 1             |
| Share of profit of associates  | -1            | -2            | 27            | -40           | 2             |
| Other income   | 42            | 85            | 25            | 38            | 1,098         |
| <b>Total income</b>  | <b>14,985</b> | <b>14,053</b> | <b>12,946</b> | <b>11,053</b> | <b>12,323</b> |
| Staff costs  | -3,470        | -3,468        | -3,266        | -3,148        | -3,158        |
| Other expenses   | -1,852        | -1,949        | -1,421        | -1,597        | -1,559        |
| Depreciation, amortisation and impairment of property, equipment and intangible assets | -454          | -423          | -412          | -381          | -430          |
| <b>Total expenses</b>  | <b>-5,776</b> | <b>-5,839</b> | <b>-5,100</b> | <b>-5,126</b> | <b>-5,147</b> |
| <b>Profit before credit losses, risk tax and resolution fee</b>                        | <b>9,210</b>  | <b>8,214</b>  | <b>7,846</b>  | <b>5,927</b>  | <b>7,176</b>  |
| Net credit losses  | -30           | -54           | 69            | -56           | -6            |
| Gains/losses on disposal of property, equipment and intangible assets                  | 7             |               | 6             | 4             | 14            |
| Risk tax and resolution fee  | -671          | -582          | -576          | -594          | -559          |
| <b>Operating profit</b>  | <b>8,516</b>  | <b>7,578</b>  | <b>7,346</b>  | <b>5,281</b>  | <b>6,624</b>  |
| Taxes  | -1,934        | -1,325        | -1,719        | -1,144        | -1,243        |
| <b>Profit for the period from continuing operations</b>                                | <b>6,582</b>  | <b>6,252</b>  | <b>5,627</b>  | <b>4,138</b>  | <b>5,381</b>  |
| Profit for the period from discontinued operations after tax                           | 232           | -265          | 165           | 73            | 307           |
| <b>Profit for the period</b>   | <b>6,814</b>  | <b>5,988</b>  | <b>5,791</b>  | <b>4,212</b>  | <b>5,687</b>  |
| Earnings per share, SEK  | 3.44          | 3.02          | 2.93          | 2.13          | 2.87          |

## BALANCE SHEET - GROUP

| SEK m  |            | 31 Mar<br>2023   | 31 Dec<br>2022   | 30 Sep<br>2022   | 30 Jun<br>2022   | 31 Mar<br>2022   |
|--|------------|------------------|------------------|------------------|------------------|------------------|
| <b>Assets</b>  |            |                  |                  |                  |                  |                  |
| Cash and balances with central banks   |            | 447,588          | 475,868          | 567,140          | 569,790          | 486,276          |
| Other loans to central banks   | Note 8     | 10,646           | 4,604            | 4,838            | 10,749           | 1,259            |
| Interest-bearing securities eligible as collateral with central banks              |            | 233,751          | 132,778          | 130,097          | 114,338          | 121,996          |
| Loans to other credit institutions   | Note 8     | 24,440           | 9,411            | 30,940           | 27,385           | 35,510           |
| Loans to the public  | Note 8     | 2,306,742        | 2,315,818        | 2,275,414        | 2,249,615        | 2,209,362        |
| Value change of interest-hedged item in portfolio hedge                            |            | -15,039          | -16,616          | -20,930          | -15,158          | -8,413           |
| Bonds and other interest-bearing securities  |            | 41,231           | 32,697           | 43,849           | 38,954           | 43,779           |
| Shares   |            | 21,296           | 12,813           | 19,465           | 20,179           | 19,167           |
| Investments in associates  |            | 591              | 561              | 553              | 532              | 496              |
| Assets where the customer bears the value change risk                              |            | 224,813          | 212,966          | 202,105          | 205,044          | 221,993          |
| Derivative instruments   | Note 11,12 | 39,500           | 36,261           | 81,976           | 55,078           | 24,333           |
| Intangible assets  | Note 13    | 8,426            | 8,402            | 8,249            | 8,317            | 8,313            |
| Property and equipment   |            | 4,786            | 4,914            | 4,624            | 4,766            | 5,016            |
| Current tax assets   |            | 1,346            | 160              | 2,791            | 2,442            | 1,063            |
| Deferred tax assets  |            | 1,516            | 1,590            | 1,325            | 1,133            | 989              |
| Net pension assets   |            | 13,005           | 12,875           | 13,659           | 13,514           | 10,715           |
| Assets held for sale   | Note 10    | 193,180          | 191,916          | 354,435          | 354,426          | 343,217          |
| Other assets   |            | 40,963           | 14,721           | 5,744            | 25,253           | 17,646           |
| Prepaid expenses and accrued income  |            | 3,297            | 1,979            | 2,367            | 2,702            | 3,198            |
| <b>Total assets</b>  | Note 17    | <b>3,602,079</b> | <b>3,453,716</b> | <b>3,728,640</b> | <b>3,689,060</b> | <b>3,545,916</b> |
| <b>Liabilities and equity</b>  |            |                  |                  |                  |                  |                  |
| Due to credit institutions   | Note 14    | 97,306           | 81,693           | 120,251          | 121,449          | 111,179          |
| Deposits and borrowing from the public   | Note 14    | 1,435,563        | 1,318,925        | 1,459,240        | 1,442,548        | 1,371,092        |
| Liabilities where the customer bears the value change risk                         |            | 224,814          | 212,966          | 202,105          | 205,044          | 221,993          |
| Issued securities  | Note 15    | 1,478,669        | 1,474,801        | 1,501,028        | 1,484,153        | 1,416,511        |
| Derivative instruments   | Note 11,12 | 24,140           | 29,040           | 26,934           | 21,782           | 19,819           |
| Short positions  |            | 11,544           | 1,939            | 10,990           | 14,140           | 17,665           |
| Insurance liabilities  |            | 8,464            | 8,546            | 8,667            | 8,884            | 9,403            |
| Current tax liabilities  |            | 894              | 217              | 1,621            | 1,016            | 544              |
| Deferred tax liabilities   |            | 5,735            | 5,614            | 6,655            | 6,209            | 5,622            |
| Provisions   |            | 520              | 591              | 644              | 864              | 962              |
| Liabilities held for sale  | Note 10    | 66,577           | 68,938           | 139,691          | 139,326          | 135,788          |
| Other liabilities  |            | 24,503           | 10,454           | 12,068           | 17,938           | 23,168           |
| Accrued expenses and deferred income   |            | 4,705            | 3,565            | 3,729            | 3,658            | 4,634            |
| Subordinated liabilities   |            | 33,771           | 42,404           | 45,059           | 38,516           | 31,434           |
| <b>Total liabilities</b>   | Note 17    | <b>3,417,204</b> | <b>3,259,694</b> | <b>3,538,683</b> | <b>3,505,527</b> | <b>3,369,812</b> |
| Non-controlling interest   |            | 4                | 3                | 13               | 12               | 27               |
| 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   |            | 18,610           | 18,684           | 20,638           | 20,164           | 17,436           |
| Retained earnings  |            | 147,621          | 141,834          | 141,790          | 141,632          | 141,127          |
| Profit for the period, attributable to shareholders<br>in Svenska Handelsbanken AB |            | 6,814            | 21,676           | 15,689           | 9,898            | 5,687            |
| <b>Total equity</b>  |            | <b>184,875</b>   | <b>194,024</b>   | <b>189,958</b>   | <b>183,533</b>   | <b>176,104</b>   |
| <b>Total liabilities and equity</b>  |            | <b>3,602,079</b> | <b>3,453,718</b> | <b>3,728,640</b> | <b>3,689,060</b> | <b>3,545,916</b> |

## STATEMENT OF CHANGES IN EQUITY – GROUP

| January - March 2023<br>SEK m                    | Share capital | Share premium | Defined benefit plans | Hedge reserve | Fair value reserve | Insurance contracts | Translation reserve | Retained earnings incl profit for the year | Non-controlling interest | Total          |
|--|---------------|---------------|-----------------------|---------------|--------------------|---------------------|---------------------|--|--------------------------|----------------|
| <b>Opening equity 2023</b>                       | <b>3,069</b>  | <b>8,758</b>  | <b>13,740</b>         | <b>-307</b>   | <b>126</b>         | <b>793</b>          | <b>4,332</b>        | <b>163,510</b>                             | <b>3</b>                 | <b>194,024</b> |
| Profit for the period                            |               |               |                       |               |                    |                     |                     | 6,814                                      | 1                        | 6,814          |
| Other comprehensive income                       |               |               | -179                  | 264           | 25                 | -52                 | -132                |  | 0                        | -73            |
| <i>of which reclassified within equity</i>       |               |               | 49                    |               |                    |                     |                     |  |                          | 49             |
| <b>Total comprehensive income for the period</b> |               |               | <b>-179</b>           | <b>264</b>    | <b>25</b>          | <b>-52</b>          | <b>-132</b>         | <b>6,814</b>                               | <b>1</b>                 | <b>6,741</b>   |
| Reclassified to retained earnings                |               |               |                       |               |                    |                     |                     | -49  |                          | -49            |
| Dividend   |               |               |                       |               |                    |                     |                     | -15,840                                    |                          | -15,840        |
| Change in non-controlling interest               |               |               |                       |               |                    |                     |                     |  |                          |                |
| <b>Closing equity</b>                            | <b>3,069</b>  | <b>8,758</b>  | <b>13,561</b>         | <b>-43</b>    | <b>151</b>         | <b>741</b>          | <b>4,201</b>        | <b>154,435</b>                             | <b>4</b>                 | <b>184,875</b> |

| January – December 2022<br>SEK m                         | Share capital | Share premium | Defined benefit plans | Hedge reserve | Fair value reserve | Insurance contracts | 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>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> |
| Effect of transition to IFRS 17                          |               |               |                       |               |                    |                     |                     | -3,010                                     |                          | -3,010         |
| Tax effect due to transition to IFRS 17                  |               |               |                       |               |                    |                     |                     | 3  |                          | 3              |
| <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>151,027</b>                             | <b>25</b>                | <b>178,724</b> |
| Profit for the period                                    |               |               |                       |               |                    |                     |                     | 21,676                                     | 1                        | 21,677         |
| Other comprehensive income                               |               |               | 2,427                 | -2,096        | -32                | 793                 | 1,747               |  | 0                        | 2,838          |
| <i>of which reclassified within equity</i>               |               |               |                       |               | -91                |                     | -615                |  |                          | -706           |
| <b>Total comprehensive income for the period</b>         |               |               | <b>2,427</b>          | <b>-2,096</b> | <b>-32</b>         | <b>793</b>          | <b>1,747</b>        | <b>21,676</b>                              | <b>1</b>                 | <b>24,516</b>  |
| Reclassified to retained earnings                        |               |               |                       |               |                    |                     |                     | 706  |                          | 706            |
| Dividend*  |               |               |                       |               |                    |                     |                     | -9,900                                     |                          | -9,900         |
| Share-based payments to employees of Handelsbanken Plc * |               |               |                       |               |                    |                     |                     | 25   |                          | 25             |
| Repurchase own shares *                                  |               |               |                       |               |                    |                     |                     | -25  |                          | -25            |
| Change in non-controlling interest                       |               |               |                       |               |                    |                     |                     |  | -23                      | -23            |
| <b>Closing equity</b>                                    | <b>3,069</b>  | <b>8,758</b>  | <b>13,740</b>         | <b>-307</b>   | <b>126</b>         | <b>793</b>          | <b>4,332</b>        | <b>163,510</b>                             | <b>3</b>                 | <b>194,024</b> |

| January - March 2022<br>SEK m                    | Share capital | Share premium | Defined benefit plans | Hedge reserve | Fair value reserve | Insurance contracts | 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>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> |
| Effect of transition to IFRS 17                  |               |               |                       |               |                    |                     |                     | -3,010                                     |                          | -3,010         |
| Tax effect due to transition to IFRS 17          |               |               |                       |               |                    |                     |                     | 3  |                          | 3              |
| <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>151,027</b>                             | <b>25</b>                | <b>178,724</b> |
| Profit for the period                            |               |               |                       |               |                    |                     |                     | 5,687                                      | 1                        | 5,688          |
| Other comprehensive income                       |               |               | 1,336                 | -1,022        | -34                | 419                 | 892                 |  | 1                        | 1,592          |
| <i>of which reclassified within equity</i>       |               |               |                       |               |                    |                     |                     |  |                          |                |
| <b>Total comprehensive income for the period</b> |               |               | <b>1,336</b>          | <b>-1,022</b> | <b>-34</b>         | <b>419</b>          | <b>892</b>          | <b>5,687</b>                               | <b>2</b>                 | <b>7,280</b>   |
| Reclassified to retained earnings                |               |               |                       |               |                    |                     |                     |  |                          |                |
| Dividend   |               |               |                       |               |                    |                     |                     | -9,900                                     |                          | -9,900         |
| Change in non-controlling interest               |               |               |                       |               |                    |                     |                     |  |                          |                |
| <b>Closing equity</b>                            | <b>3,069</b>  | <b>8,758</b>  | <b>12,649</b>         | <b>767</b>    | <b>124</b>         | <b>419</b>          | <b>3,477</b>        | <b>146,814</b>                             | <b>27</b>                | <b>176,104</b> |

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

## CONDENSED STATEMENT OF CASH FLOWS GROUP

| SEK m  | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Full year<br>2022 |
|--|-----------------|-----------------|-------------------|
| Operating profit   | 8,516           | 6,624           | 26,829            |
| Profit from discontinued operations, before tax                                      | 261             | 411             | 1,453             |
| Adjustment from Operating profit to investment activities                            |                 |                 | -333              |
| Adjustment for non-cash items in profit/loss and result from discontinued operations | -575            | 1,230           | 2,341             |
| Paid income tax  | -2,117          | -1,575          | -6,419            |
| Changes in the assets and liabilities of operating activities                        | -11,230         | 111,804         | -62,169           |
| <b>Cash flow from operating activities</b>   | <b>-5,144</b>   | <b>118,493</b>  | <b>-38,298</b>    |
| Disposal of operations and subsidiaries  |                 | 1,273           | 49,238            |
| Change in shares   | -50             | -30             | -11               |
| Change in property and equipment   | -116            | -108            | -304              |
| Change in intangible assets  | -257            | -141            | -711              |
| <b>Cash flow from investing activities</b>   | <b>-423</b>     | <b>994</b>      | <b>48,212</b>     |
| Repayment of subordinated loans  | -8,351          |                 | -3,000            |
| Issued subordinated loans  |                 |                 | 11,845            |
| Dividend paid  | -15,840         | -9,900          | -9,900            |
| <b>Cash flow from financing activities</b>   | <b>-24,192</b>  | <b>-9,900</b>   | <b>-1,055</b>     |
| <b>Liquid funds at beginning of the period</b>                                       | <b>475,882</b>  | <b>439,964</b>  | <b>439,964</b>    |
| Cash flow for the period   | -29,759         | 109,587         | 8,859             |
| Exchange rate difference on liquid funds   | 1,477           | 3,899           | 27,059            |
| <b>Liquid funds at end of the period*</b>  | <b>447,601</b>  | <b>553,450</b>  | <b>475,882</b>    |

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

The statement of cash flows in the above table includes the discontinued operations in Finland (see Note 10). The comparative figures also include the previously discontinued operations in Denmark.

# Notes

## Note 1 Accounting Policies

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

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

## Changed accounting policies

### IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts, which replaces IFRS 4 Insurance Contracts, became effective for application in the EU on 1 January 2023. The standard is to be applied to Handelsbanken's consolidated accounts as of the 2023 financial year, with a transition date of 1 January 2022. IFRS 17 entails a change in how insurance contracts are classified, measured and presented. The standard also entails changes in disclosure requirements.

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

#### Classification

The classification rules in IFRS 17 have entailed that traditional life insurance contracts are classified in their entirety as insurance contracts. In accordance with the separation rules in IFRS 4, the savings insurance components of these contracts were reported according to IFRS 9. The effect of this change in accounting policy has resulted in a reclassification of savings insurance components of traditional life insurance contracts in the balance sheet, from the line item Deposits and borrowing from the public to the line item Insurance liabilities. In the income statement, the effect is reclassifications from the line items Risk result – insurance, Net interest income, Net fee and commission income and Net gains/losses on financial transactions to the line item Insurance result.

#### Measurement

The new valuation approaches introduced by IFRS 17 entail new principles, estimates and assumptions, with the result that the Insurance liabilities line item has increased. The fair value approach was applied to the savings insurance components of traditional life

insurance contracts in conjunction with the transition, at which point a contractual service margin arose. The general approach is applied to these contracts. For risk insurance contracts and risk insurance components separated from combined traditional life insurance contracts, the fully retrospective approach was applied upon the transition, and the premium allocation approach is applied to these contracts.

#### Presentation

IFRS 17 does not impact the presentation on the balance sheet, but the new valuation approaches affect the valuation of insurance liabilities, with the result that the recognition and presentation of income and expenses attributable to insurance contracts are changed. The Bank presents net gains/losses on insurance contracts together in the new line item Net insurance result. Net insurance result includes the items Insurance result and Return on assets held on behalf of policyholders. Insurance result includes all income and expenses attributable to insurance contracts, including operating costs.

The effects of a changed discount rate when measuring savings insurance components of traditional life insurance contracts are recognised in Other comprehensive income, which is accumulated in the item Insurance contracts in equity.

#### Transition effect

The quantitative effect of the transition to IFRS 17 amounted to approximately SEK -3bn after taxes, which increased the balance sheet item Insurance liabilities and reduced the Group's retained earnings in equity at the start of the comparison year 2022. The effect is mainly attributable to the changed accounting policy for savings insurance components of traditional life insurance contracts.

The standard does not have any impact on the Bank's capital adequacy or large exposures, because the Bank's insurance operations are not included in the consolidated situation.

Handelsbanken has recalculated the comparative figures for 2022 and the transition to IFRS 17 is shown in the table titled "Recalculation resulting from transition to IFRS 17". Further information on the Bank's accounting policies relating to IFRS 17 can be found in note G1 in Handelsbanken's Annual and Sustainability Report 2022.

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 and Sustainability Report for 2022.

Other changes in accounting regulations applicable from 1 January 2023 have not had any impact on the Group's or the parent company's accounts.

## Future regulatory changes

None of the forthcoming 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.





| Balance sheet- Group  |                  |                       |                    |                  |                       |                  |                  |                       |                  |                  |                       |                  |                  |                       |                  |               |  |  |
|---|------------------|-----------------------|--------------------|------------------|-----------------------|------------------|------------------|-----------------------|------------------|------------------|-----------------------|------------------|------------------|-----------------------|------------------|---------------|--|--|
| Group<br>SEK m  | Published        |                       |                    | Recalculation    |                       |                  | Published        |                       |                  | Recalculation    |                       |                  | Published        |                       |                  | Recalculation |  |  |
|   | 31 Dec<br>2021   | Adjustment<br>IFRS 17 | 1 Jan<br>2022      | 31 Mar<br>2022   | Adjustment<br>IFRS 17 | 31 Mar<br>2022   | 30 Jun<br>2022   | Adjustment<br>IFRS 17 | 30 Jun<br>2022   | 30 Sep<br>2022   | Adjustment<br>IFRS 17 | 30 Sep<br>2022   | 31 Dec<br>2022   | Adjustment<br>IFRS 17 | 31 Dec<br>2022   |               |  |  |
| Deferred tax assets <sup>1</sup>  | 845              | 3                     | 848                | 986              | 3                     | 989              | 1 133            | 2                     | 1 135            | 1 323            | 2                     | 1 325            | 1 589            | 1                     | 1 590            |               |  |  |
| Other assets <sup>2</sup>   | 5 785            | 1                     | 5 786              | 17 645           | 1                     | 17 646           | 25 252           | 1                     | 25 253           | 5 743            | 1                     | 5 744            | 14 720           | 1                     | 14 721           |               |  |  |
| Other   | 3 340 134        |                       | 3 340 134          | 3 527 280        |                       | 3 527 280        | 3 662 673        |                       | 3 662 673        | 3 721 572        |                       | 3 721 572        | 3 437 407        |                       | 3 437 407        |               |  |  |
| <b>Total assets</b>   | <b>3 346 764</b> | <b>4</b>              | <b>3 346 768</b>   | <b>3 545 912</b> | <b>4</b>              | <b>3 545 916</b> | <b>3 689 057</b> | <b>3</b>              | <b>3 689 060</b> | <b>3 728 638</b> | <b>2</b>              | <b>3 728 640</b> | <b>3 453 716</b> | <b>2</b>              | <b>3 453 718</b> |               |  |  |
| Deposits and borrowing from the public <sup>3</sup>                             | 1 286 637        | -6 490                | 1 280 147          | 1 377 477        | -6 385                | 1 371 092        | 1 448 836        | -6 288                | 1 442 548        | 1 465 457        | -6 217                | 1 459 240        | 1 325 061        | -6 136                | 1 318 925        |               |  |  |
| Insurance liabilities <sup>4</sup>  | 532              | 9 457                 | 9 989 <sup>5</sup> | 511              | 8 892                 | 9 403            | 451              | 8 433                 | 8 884            | 408              | 8 259                 | 8 667            | 405              | 8 141                 | 8 546            |               |  |  |
| Other liabilities <sup>6</sup>  | 11 304           | 44                    | 11 348             | 23 121           | 47                    | 23 168           | 17 935           | 3                     | 17 938           | 12 063           | 5                     | 12 068           | 10 451           | 3                     | 10 454           |               |  |  |
| Other   | 1 866 560        |                       | 1 866 560          | 1 966 151        |                       | 1 966 151        | 2 036 157        |                       | 2 036 157        | 2 058 707        |                       | 2 058 707        | 1 921 768        |                       | 1 921 768        |               |  |  |
| <b>Total liabilities</b>  | <b>3 165 033</b> | <b>3 011</b>          | <b>3 168 044</b>   | <b>3 367 258</b> | <b>2 554</b>          | <b>3 369 812</b> | <b>3 503 378</b> | <b>2 149</b>          | <b>3 505 527</b> | <b>3 536 636</b> | <b>2 047</b>          | <b>3 538 683</b> | <b>3 257 686</b> | <b>2 008</b>          | <b>3 259 694</b> |               |  |  |
| Insurance contracts   |                  |                       |                    | 419              |                       | 419              | 789              |                       | 789              | 821              |                       | 821              | 793              |                       | 793              |               |  |  |
| Retained earnings <sup>7</sup>  | 134 507          | -3 007                | 131 500            | 144 134          | -3 007                | 141 127          | 144 639          | -3 007                | 141 632          | 144 797          | -3 007                | 141 790          | 144 841          | -3 007                | 141 834          |               |  |  |
| Profit for the period, attributable to shareholders in Svenska Handelsbanken AB | 19 527           |                       | 19 527             | 5 650            | 37                    | 5 687            | 9 825            | 73                    | 9 898            | 15 548           | 141                   | 15 689           | 21 468           | 208                   | 21 676           |               |  |  |
| Other   | 27 697           |                       | 27 697             | 28 871           |                       | 28 871           | 31 214           |                       | 31 214           | 31 657           |                       | 31 657           | 29 721           |                       | 29 721           |               |  |  |
| <b>Total equity</b>   | <b>181 731</b>   | <b>-3 007</b>         | <b>178 724</b>     | <b>178 655</b>   | <b>-2 551</b>         | <b>176 104</b>   | <b>185 679</b>   | <b>-2 146</b>         | <b>183 533</b>   | <b>192 002</b>   | <b>-2 044</b>         | <b>189 958</b>   | <b>196 030</b>   | <b>-2 006</b>         | <b>194 024</b>   |               |  |  |
| <b>Total liabilities and equity</b>   | <b>3 346 764</b> | <b>4</b>              | <b>3 346 768</b>   | <b>3 545 912</b> | <b>4</b>              | <b>3 545 916</b> | <b>3 689 057</b> | <b>3</b>              | <b>3 689 060</b> | <b>3 728 638</b> | <b>2</b>              | <b>3 728 640</b> | <b>3 453 716</b> | <b>2</b>              | <b>3 453 718</b> |               |  |  |

<sup>1</sup> Tax effect of transition to IFRS 17.

<sup>2</sup> Revaluation of the item reinsurance assets, due to the introduction of a risk adjustment for the valuation of the reinsurer's share of liabilities for incurred claims.

<sup>3</sup> Reclassification to the item Insurance liabilities, due to savings insurance components of traditional life insurance contracts changing accounting standard from IFRS 9 to IFRS 17.

<sup>4</sup> Reclassification from the item Deposits and borrowing from the public and revaluation of savings insurance components of traditional life insurance due to change of accounting policy.

<sup>5</sup> Insurance liabilities amount to SEK 9,989m. Of this amount, SEK 9,657m is attributable to contracts that applied the fair value approach on the transition and which apply the general approach. Contracts that applied the fully retrospective approach on the transition and which apply the premium allocation approach amount to SEK 332m.

<sup>6</sup> Reclassification of deposits that would not be reported according to IFRS 17 from the item Insurance liabilities to Other liabilities.

<sup>7</sup> The quantitative effect of the transition to IFRS 17 was a reduction of retained earnings and an increase to the item Insurance liabilities. Of this amount, SEK 2,996m is attributable to savings insurance components of traditional life insurance contracts. The introduction of a risk adjustment in the valuation of liabilities for incurred claims resulted in an effect of SEK 11m.

## Note 2 Net interest income

| SEK m   | Q1<br>2023 |                | Q4<br>2022 |                | Change     | Q1<br>2022 |               | Change      | Jan-Mar<br>2023 | Jan-Mar<br>2022 |               | Change      | Full year<br>2022 |
|---|------------|----------------|------------|----------------|------------|------------|---------------|-------------|-----------------|-----------------|---------------|-------------|-------------------|
| <b>Interest income</b>  |            |                |            |                |            |            |               |             |                 |                 |               |             |                   |
| Loans to credit institutions and central banks  |            | 5,939          |            | 5,069          | 17%        |            | 228           |             | 5,939           |                 | 228           |             | 8,873             |
| Loans to the public   |            | 19,212         |            | 16,491         | 16%        |            | 9,394         | 105%        | 19,212          |                 | 9,394         | 105%        | 48,567            |
| Interest-bearing securities eligible as collateral with central banks   |            | 1,255          |            | 730            | 72%        |            | 72            |             | 1,255           |                 | 72            |             | 1,289             |
| Bonds and other interest-bearing securities   |            | 213            |            | 315            | -32%       |            | 112           | 90%         | 213             |                 | 112           | 90%         | 876               |
| Derivative instruments  |            | 6,787          |            | 4,716          | 44%        |            | -257          |             | 6,787           |                 | -257          |             | 7,452             |
| Other interest income   |            | 233            |            | 286            | -19%       |            | 280           | -17%        | 233             |                 | 280           | -17%        | 1,164             |
| <b>Total</b>  |            | <b>33,639</b>  |            | <b>27,607</b>  | <b>22%</b> |            | <b>9,829</b>  | <b>242%</b> | <b>33,639</b>   |                 | <b>9,829</b>  | <b>242%</b> | <b>68,221</b>     |
| Deduction of interest income reported in Net gains/losses on financial transactions   |            | -715           |            | -456           | -57%       |            | -9            |             | -715            |                 | -9            |             | -814              |
| <b>Total interest income</b>  |            | <b>32,926</b>  |            | <b>27,151</b>  | <b>21%</b> |            | <b>9,820</b>  | <b>235%</b> | <b>32,926</b>   |                 | <b>9,820</b>  | <b>235%</b> | <b>67,407</b>     |
| <i>of which interest income according to the effective interest method and interest on derivatives in hedge accounting</i>  |            | 27,609         |            | 23,395         | 18%        |            | 9,440         | 192%        | 27,609          |                 | 9,440         | 192%        | 59,702            |
| <b>Interest expense</b>   |            |                |            |                |            |            |               |             |                 |                 |               |             |                   |
| Due to credit institutions and central banks  |            | -656           |            | -917           | -28%       |            | -13           |             | -656            |                 | -13           |             | -1,567            |
| Deposits and borrowing from the public  |            | -6,618         |            | -4,793         | 38%        |            | -206          |             | -6,618          |                 | -206          |             | -8,032            |
| Issued securities   |            | -9,357         |            | -7,563         | 24%        |            | -1,636        | 472%        | -9,357          |                 | -1,636        | 472%        | -16,595           |
| Derivative instruments  |            | -4,873         |            | -3,080         | 58%        |            | 464           |             | -4,873          |                 | 464           |             | -3,454            |
| Subordinated liabilities  |            | -377           |            | -369           | 2%         |            | -300          | 26%         | -377            |                 | -300          | 26%         | -1,368            |
| Deposit guarantee fee   |            | -86            |            | -134           | -36%       |            | -65           | 32%         | -86             |                 | -65           | 32%         | -332              |
| Other interest expenses   |            | -115           |            | -101           | 14%        |            | -67           | 72%         | -115            |                 | -67           | 72%         | -375              |
| <b>Total</b>  |            | <b>-22,082</b> |            | <b>-16,957</b> | <b>30%</b> |            | <b>-1,823</b> |             | <b>-22,082</b>  |                 | <b>-1,823</b> |             | <b>-31,723</b>    |
| Deduction of interest expense reported in Net gains/losses on financial transactions  |            | 640            |            | 436            | 47%        |            | 16            |             | 640             |                 | 16            |             | 930               |
| <b>Total interest expense</b>   |            | <b>-21,441</b> |            | <b>-16,520</b> | <b>30%</b> |            | <b>-1,807</b> |             | <b>-21,441</b>  |                 | <b>-1,807</b> |             | <b>-30,793</b>    |
| <i>of which interest expense according to the effective interest method and interest on derivatives in hedge accounting</i> |            | -19,295        |            | -15,090        | 28%        |            | -1,667        |             | -19,295         |                 | -1,667        |             | -28,272           |
| <b>Net interest income</b>  |            | <b>11,485</b>  |            | <b>10,631</b>  | <b>8%</b>  |            | <b>8,014</b>  | <b>43%</b>  | <b>11,485</b>   |                 | <b>8,014</b>  | <b>43%</b>  | <b>36,614</b>     |

The Derivative instruments line items includes net interest income which relates to hedged assets and liabilities. These can have either a positive or a negative impact on interest income and interest expenses.

### Note 3 Net fee and commission income

| SEK m                                      | Q1<br>2023   | Q4<br>2022   | Change    | Q1<br>2022   | Change     | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Change     | Full year<br>2022 |
|--|--------------|--------------|-----------|--------------|------------|-----------------|-----------------|------------|-------------------|
| Brokerage and other securities commissions | 123          | 106          | 16%       | 143          | -14%       | 123             | 143             | -14%       | 455               |
| Mutual funds                               | 1,351        | 1,322        | 2%        | 1,444        | -6%        | 1,351           | 1,444           | -6%        | 5,469             |
| Custody and other asset management fees    | 234          | 232          | 1%        | 251          | -7%        | 234             | 251             | -7%        | 911               |
| Advisory services                          | 105          | 24           | 338%      | 105          | 0%         | 105             | 105             | 0%         | 196               |
| Insurance                                  | 167          | 163          | 2%        | 175          | -5%        | 167             | 175             | -5%        | 672               |
| Payments                                   | 663          | 702          | -6%       | 601          | 10%        | 663             | 601             | 10%        | 2,680             |
| Loans and deposits                         | 296          | 303          | -2%       | 277          | 7%         | 296             | 277             | 7%         | 1,146             |
| Guarantees                                 | 50           | 48           | 4%        | 51           | -2%        | 50              | 51              | -2%        | 202               |
| Other                                      | 129          | 142          | -9%       | 134          | -4%        | 129             | 134             | -4%        | 546               |
| <b>Total fee and commission income</b>     | <b>3,118</b> | <b>3,042</b> | <b>2%</b> | <b>3,181</b> | <b>-2%</b> | <b>3,118</b>    | <b>3,181</b>    | <b>-2%</b> | <b>12,277</b>     |
| Securities                                 | -57          | -50          | 14%       | -57          | 0%         | -57             | -57             | 0%         | -218              |
| Payments                                   | -263         | -264         | 0%        | -223         | 18%        | -263            | -223            | 18%        | -969              |
| Other                                      | -32          | -33          | -3%       | -24          | 33%        | -32             | -24             | 33%        | -108              |
| <b>Total fee and commission expenses</b>   | <b>-352</b>  | <b>-348</b>  | <b>1%</b> | <b>-304</b>  | <b>16%</b> | <b>-352</b>     | <b>-304</b>     | <b>16%</b> | <b>-1,296</b>     |
| <b>Net fee and commission income</b>       | <b>2,766</b> | <b>2,694</b> | <b>3%</b> | <b>2,877</b> | <b>-4%</b> | <b>2,766</b>    | <b>2,877</b>    | <b>-4%</b> | <b>10,981</b>     |

### Net fee and commission income per segment

| January - March 2023                       |              | Home markets |            |                      |                    |            |              |              | Total<br>Jan-Mar<br>2023 |
|--|--------------|--------------|------------|----------------------|--------------------|------------|--------------|--------------|--------------------------|
| SEK m                                      | Sweden       | UK           | Norway     | The Nether-<br>lands | Capital<br>Markets | Other      | Adj. & elim. |              |                          |
| Brokerage and other securities commissions | 51           | 2            | 4          | 2                    | 67                 | 3          | -5           | 123          |                          |
| Mutual funds                               | 1,165        | 83           | 57         | 15                   | 2                  | 45         | -16          | 1,351        |                          |
| Custody and other asset management fees    | 170          | 10           | 26         | 22                   | 7                  | 0          | -2           | 234          |                          |
| Advisory services                          | 0            | 12           | 0          |                      | 93                 |            | 0            | 105          |                          |
| Insurance                                  | 167          | 0            | 1          |                      |                    | 0          | 0            | 167          |                          |
| Payments                                   | 518          | 79           | 65         | 0                    | 4                  | -2         |              | 663          |                          |
| Loans and deposits                         | 187          | 35           | 27         | 2                    | 12                 | 33         | 0            | 296          |                          |
| Guarantees                                 | 28           | 3            | 9          | 0                    | 10                 | 0          | 0            | 50           |                          |
| Other                                      | 125          | 1            | 0          | 0                    | 83                 | 0          | -81          | 129          |                          |
| <b>Total fee and commission income</b>     | <b>2,411</b> | <b>225</b>   | <b>189</b> | <b>42</b>            | <b>276</b>         | <b>79</b>  | <b>-105</b>  | <b>3,118</b> |                          |
| <b>Total fee and commission expenses</b>   | <b>-348</b>  | <b>-23</b>   | <b>-33</b> | <b>-4</b>            | <b>-34</b>         | <b>-15</b> | <b>105</b>   | <b>-352</b>  |                          |
| <b>Net fee and commission income</b>       | <b>2,063</b> | <b>202</b>   | <b>156</b> | <b>39</b>            | <b>242</b>         | <b>64</b>  | <b>0</b>     | <b>2,766</b> |                          |
| <i>of which Net card commissions</i>       | <i>213</i>   | <i>15</i>    | <i>17</i>  | <i>0</i>             | <i>0</i>           | <i>-4</i>  |              | <i>241</i>   |                          |

| January - March 2022                       |              | Home markets |            |                      |                    |            |              |              | Total<br>Jan-Mar<br>2022 |
|--|--------------|--------------|------------|----------------------|--------------------|------------|--------------|--------------|--------------------------|
| SEK m                                      | Sweden       | UK           | Norway     | The Nether-<br>lands | Capital<br>Markets | Other      | Adj. & elim. |              |                          |
| Brokerage and other securities commissions | 64           | 1            | 4          | 3                    | 65                 | 6          | -1           | 143          |                          |
| Mutual funds                               | 1,248        | 87           | 64         | 15                   | 3                  | 52         | -25          | 1,444        |                          |
| Custody and other asset management fees    | 186          | 8            | 30         | 17                   | 12                 | 0          | -2           | 251          |                          |
| Advisory services                          | 0            | 13           |            |                      | 106                | -7         | -7           | 105          |                          |
| Insurance                                  | 172          | 0            | 3          |                      |                    | 0          | 0            | 175          |                          |
| Payments                                   | 465          | 74           | 61         | 1                    | 4                  | -3         | 0            | 601          |                          |
| Loans and deposits                         | 179          | 30           | 22         | 3                    | 12                 | 30         | 0            | 277          |                          |
| Guarantees                                 | 28           | 4            | 10         | 0                    | 10                 |            | 0            | 51           |                          |
| Other                                      | 127          | 2            | 3          | 0                    | 78                 | 0          | -76          | 134          |                          |
| <b>Total fee and commission income</b>     | <b>2,471</b> | <b>218</b>   | <b>197</b> | <b>39</b>            | <b>290</b>         | <b>78</b>  | <b>-112</b>  | <b>3,181</b> |                          |
| <b>Total fee and commission expenses</b>   | <b>-313</b>  | <b>-17</b>   | <b>-28</b> | <b>-5</b>            | <b>-31</b>         | <b>-21</b> | <b>112</b>   | <b>-304</b>  |                          |
| <b>Net fee and commission income</b>       | <b>2,158</b> | <b>201</b>   | <b>169</b> | <b>35</b>            | <b>259</b>         | <b>56</b>  | <b>0</b>     | <b>2,877</b> |                          |
| <i>of which Net card commissions</i>       | <i>198</i>   | <i>11</i>    | <i>18</i>  | <i>0</i>             | <i>0</i>           | <i>-3</i>  |              | <i>223</i>   |                          |

#### Note 4 Net gains/losses on financial transactions

| SEK m   | Q1<br>2023 | Q4<br>2022 | Change    | Q1<br>2022 | Change      | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Change      | Full year<br>2022 |
|---|------------|------------|-----------|------------|-------------|-----------------|-----------------|-------------|-------------------|
| Amortised cost  | 123        | -97        |           | 61         | 102%        | 123             | 61              | 102%        | 65                |
| of which loans  | 1          | -145       |           | 80         | -99%        | 1               | 80              | -99%        | 35                |
| of which interest-bearing securities                              |            |            |           |            |             |                 |                 |             |                   |
| of which issued securities  | 122        | 48         | 154%      | -19        |             | 122             | -19             |             | 30                |
| Fair value through other comprehensive income                     | 0          | 0          | 0%        | 0          | 0%          | 0               | 0               | 0%          | -1                |
| of which expected credit losses                                   | 0          | 0          | 0%        | 0          | 0%          | 0               | 0               | 0%          | -1                |
| Fair value through profit or loss, fair value option              | 121        | -254       |           | -1,811     |             | 121             | -1,811          |             | -4,710            |
| of which interest-bearing securities                              | 121        | -254       |           | -1,811     |             | 121             | -1,811          |             | -4,710            |
| Fair value through profit or loss, mandatory including FX effects | 443        | 1,079      | -59%      | 2,004      | -78%        | 443             | 2,004           | -78%        | 5,975             |
| of which assets held on behalf of policyholders                   | 64         | 39         | 64%       | -168       |             | 64              | -168            |             | -291              |
| Hedge accounting  | -21        | -119       | 82%       | -2         |             | -21             | -2              |             | -80               |
| of which net gains/losses on fair value hedges                    | 17         | -57        |           | 2          |             | 17              | 2               |             | -29               |
| of which cash flow hedge ineffectiveness                          | -38        | -61        | 38%       | -4         |             | -38             | -4              |             | -51               |
| <b>Total</b>  | <b>666</b> | <b>609</b> | <b>9%</b> | <b>252</b> | <b>164%</b> | <b>666</b>      | <b>252</b>      | <b>164%</b> | <b>1,249</b>      |
| Deduction of return on assets held on behalf of policyholders     | -64        | -39        | -64%      | 168        |             | -64             | 168             |             | 291               |
| <b>Net gains/losses on financial transactions</b>                 | <b>602</b> | <b>570</b> | <b>6%</b> | <b>420</b> | <b>43%</b>  | <b>602</b>      | <b>420</b>      | <b>43%</b>  | <b>1,540</b>      |

#### Note 5 Net insurance result

| SEK m  | Q1<br>2023 | Q4<br>2022 | Change     | Q1<br>2022 | Change      | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Change      | Full year<br>2022 |
|--|------------|------------|------------|------------|-------------|-----------------|-----------------|-------------|-------------------|
| Insurance revenue                                | 302        | 298        | 1%         | 313        | -4%         | 302             | 313             | -4%         | 1,208             |
| Insurance service expenses                       | -268       | -258       | 4%         | -245       | 9%          | -268            | -245            | 9%          | -929              |
| Result from reinsurance contracts                |            | -18        |            |            |             |                 |                 |             | -18               |
| Insurance finance income and expenses            | -7         | -1         |            | 10         |             | -7              | 10              |             | 19                |
| <b>Insurance result</b>                          | <b>27</b>  | <b>21</b>  | <b>29%</b> | <b>78</b>  | <b>-65%</b> | <b>27</b>       | <b>78</b>       | <b>-65%</b> | <b>280</b>        |
| Return on assets held on behalf of policyholders | 64         | 39         | 64%        | -168       |             | 64              | -168            |             | -291              |
| <b>Net insurance result</b>                      | <b>91</b>  | <b>60</b>  | <b>52%</b> | <b>-90</b> |             | <b>91</b>       | <b>-90</b>      |             | <b>-11</b>        |

#### Note 6 Other expenses

| SEK m                 | Q1<br>2023    | Q4<br>2022    | Change     | Q1<br>2022    | Change     | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Change     | Full year<br>2022 |
|-----------------------|---------------|---------------|------------|---------------|------------|-----------------|-----------------|------------|-------------------|
| Property and premises | -162          | -177          | -8%        | -131          | 24%        | -162            | -131            | 24%        | -599              |
| IT related expenses   | -837          | -839          | 0%         | -685          | 22%        | -837            | -685            | 22%        | -2,963            |
| Communication         | -71           | -65           | 9%         | -69           | 3%         | -71             | -69             | 3%         | -255              |
| Travel and marketing  | -63           | -85           | -26%       | -38           | 66%        | -63             | -38             | 66%        | -236              |
| Purchased services    | -555          | -535          | 4%         | -469          | 18%        | -555            | -469            | 18%        | -1,836            |
| Supplies              | -52           | -56           | -7%        | -35           | 49%        | -52             | -35             | 49%        | -170              |
| Other expenses        | -112          | -192          | -42%       | -133          | -16%       | -112            | -133            | -16%       | -467              |
| <b>Other expenses</b> | <b>-1,852</b> | <b>-1,949</b> | <b>-5%</b> | <b>-1,559</b> | <b>19%</b> | <b>-1,852</b>   | <b>-1,559</b>   | <b>19%</b> | <b>-6,526</b>     |

## Note 7 Credit losses

| SEK m  | Q1<br>2023  | Q4<br>2022 | Change      | Q1<br>2022 | Change      | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Change      | Full year<br>2022 |
|--|-------------|------------|-------------|------------|-------------|-----------------|-----------------|-------------|-------------------|
| <b>Expected credit losses on balance sheet items</b>           |             |            |             |            |             |                 |                 |             |                   |
| The period's provision Stage 3                                 | -91         | -66        | 38%         | -9         |             | -91             | -9              |             | -182              |
| Reversal of Stage 3 provisions previous years                  | 39          | 50         | -22%        | 46         | -15%        | 39              | 46              | -15%        | 223               |
| <b>Total expected credit losses Stage 3</b>                    | <b>-52</b>  | <b>-16</b> | <b>225%</b> | <b>37</b>  |             | <b>-52</b>      | <b>37</b>       |             | <b>41</b>         |
| The period's net provision Stage 2                             | -84         | -51        | 65%         | -13        |             | -84             | -13             |             | -99               |
| The period's net provision Stage 1                             | 14          | -25        |             | -4         |             | 14              | -4              |             | -109              |
| <b>Total expected credit losses in Stage 1 and Stage 2</b>     | <b>-70</b>  | <b>-75</b> | <b>-7%</b>  | <b>-17</b> | <b>312%</b> | <b>-70</b>      | <b>-17</b>      | <b>312%</b> | <b>-207</b>       |
| <b>Total expected credit losses on balance sheet items</b>     | <b>-121</b> | <b>-92</b> | <b>32%</b>  | <b>20</b>  |             | <b>-121</b>     | <b>20</b>       |             | <b>-166</b>       |
| <b>Expected credit losses on off-balance sheet items</b>       |             |            |             |            |             |                 |                 |             |                   |
| The period's net provision Stage 3                             | 6           | 1          | 500%        | 6          | 0%          | 6               | 6               | 0%          | 11                |
| The period's net provision Stage 2                             | 35          | -17        |             | -44        |             | 35              | -44             |             | -31               |
| The period's net provision Stage 1                             | 8           | 0          |             | 17         | -53%        | 8               | 17              | -53%        | -4                |
| <b>Total expected credit losses on off-balance sheet items</b> | <b>50</b>   | <b>-18</b> |             | <b>-21</b> |             | <b>50</b>       | <b>-21</b>      |             | <b>-25</b>        |
| <b>Write-offs</b>  |             |            |             |            |             |                 |                 |             |                   |
| Actual credit losses for the period                            | -61         | -55        | 11%         | -542       | -89%        | -61             | -542            | -89%        | -738              |
| Utilised share of previous provision Stage 3                   | 57          | 34         | 68%         | 474        | -88%        | 57              | 474             | -88%        | 636               |
| <b>Total write-offs</b>  | <b>-4</b>   | <b>-21</b> | <b>-81%</b> | <b>-68</b> | <b>-94%</b> | <b>-4</b>       | <b>-68</b>      | <b>-94%</b> | <b>-102</b>       |
| <b>Recoveries</b>  |             |            |             |            |             |                 |                 |             |                   |
|  | <b>46</b>   | <b>76</b>  | <b>-39%</b> | <b>62</b>  | <b>-26%</b> | <b>46</b>       | <b>62</b>       | <b>-26%</b> | <b>245</b>        |
| <b>Net credit losses</b>                                       | <b>-30</b>  | <b>-54</b> | <b>-44%</b> | <b>-6</b>  | <b>400%</b> | <b>-30</b>      | <b>-6</b>       | <b>400%</b> | <b>-47</b>        |
| <i>of which loans to the public</i>                            | -79         | -37        | 114%        | 12         |             | -79             | 12              |             | -26               |

| SEK m  | Q1<br>2023 | Q4<br>2022 | Q3<br>2022 | Q2<br>2022  | Q1<br>2022 |
|--|------------|------------|------------|-------------|------------|
| <b>1) Expected credit losses Stage 3 on and off balance sheet</b>                          | <b>-46</b> | <b>-15</b> | <b>25</b>  | <b>-1</b>   | <b>43</b>  |
| <b>Change in model-based provision Stage 1 and Stage 2:</b>                                |            |            |            |             |            |
| Update of macroeconomic scenarios and risk factors   | -2         | -34        | -47        | -38         | -16        |
| Transfer of exposures in exposed sectors from Stage 1 to Stage 2*                          | -5         | 3          | 1          | -1          | 9          |
| Change in probability of default in portfolio at beginning of quarter (net rating changes) | -46        | -27        | 15         | -14         | -14        |
| Effects of changes in exposures (existing, new and terminated exposures)                   | 10         | 10         | 11         | 17          | 14         |
| Other in Stage 1 and Stage 2   | 17         | 0          | 8          | 14          | -12        |
| <i>Deducted, discontinued operations</i>   | 2          | -1         | 8          | -15         | -12        |
| <b>Model-based credit losses in Stage 1 and Stage 2</b>                                    | <b>-24</b> | <b>-49</b> | <b>-4</b>  | <b>-37</b>  | <b>-31</b> |
| <b>Expert based provision</b>  |            |            |            |             |            |
| Expert based provision   | -637       | -646       | -672       | -678        | -599       |
| <i>Deducted, discontinued operations</i>   | 13         | 25         | 95         | 85          | 87         |
| Expert based provision in continuing operations  | -624       | -621       | -577       | -593        | -512       |
| <b>Quarterly change of provisions which affect credit losses in Stage 1 and Stage 2</b>    | <b>-3</b>  | <b>-44</b> | <b>16</b>  | <b>-81</b>  | <b>-13</b> |
| <b>2) Expected credit losses in Stage 1 and Stage 2 on and off balance sheet</b>           | <b>-27</b> | <b>-93</b> | <b>12</b>  | <b>-118</b> | <b>-44</b> |
| <b>3) Write-offs</b>   | <b>-4</b>  | <b>-21</b> | <b>-6</b>  | <b>-7</b>   | <b>-68</b> |
| <b>4) Recoveries</b>   | <b>46</b>  | <b>76</b>  | <b>35</b>  | <b>72</b>   | <b>62</b>  |
| <b>Net credit losses (1+2+3+4)</b>   | <b>-30</b> | <b>-54</b> | <b>69</b>  | <b>-56</b>  | <b>-6</b>  |

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

The total provision requirement in Stage 1 and Stage 2 has increased during the first 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 fourth quarter. The updated assumptions for macroeconomic risk factors reflect somewhat higher interest rates and slightly lower GDP than the previous quarter. The effect of these changes on the provision requirement for the quarter were marginal. The primary reason for the increased model-based provision is negative rating migration in the customer portfolio, which increased the provision requirement by SEK 46m, while other factors in combination reduced the provision requirement slightly.

During Q1, the Bank applied an expert-based provision based on elevated credit risks relating to uncertainty factors which were not deemed to be fully considered in the Bank's risk models. These uncertainty factors are primarily 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, and results in an additional provision requirement of SEK 624m (621) in continuing operations and SEK 637m (646) including discontinued operations.

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

|   | 31 Mar<br>2023 | 31 Dec<br>2022 | 30 Sep<br>2022 | 30 Jun<br>2022 | 31 Mar<br>2022 |
|---|----------------|----------------|----------------|----------------|----------------|
| Credit loss ratio %, continuing operations, acc | 0.01           | 0.00           | 0.00           | 0.00           | 0.00           |
| Total credit loss reserve ratio, %              | 0.10           | 0.10           | 0.10           | 0.11           | 0.11           |
| Credit loss reserve ratio Stage 1, %            | 0.02           | 0.02           | 0.02           | 0.02           | 0.02           |
| Credit loss reserve ratio Stage 2, %            | 0.90           | 0.79           | 0.98           | 1.20           | 1.25           |
| Credit loss reserve ratio Stage 3, %            | 20.89          | 21.99          | 22.97          | 23.96          | 24.05          |
| Proportion of loans Stage 3, %                  | 0.19           | 0.18           | 0.19           | 0.19           | 0.20           |

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 disposal group in Finland, which have been reclassified on the balance sheet as Assets held for sale (see Note 10). The comparative figures include the operations in Denmark, which were divested in Q4, up until 30 September 2022.

#### Sensitivity analysis and macroeconomic forecast in ECL calculations

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 31 March 2023, if the negative and positive scenarios are assigned probabilities of 100%. The effect of assigning a probability of 100% to the severe downturn scenario for the UK is not included in the total.

| %                                       | 31 March 2023   |  | 31 December 2022  |  |
|---|---|--|---|--|
|   | Percentage increase in the provision in a downturn scenario | Percentage decrease in the provision in an upturn scenario | Percentage increase in the provision in a downturn scenario | Percentage decrease in the provision in an upturn scenario |
| Sweden                                  | 9.56  | -6.51  | 10.95   | -7.72  |
| Great Britain                           | 1.49  | -7.89  | 7.49  | -7.19  |
| Great Britain, severe downturn scenario | 12.70   |  | 25.30   |  |
| Norway                                  | 7.38  | -5.69  | 7.54  | -6.10  |
| Finland                                 | -1.03   | 0.77   | -0.13   | 0.20   |
| The Netherlands                         | 2.56  | -2.17  | 3.52  | -2.56  |
| United States                           | 25.35   | -19.40   | 27.06   | -20.37   |
| Other countries                         | 2.35  | -1.45  | 3.64  | -2.07  |
| <b>Total</b>                            | <b>5.49</b>   | <b>-5.17</b>   | <b>7.43</b>   | <b>-5.60</b>   |

The calculation of expected credit losses applies forward-looking information in the form of macroeconomic scenarios. The expected credit loss is a probability-weighted average of the calculated forecasts. Three scenarios are applied for exposures outside the UK. The forecast in the base case scenario is assigned a weight of 60% (60), while an upturn in the economy is assigned 20% (20), and a downturn 20% (20). For exposures in the UK, a fourth, more severe downturn scenario has been applied as of Q4 2022. The probability weighting for severe downturn/downturn/base case/upturn scenarios for the UK is 15%/20%/60%/5% (15/20/60/5). These scenarios and weightings have formed the basis for the calculation of expected credit losses in Stage 1 and Stage 2 as at 31 March 2023.

| Macroeconomic risk factor               |   | Downturn scenario |        |       | Base case scenario |       |       | Upturn scenario |       |       |
|---|---|-------------------|--------|-------|--------------------|-------|-------|-----------------|-------|-------|
|   |   | 2023              | 2024   | 2025  | 2023               | 2024  | 2025  | 2023            | 2024  | 2025  |
| GDP growth, %                           | Sweden                                  | -3.84             | -0.56  | 3.23  | -0.79              | 0.99  | 2.58  | 1.71            | 2.49  | 2.28  |
|   | Great Britain                           | -4.30             | -0.20  | 3.90  | -1.80              | 0.80  | 3.40  | 0.70            | 2.30  | 3.10  |
|   | Great Britain, severe downturn scenario | -8.80             | -3.20  | 4.40  |                    |       |       |                 |       |       |
|   | Norway                                  | -3.11             | -1.20  | 2.18  | -0.06              | 0.35  | 1.53  | 2.44            | 1.85  | 1.23  |
|   | Finland                                 | -3.25             | -0.57  | 2.06  | -0.20              | 0.98  | 1.41  | 2.30            | 2.48  | 1.11  |
|   | Euro area                               | -3.32             | -0.24  | 2.45  | -0.27              | 1.31  | 1.80  | 2.23            | 2.81  | 1.50  |
|   | United States                           | -2.31             | -1.25  | 2.72  | 0.74               | 0.30  | 2.07  | 3.24            | 1.40  | 1.77  |
|   |   |                   |        |       |                    |       |       |                 |       |       |
| Unemployment rate, %                    | Sweden                                  | 9.05              | 10.23  | 9.87  | 7.88               | 8.33  | 7.97  | 7.28            | 7.39  | 7.37  |
|   | Great Britain                           | 6.60              | 6.50   | 6.10  | 6.00               | 5.00  | 4.60  | 5.40            | 3.80  | 3.70  |
|   | Great Britain, severe downturn scenario | 8.50              | 9.00   | 8.60  |                    |       |       |                 |       |       |
|   | Norway                                  | 3.22              | 4.20   | 4.20  | 2.05               | 2.30  | 2.30  | 1.45            | 1.36  | 1.70  |
|   | Finland                                 | 8.17              | 8.70   | 8.50  | 7.00               | 6.80  | 6.60  | 6.40            | 5.86  | 6.00  |
|   | Euro area                               | 8.42              | 9.38   | 9.40  | 7.25               | 7.48  | 7.50  | 6.65            | 6.54  | 6.90  |
|   | United States                           | 5.12              | 7.11   | 7.21  | 3.95               | 5.21  | 5.31  | 3.35            | 4.27  | 4.71  |
|   |   |                   |        |       |                    |       |       |                 |       |       |
| Policy interest rate, %                 | Sweden                                  | 3.04              | 1.50   | 1.25  | 4.25               | 3.50  | 2.75  | 5.00            | 4.50  | 3.50  |
|   | Great Britain                           | 3.00              | 2.25   | 2.25  | 4.00               | 3.75  | 3.00  | 4.75            | 4.50  | 3.75  |
|   | Great Britain, severe downturn scenario | 1.25              | 0.00   | 0.00  |                    |       |       |                 |       |       |
|   | Norway                                  | 2.25              | 1.25   | 1.00  | 3.75               | 3.25  | 2.75  | 4.50            | 4.25  | 3.50  |
|   | Finland                                 | 2.55              | 1.25   | 0.75  | 3.75               | 3.00  | 2.00  | 4.50            | 4.00  | 2.75  |
|   | Euro area                               | 2.55              | 1.25   | 0.75  | 3.75               | 3.00  | 2.00  | 4.50            | 4.00  | 2.75  |
|   | United States                           | 4.20              | 1.88   | 1.13  | 5.63               | 4.13  | 2.88  | 6.63            | 5.38  | 3.63  |
|   |   |                   |        |       |                    |       |       |                 |       |       |
| Residential real estate, value change % | Sweden                                  | -22.37            | 1.77   | 1.89  | -13.51             | 1.75  | 1.95  | -8.78           | 2.19  | 3.92  |
|   | Great Britain                           | -10.00            | 0.07   | 1.08  | -3.20              | 1.20  | 2.35  | 5.00            | 2.41  | 2.74  |
|   | Great Britain, severe downturn scenario | -22.76            | 1.62   | 1.12  |                    |       |       |                 |       |       |
|   | Norway                                  | -6.07             | 0.44   | 3.98  | 0.37               | 1.48  | 3.45  | 4.65            | 2.28  | 1.81  |
|   | Finland                                 | -1.21             | 1.94   | 1.74  | 0.44               | 2.44  | 2.61  | 1.23            | 2.90  | 3.06  |
|   | Euro area                               | 2.95              | 2.35   | 2.00  | 2.40               | 2.00  | 2.00  | 2.10            | 1.70  | 2.03  |
|   |   |                   |        |       |                    |       |       |                 |       |       |
|   |   |                   |        |       |                    |       |       |                 |       |       |
| Commercial real estate, value change %  | Sweden                                  | -12.43            | -7.97  | 2.06  | -4.97              | -4.86 | 2.21  | -0.66           | -1.66 | 1.30  |
|   | Great Britain                           | -20.41            | -1.50  | 3.87  | -17.35             | 0.63  | 4.74  | -13.96          | 2.50  | 5.39  |
|   | Great Britain, severe downturn scenario | -29.20            | -13.19 | 1.28  |                    |       |       |                 |       |       |
|   | Norway                                  | -10.32            | -4.63  | -2.35 | -4.58              | -0.99 | -1.93 | 0.45            | 1.05  | -2.25 |
|   | Finland                                 | -11.22            | -3.22  | 2.03  | -4.12              | 0.50  | 1.88  | 1.04            | 2.63  | 1.15  |
|   | Euro area                               | -9.47             | 0.99   | 1.80  | -4.73              | 2.17  | 2.66  | 0.91            | 4.38  | 2.43  |
|   |   |                   |        |       |                    |       |       |                 |       |       |
|   |   |                   |        |       |                    |       |       |                 |       |       |

## Note 8 Loans

The balance sheet items in the tables below include the Finland disposal group, which has been reclassified to Assets held for sale and Liabilities held for sale in the balance sheet, respectively (see Note 10). The comparative figures include the operations in Denmark, which were divested in Q4, up until 30 September 2022.

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

| SEK m   | 31 Mar<br>2023   | 31 Dec<br>2022   | 30 Sep<br>2022   | 30 Jun<br>2022   | 31 Mar<br>2022   |
|---|------------------|------------------|------------------|------------------|------------------|
| Cash and balances with central banks                                  | 447,577          | 475,853          | 602,266          | 642,820          | 553,424          |
| Other loans to central banks  | 40,569           | 32,620           | 40,181           | 11,037           | 1,468            |
| Interest-bearing securities eligible as collateral with central banks |                  | 200              | 218              | 219              | 225              |
| Loans to other credit institutions                                    | 24,442           | 9,415            | 31,042           | 27,502           | 35,606           |
| <i>of which reverse repos</i>   | 6,790            |                  | 17,988           | 16,349           | 17,351           |
| Loans to the public   | 2,459,286        | 2,469,324        | 2,539,160        | 2,510,365        | 2,464,468        |
| <i>of which reverse repos</i>   | 14,350           | 12,917           | 18,300           | 13,175           | 12,785           |
| Bonds and interest-bearing securities                                 | 8,588            | 9,882            | 9,593            | 9,664            | 9,284            |
| <b>Total</b>  | <b>2,980,463</b> | <b>2,997,294</b> | <b>3,222,461</b> | <b>3,201,607</b> | <b>3,064,475</b> |

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

| SEK m                   | 31 Mar<br>2023 | 31 Dec<br>2022 | 30 Sep<br>2022 | 30 Jun<br>2022 | 31 Mar<br>2022 |
|-------------------------|----------------|----------------|----------------|----------------|----------------|
| Volume, gross           | 2,982,969      | 2,999,751      | 3,225,106      | 3,204,311      | 3,067,163      |
| <i>of which Stage 1</i> | 2,888,415      | 2,902,686      | 3,144,555      | 3,135,265      | 3,004,694      |
| <i>of which Stage 2</i> | 88,569         | 91,350         | 74,383         | 62,777         | 55,892         |
| <i>of which Stage 3</i> | 5,985          | 5,716          | 6,168          | 6,269          | 6,577          |
| Provisions              | -2,508         | -2,459         | -2,648         | -2,708         | -2,692         |
| <i>of which Stage 1</i> | -463           | -480           | -503           | -450           | -410           |
| <i>of which Stage 2</i> | -795           | -723           | -727           | -756           | -700           |
| <i>of which Stage 3</i> | -1,250         | -1,257         | -1,417         | -1,502         | -1,582         |

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

| SEK m                      | 31 Mar<br>2023 | 31 Dec<br>2022 | 30 Sep<br>2022 | 30 Jun<br>2022 | 31 Mar<br>2022 |
|----------------------------|----------------|----------------|----------------|----------------|----------------|
| Loans to the public, gross | 2,461,789      | 2,471,778      | 2,541,802      | 2,513,066      | 2,467,153      |
| <i>of which Stage 1</i>    | 2,367,255      | 2,374,713      | 2,461,251      | 2,444,020      | 2,404,698      |
| <i>of which Stage 2</i>    | 88,549         | 91,349         | 74,383         | 62,777         | 55,879         |
| <i>of which Stage 3</i>    | 5,985          | 5,716          | 6,168          | 6,269          | 6,577          |
| Provisions                 | -2,503         | -2,454         | -2,642         | -2,702         | -2,686         |
| <i>of which Stage 1</i>    | -459           | -475           | -498           | -445           | -406           |
| <i>of which Stage 2</i>    | -794           | -722           | -727           | -754           | -698           |
| <i>of which Stage 3</i>    | -1,250         | -1,257         | -1,417         | -1,502         | -1,582         |

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

| 31 March 2023   |             |             |               |               |
|---|-------------|-------------|---------------|---------------|
| SEK m   | Stage 1     | Stage 2     | Stage 3       | Total         |
| Provision at beginning of year                          | -480        | -723        | -1,257        | -2,459        |
| Derecognised assets                                     | 10          | 17          | 9             | 35            |
| Write-offs  | 0           | 0           | 61            | 61            |
| Remeasurements due to changes in credit risk            | -35         | 11          | -17           | -41           |
| Changes due to update in the methodology for estimation |             |             |               |               |
| Foreign exchange effect, etc                            | 2           | 3           | -3            | 2             |
| Purchased or originated assets                          | -10         | -2          | -2            | -14           |
| Transfer to Stage 1                                     | -17         | 25          | 0             | 9             |
| Transfer to Stage 2                                     | 33          | -209        | 1             | -175          |
| Transfer to Stage 3                                     | 34          | 82          | -43           | 73            |
| <b>Provision at end of period</b>                       | <b>-463</b> | <b>-795</b> | <b>-1,250</b> | <b>-2,508</b> |

| 31 December 2022  |             |             |               |               |
|---|-------------|-------------|---------------|---------------|
| SEK m   | Stage 1     | Stage 2     | Stage 3       | Total         |
| Provision at beginning of year                          | -399        | -693        | -2,093        | -3,185        |
| Derecognised assets                                     | 71          | 165         | 301           | 536           |
| Write-offs  | 0           | 1           | 671           | 672           |
| Remeasurements due to changes in credit risk            | -228        | 201         | -21           | -47           |
| Changes due to update in the methodology for estimation |             |             |               |               |
| Foreign exchange effect, etc                            | -11         | -8          | -24           | -43           |
| Purchased or originated assets                          | -53         | -52         | -9            | -114          |
| Transfer to Stage 1                                     | -38         | 44          | 8             | 14            |
| Transfer to Stage 2                                     | 70          | -470        | 16            | -384          |
| Transfer to Stage 3                                     | 108         | 89          | -106          | 92            |
| <b>Provision at end of period</b>                       | <b>-480</b> | <b>-723</b> | <b>-1,257</b> | <b>-2,459</b> |

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

| 31 March 2023   |             |             |               |               |
|---|-------------|-------------|---------------|---------------|
| SEK m   | Stage 1     | Stage 2     | Stage 3       | Total         |
| Provision at beginning of year                          | -475        | -722        | -1,257        | -2,454        |
| Derecognised assets                                     | 10          | 17          | 9             | 35            |
| Write-offs  | 0           | 0           | 61            | 61            |
| Remeasurements due to changes in credit risk            | -36         | 12          | -17           | -41           |
| Changes due to update in the methodology for estimation |             |             |               |               |
| Foreign exchange effect, etc                            | 2           | 3           | -3            | 2             |
| Purchased or originated assets                          | -10         | -2          | -2            | -13           |
| Transfer to Stage 1                                     | -17         | 25          | 0             | 9             |
| Transfer to Stage 2                                     | 33          | -209        | 1             | -175          |
| Transfer to Stage 3                                     | 34          | 82          | -43           | 73            |
| <b>Provision at end of period</b>                       | <b>-459</b> | <b>-794</b> | <b>-1,250</b> | <b>-2,503</b> |

| 31 December 2022  |             |             |               |               |
|---|-------------|-------------|---------------|---------------|
| SEK m   | Stage 1     | Stage 2     | Stage 3       | Total         |
| Provision at beginning of year                          | -395        | -690        | -2,093        | -3,178        |
| Derecognised assets                                     | 70          | 165         | 301           | 535           |
| Write-offs  | 0           | 1           | 671           | 672           |
| Remeasurements due to changes in credit risk            | -227        | 199         | -21           | -49           |
| Changes due to update in the methodology for estimation |             |             |               |               |
| Foreign exchange effect, etc                            | -11         | -8          | -24           | -43           |
| Purchased or originated assets                          | -52         | -52         | -9            | -113          |
| Transfer to Stage 1                                     | -38         | 44          | 8             | 14            |
| Transfer to Stage 2                                     | 70          | -470        | 16            | -384          |
| Transfer to Stage 3                                     | 108         | 89          | -106          | 92            |
| <b>Provision at end of period</b>                       | <b>-475</b> | <b>-722</b> | <b>-1,257</b> | <b>-2,454</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

| 31 March 2023                                       | Gross            |               |              | Provisions  |             |               | Net              |
|---|------------------|---------------|--------------|-------------|-------------|---------------|------------------|
|   | Stage 1          | Stage 2       | Stage 3      | Stage 1     | Stage 2     | Stage 3       |                  |
| SEK m   |                  |               |              |             |             |               |                  |
| Private individuals                                 | 1,169,968        | 30,360        | 3,525        | -162        | -120        | -558          | 1,203,013        |
| <i>of which mortgage loans</i>                      | 988,859          | 22,603        | 1,243        | -36         | -31         | -34           | 1,012,604        |
| <i>of which other loans with property mortgages</i> | 143,912          | 6,301         | 1,036        | -43         | -37         | -88           | 151,081          |
| <i>of which other loans to private individuals</i>  | 37,197           | 1,456         | 1,246        | -83         | -52         | -436          | 39,328           |
| Housing co-operative associations                   | 288,472          | 2,157         | 38           | -8          | -2          | -9            | 290,648          |
| <i>of which mortgage loans</i>                      | 263,696          | 1,292         | 11           | -5          | -1          | -6            | 264,987          |
| Property management                                 | 703,584          | 34,836        | 1,586        | -106        | -147        | -133          | 739,620          |
| Manufacturing                                       | 25,125           | 5,589         | 45           | -26         | -174        | -30           | 30,529           |
| Retail  | 39,708           | 521           | 108          | -14         | -11         | -59           | 40,253           |
| Hotel and restaurant                                | 4,412            | 2,058         | 23           | -5          | -31         | -7            | 6,450            |
| Passenger and goods transport by sea                | 2,162            | 8             | 149          | -2          | 0           | -72           | 2,245            |
| Other transport and communication                   | 8,428            | 799           | 42           | -14         | -24         | -39           | 9,192            |
| Construction  | 15,913           | 4,291         | 108          | -68         | -168        | -70           | 20,006           |
| Electricity, gas and water                          | 14,329           | 932           | 2            | -5          | -3          | -2            | 15,253           |
| Agriculture, hunting and forestry                   | 20,200           | 2,389         | 40           | -24         | -78         | -21           | 22,506           |
| Other services                                      | 20,281           | 628           | 184          | -13         | -7          | -140          | 20,933           |
| Holding, investment and insurance Comp., funds etc. | 30,351           | 3,778         | 19           | -8          | -16         | -12           | 34,112           |
| Government and municipalities                       | 5,383            | 84            |              | 0           | -1          |               | 5,466            |
| <i>of which Swedish national debt office</i>        | 10               |               |              |             |             |               | 10               |
| Other corporate lending                             | 18,939           | 119           | 116          | -4          | -12         | -98           | 19,060           |
| <b>Total</b>  | <b>2,367,255</b> | <b>88,549</b> | <b>5,985</b> | <b>-459</b> | <b>-794</b> | <b>-1,250</b> | <b>2,459,286</b> |

| 31 December 2022                                    | Gross            |               |              | Provisions  |             |               | Net              |
|---|------------------|---------------|--------------|-------------|-------------|---------------|------------------|
|   | Stage 1          | Stage 2       | Stage 3      | Stage 1     | Stage 2     | Stage 3       |                  |
| SEK m   |                  |               |              |             |             |               |                  |
| Private individuals                                 | 1,163,864        | 42,542        | 3,078        | -161        | -133        | -568          | 1,208,622        |
| <i>of which mortgage loans</i>                      | 983,183          | 33,865        | 1,162        | -35         | -32         | -38           | 1,018,105        |
| <i>of which other loans with property mortgages</i> | 144,073          | 6,931         | 912          | -38         | -44         | -90           | 151,744          |
| <i>of which other loans to private individuals</i>  | 36,608           | 1,746         | 1,004        | -88         | -57         | -440          | 38,773           |
| Housing co-operative associations                   | 287,299          | 1,933         | 38           | -9          | -2          | -8            | 289,251          |
| <i>of which mortgage loans</i>                      | 262,117          | 955           | 11           | -5          | 0           | -6            | 263,072          |
| Property management                                 | 705,567          | 27,035        | 1,434        | -109        | -105        | -124          | 733,698          |
| Manufacturing                                       | 34,186           | 2,807         | 49           | -30         | -116        | -26           | 36,870           |
| Retail  | 39,858           | 649           | 104          | -13         | -10         | -56           | 40,532           |
| Hotel and restaurant                                | 4,296            | 1,978         | 19           | -5          | -30         | -7            | 6,251            |
| Passenger and goods transport by sea                | 2,581            | 11            | 221          | -2          | -2          | -77           | 2,732            |
| Other transport and communication                   | 8,599            | 1,088         | 36           | -17         | -36         | -33           | 9,637            |
| Construction  | 17,219           | 3,549         | 119          | -65         | -175        | -72           | 20,575           |
| Electricity, gas and water                          | 15,331           | 968           | 4            | -5          | -2          | -3            | 16,293           |
| Agriculture, hunting and forestry                   | 19,997           | 2,223         | 40           | -25         | -75         | -14           | 22,146           |
| Other services                                      | 21,030           | 577           | 180          | -14         | -7          | -139          | 21,627           |
| Holding, investment and insurance Comp., funds etc. | 32,820           | 5,748         | 34           | -9          | -14         | -24           | 38,555           |
| Government and municipalities                       | 4,520            | 84            |              | 0           | -1          |               | 4,603            |
| <i>of which Swedish national debt office</i>        | 1,566            |               |              |             |             |               | 1,566            |
| Other corporate lending                             | 17,546           | 157           | 360          | -11         | -14         | -106          | 17,932           |
| <b>Total</b>  | <b>2,374,713</b> | <b>91,349</b> | <b>5,716</b> | <b>-475</b> | <b>-722</b> | <b>-1,257</b> | <b>2,469,324</b> |

Specification of Loans to the public – Property management

| 31 March 2023                            | Gross          |               |              | Provisions  |             |             | Net            |
|--|----------------|---------------|--------------|-------------|-------------|-------------|----------------|
|  | Stage 1        | Stage 2       | Stage 3      | Stage 1     | Stage 2     | Stage 3     |                |
| SEK m                                    |                |               |              |             |             |             |                |
| <b>Loans in Sweden</b>                   |                |               |              |             |             |             |                |
| State-owned property companies           | 11,204         |               |              | 0           |             |             | 11,204         |
| Municipal-owned property companies       | 7,506          | 493           |              | 0           | 0           |             | 7,999          |
| Residential property companies           | 149,069        | 7,314         | 44           | -6          | -11         | -9          | 156,401        |
| <i>of which mortgage loans</i>           | <i>136,917</i> | <i>6,990</i>  | <i>31</i>    | <i>-5</i>   | <i>-10</i>  | <i>-5</i>   | <i>143,918</i> |
| Other property management                | 150,755        | 7,275         | 169          | -14         | -17         | -57         | 158,111        |
| <i>of which mortgage loans</i>           | <i>81,857</i>  | <i>1,745</i>  | <i>24</i>    | <i>-4</i>   | <i>-4</i>   | <i>-11</i>  | <i>83,607</i>  |
| <b>Total loans in Sweden</b>             | <b>318,534</b> | <b>15,082</b> | <b>213</b>   | <b>-20</b>  | <b>-28</b>  | <b>-66</b>  | <b>333,715</b> |
| <b>Loans outside Sweden</b>              |                |               |              |             |             |             |                |
| UK                                       | 136,496        | 11,974        | 795          | -51         | -96         | -30         | 149,088        |
| Norway                                   | 131,749        | 4,850         | 47           | -19         | -10         | -9          | 136,608        |
| Finland                                  | 49,137         | 2,355         | 520          | -5          | -11         | -23         | 51,973         |
| The Netherlands                          | 66,739         | 571           |              | -11         | -2          |             | 67,297         |
| Other countries                          | 929            | 4             | 11           | 0           | 0           | -5          | 939            |
| <b>Total loans outside Sweden</b>        | <b>385,050</b> | <b>19,754</b> | <b>1,373</b> | <b>-86</b>  | <b>-119</b> | <b>-67</b>  | <b>405,905</b> |
| <b>Total loans - Property management</b> | <b>703,584</b> | <b>34,836</b> | <b>1,586</b> | <b>-106</b> | <b>-147</b> | <b>-133</b> | <b>739,620</b> |

| 31 December 2022                         | Gross          |               |              | Provisions  |             |             | Net            |
|--|----------------|---------------|--------------|-------------|-------------|-------------|----------------|
|  | Stage 1        | Stage 2       | Stage 3      | Stage 1     | Stage 2     | Stage 3     |                |
| SEK m                                    |                |               |              |             |             |             |                |
| <b>Loans in Sweden</b>                   |                |               |              |             |             |             |                |
| State-owned property companies           | 11,198         |               |              | 0           |             |             | 11,198         |
| Municipal-owned property companies       | 8,212          |               |              | 0           |             |             | 8,212          |
| Residential property companies           | 148,992        | 3,851         | 22           | -6          | -5          | -8          | 152,846        |
| <i>of which mortgage loans</i>           | <i>137,576</i> | <i>3,661</i>  | <i>18</i>    | <i>-5</i>   | <i>-5</i>   | <i>-4</i>   | <i>141,241</i> |
| Other property management                | 145,098        | 6,376         | 171          | -15         | -15         | -47         | 151,568        |
| <i>of which mortgage loans</i>           | <i>77,194</i>  | <i>1,656</i>  | <i>32</i>    | <i>-3</i>   | <i>-4</i>   | <i>0</i>    | <i>78,875</i>  |
| <b>Total loans in Sweden</b>             | <b>313,500</b> | <b>10,227</b> | <b>193</b>   | <b>-21</b>  | <b>-20</b>  | <b>-55</b>  | <b>323,824</b> |
| <b>Loans outside Sweden</b>              |                |               |              |             |             |             |                |
| UK                                       | 138,506        | 8,972         | 647          | -51         | -60         | -32         | 147,982        |
| Norway                                   | 138,171        | 4,684         | 62           | -22         | -10         | -9          | 142,876        |
| Finland                                  | 48,458         | 2,383         | 521          | -5          | -12         | -23         | 51,322         |
| The Netherlands                          | 65,913         | 765           |              | -10         | -3          |             | 66,665         |
| Other countries                          | 1,019          | 4             | 11           | 0           | 0           | -5          | 1,029          |
| <b>Total loans outside Sweden</b>        | <b>392,067</b> | <b>16,808</b> | <b>1,241</b> | <b>-88</b>  | <b>-85</b>  | <b>-69</b>  | <b>409,874</b> |
| <b>Total loans - Property management</b> | <b>705,567</b> | <b>27,035</b> | <b>1,434</b> | <b>-109</b> | <b>-105</b> | <b>-124</b> | <b>733,698</b> |

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

| 31 March 2023         |                |                |                |               |                 |                |
|-----------------------|----------------|----------------|----------------|---------------|-----------------|----------------|
| SEK m, gross          | Sweden         | UK             | Norway         | Finland       | The Netherlands | Total          |
| Government guarantees | 4,084          | 6              | 1,293          | 17,697        |                 | 23,080         |
| Residential           | 188,626        | 84,002         | 24,956         | 20,049        | 34,042          | 351,675        |
| Office, retail, hotel | 97,730         | 48,331         | 99,946         | 8,905         | 13,024          | 267,936        |
| Other real estate     | 8,476          | 552            | 63             | 1,252         | 19,128          | 29,471         |
| Industry, logistics   | 17,799         | 14,320         | 86             | 3,049         | 678             | 35,932         |
| Agriculture, forestry | 4,407          | 1,158          | 93             | 5             | 15              | 5,678          |
| Other collateral      | 3,527          | 406            | 828            | 542           | 345             | 5,648          |
| Unsecured             | 9,180          | 490            | 7,271          | 149           | 72              | 17,162         |
| Undeveloped           |                |                | 2,110          | 364           | 6               | 2,480          |
| <b>Total</b>          | <b>333,829</b> | <b>149,265</b> | <b>136,646</b> | <b>52,012</b> | <b>67,310</b>   | <b>739,062</b> |

| 31 December 2022      |                |                |                |               |                 |                |
|-----------------------|----------------|----------------|----------------|---------------|-----------------|----------------|
| SEK m, gross          | Sweden         | UK             | Norway         | Finland       | The Netherlands | Total          |
| Government guarantees | 1,306          |                | 25             | 30,036        |                 | 31,367         |
| Residential           | 176,776        | 82,997         | 22,904         | 6,789         | 44,883          | 334,349        |
| Office, retail, hotel | 83,037         | 47,102         | 99,019         | 8,686         | 6,437           | 244,281        |
| Other real estate     | 17,219         | 601            | 66             | 1,214         | 14,068          | 33,168         |
| Industry, logistics   | 17,172         | 12,865         | 92             | 3,038         | 555             | 33,722         |
| Agriculture, forestry | 1,668          | 885            | 76             | 3             |                 | 2,632          |
| Other collateral      | 10,923         | 459            | 1,710          | 690           | 498             | 14,280         |
| Unsecured             | 15,819         | 2,988          | 18,267         | 534           | 237             | 37,845         |
| Undeveloped           |                | 228            | 758            | 372           |                 | 1,358          |
| <b>Total</b>          | <b>323,920</b> | <b>148,125</b> | <b>142,917</b> | <b>51,362</b> | <b>66,678</b>   | <b>733,002</b> |

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

| 31 March 2023      |           |           |           |           |                 |           |
|--------------------|-----------|-----------|-----------|-----------|-----------------|-----------|
| LTV, %             | Sweden    | UK        | Norway    | Finland   | The Netherlands | Total     |
| 0-40               | 83.7      | 89.7      | 79.6      | 76.6      | 88.1            | 83.5      |
| 41-60              | 15.7      | 10.2      | 18.1      | 15.6      | 11.7            | 15.1      |
| 61-75              | 0.6       | 0.1       | 2.0       | 6.3       | 0.2             | 1.2       |
| >75                |           |           | 0.3       | 1.5       |                 | 0.2       |
| <b>Average LTV</b> | <b>43</b> | <b>40</b> | <b>50</b> | <b>48</b> | <b>45</b>       | <b>44</b> |

| 31 December 2022   |           |           |           |           |                 |           |
|--------------------|-----------|-----------|-----------|-----------|-----------------|-----------|
| LTV, %             | Sweden    | UK        | Norway    | Finland   | The Netherlands | Total     |
| 0-40               | 84.9      | 88.9      | 80.4      | 80.9      | 85.0            | 84.2      |
| 41-60              | 14.4      | 10.8      | 17.5      | 12.5      | 13.7            | 14.4      |
| 61-75              | 0.6       | 0.2       | 1.5       | 3.0       | 0.7             | 0.9       |
| >75                | 0.1       | 0.1       | 0.7       | 3.6       | 0.6             | 0.5       |
| <b>Average LTV</b> | <b>45</b> | <b>42</b> | <b>51</b> | <b>46</b> | <b>47</b>       | <b>46</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

| 31 March 2023      |           |           |           |           |                 |           |
|--------------------|-----------|-----------|-----------|-----------|-----------------|-----------|
| LTV, %             | Sweden    | UK        | Norway    | Finland   | The Netherlands | Total     |
| 0-40               | 80.1      | 85.7      | 76.3      | 60.1      | 80.3            | 80.1      |
| 41-60              | 17.8      | 14.1      | 20.4      | 21.3      | 17.0            | 17.2      |
| 61-75              | 2.0       | 0.2       | 2.7       | 10.7      | 2.1             | 2.1       |
| >75                | 0.1       |           | 0.6       | 8.0       | 0.6             | 0.6       |
| <b>Average LTV</b> | <b>48</b> | <b>46</b> | <b>53</b> | <b>53</b> | <b>52</b>       | <b>48</b> |

| 31 December 2022   |           |           |           |           |                 |           |
|--------------------|-----------|-----------|-----------|-----------|-----------------|-----------|
| LTV, %             | Sweden    | UK        | Norway    | Finland   | The Netherlands | Total     |
| 0-40               | 79.6      | 84.5      | 77.0      | 54.6      | 79.3            | 78.9      |
| 41-60              | 17.8      | 14.9      | 19.3      | 20.0      | 18.3            | 17.4      |
| 61-75              | 2.5       | 0.5       | 2.3       | 9.9       | 1.7             | 2.4       |
| >75                | 0.2       | 0.1       | 1.3       | 15.4      | 0.7             | 1.3       |
| <b>Average LTV</b> | <b>49</b> | <b>46</b> | <b>53</b> | <b>84</b> | <b>52</b>       | <b>51</b> |

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

## Note 9 Credit risk exposure

| SEK m   | 31 Mar 2023      | 31 Dec 2022      | 30 Sep 2022      | 30 Jun 2022      | 31 Mar 2022      |
|---|------------------|------------------|------------------|------------------|------------------|
| Cash and balances with central banks                                  | 447,601          | 475,882          | 602,279          | 642,833          | 553,450          |
| Other loans to central banks  | 40,569           | 32,620           | 40,181           | 11,037           | 1,468            |
| Interest-bearing securities eligible as collateral with central banks | 233,751          | 132,778          | 130,114          | 114,356          | 122,020          |
| Loans to other credit institutions                                    | 24,442           | 9,415            | 31,042           | 27,502           | 35,606           |
| <i>of which reverse repos</i>   | 6,790            |                  | 17,988           | 16,349           | 17,351           |
| Loans to the public   | 2,459,286        | 2,469,324        | 2,539,160        | 2,510,365        | 2,464,468        |
| <i>of which reverse repos</i>   | 14,350           | 12,917           | 18,300           | 13,175           | 12,785           |
| Bonds and other interest-bearing securities                           | 41,231           | 32,697           | 43,865           | 38,971           | 43,795           |
| Derivative instruments*   | 39,500           | 36,261           | 81,990           | 55,088           | 24,343           |
| Contingent liabilities  | 60,467           | 60,975           | 67,456           | 69,517           | 77,919           |
| Commitments   | 450,498          | 459,114          | 482,570          | 491,180          | 480,812          |
| <b>Total</b>  | <b>3,797,345</b> | <b>3,709,066</b> | <b>4,018,657</b> | <b>3,960,849</b> | <b>3,803,881</b> |

\* Refers to the sum total of positive market values. The balance sheet items in the tables above include the Finland disposal group, which has been reclassified to Assets held for sale and Liabilities held for sale in the balance sheet, respectively (see Note 10). The comparative figures include the operations in Denmark, which were divested in Q4, up until 30 September 2022.

## Note 10 Assets and liabilities held for sale, and discontinued operations

Assets and liabilities in the Bank's operations in Finland constitute assets and liabilities held for sale and are a disposal group in accordance with IFRS 5. Handelsbanken's operations in Denmark were sold during the fourth quarter 2022. The divestment process for the Finnish operations is continuing according to plan.

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

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

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

### Assets and liabilities held for sale

| 31 March 2023 SEK m   | Finland        | Other assets held for sale | Total          |
|---|----------------|----------------------------|----------------|
| <b>Assets</b>   |                |                            |                |
| Cash and balances with central banks                                  | 13             |                            | 13             |
| Other loans to central banks  | 29,924         |                            | 29,924         |
| Interest-bearing securities eligible as collateral with central banks |                |                            |                |
| Loans to other credit institutions                                    | 2              |                            | 2              |
| Loans to the public   | 152,544        | 308                        | 152,852        |
| <i>Of which households</i>  | 43,401         |                            | 43,401         |
| <i>Of which corporates</i>  | 109,144        | 308                        | 109,452        |
| Bonds and other interest-bearing securities                           |                |                            |                |
| Shares *  | 1              |                            | 1              |
| Assets where the customer bears the value change risk                 | 9,470          |                            | 9,470          |
| Intangible assets   | 125            |                            | 125            |
| Property and equipment  | 446            |                            | 446            |
| Other assets  | 348            |                            | 348            |
| <b>Total assets</b>   | <b>192,872</b> | <b>308</b>                 | <b>193,180</b> |
| <b>Liabilities</b>  |                |                            |                |
| Due to credit institutions  | 895            |                            | 895            |
| Deposits and borrowing from the public                                | 53,910         |                            | 53,910         |
| <i>Of which households</i>  | 19,679         |                            | 19,679         |
| <i>Of which corporates</i>  | 34,231         |                            | 34,231         |
| Liabilities where the customer bears the value change risk            | 9,470          |                            | 9,470          |
| Provisions  | 231            |                            | 231            |
| Other liabilities   | 2,071          |                            | 2,071          |
| <b>Total liabilities</b>  | <b>66,577</b>  |                            | <b>66,577</b>  |

Other assets held for sale amounting to SEK 308m (310) 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 2023.

| 31 December 2022 SEK m  | Finland        | Other assets held<br>for sale | Total          |
|---|----------------|-------------------------------|----------------|
| <b>Assets</b>   |                |                               |                |
| Cash and balances with central banks                                  | 14             |                               | 14             |
| Other loans to central banks  | 28,015         |                               | 28,015         |
| Interest-bearing securities eligible as collateral with central banks |                |                               |                |
| Loans to other credit institutions                                    | 5              |                               | 5              |
| Loans to the public   | 153,506        | 310                           | 153,816        |
| <i>Of which households</i>  | 43,922         |                               | 43,922         |
| <i>Of which corporates</i>  | 109,584        | 310                           | 109,894        |
| Bonds and other interest-bearing securities                           |                |                               |                |
| Shares *  | 3              |                               | 3              |
| Assets where the customer bears the value change risk                 | 9,145          |                               | 9,145          |
| Intangible assets   | 123            |                               | 123            |
| Property and equipment  | 407            |                               | 407            |
| Other assets  | 388            |                               | 388            |
| <b>Total assets</b>   | <b>191,606</b> | <b>310</b>                    | <b>191,916</b> |
| <b>Liabilities</b>  |                |                               |                |
| Due to credit institutions  | 679            |                               | 679            |
| Deposits and borrowing from the public                                | 57,361         |                               | 57,361         |
| <i>Of which households</i>  | 20,297         |                               | 20,297         |
| <i>Of which corporates</i>  | 37,064         |                               | 37,064         |
| Liabilities where the customer bears the value change risk            | 9,145          |                               | 9,145          |
| Provisions  | 210            |                               | 210            |
| Other liabilities   | 1,543          |                               | 1,543          |
| <b>Total liabilities</b>  | <b>68,938</b>  |                               | <b>68,938</b>  |

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

| SEK m   | Q1<br>2023  | Q4<br>2022   | Change      | Q1<br>2022  | Change      | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Change      | Full year<br>2022 |
|---|-------------|--------------|-------------|-------------|-------------|-----------------|-----------------|-------------|-------------------|
| Net interest income   | 530         | 1,145        | -54%        | 646         | -18%        | 530             | 646             | -18%        | 3,434             |
| Net fee and commission income   | 100         | 238          | -58%        | 304         | -67%        | 100             | 304             | -67%        | 1,096             |
| Net gains/losses on financial transactions  | 6           | -16          |             | 37          | -84%        | 6               | 37              | -84%        | -12               |
| Net insurance result  | 5           | 5            | 0%          | 4           | 25%         | 5               | 4               | 25%         | 13                |
| Other income  |             | 22           |             | 5           |             |                 | 5               |             | 68                |
| <b>Total income</b>   | <b>641</b>  | <b>1,394</b> | <b>-54%</b> | <b>997</b>  | <b>-36%</b> | <b>641</b>      | <b>997</b>      | <b>-36%</b> | <b>4,600</b>      |
| Staff costs   | -213        | -368         | -42%        | -338        | -37%        | -213            | -338            | -37%        | -1,681            |
| Other expenses  | -121        | -432         | -72%        | -225        | -46%        | -121            | -225            | -46%        | -1,543            |
| Depreciation, amortisation and impairment of property, equipment and intangible assets                                  |             | 0            |             | -1          |             |                 | -1              |             | -2                |
| <b>Total expenses</b>   | <b>-334</b> | <b>-800</b>  | <b>-58%</b> | <b>-564</b> | <b>-41%</b> | <b>-334</b>     | <b>-564</b>     | <b>-41%</b> | <b>-3,226</b>     |
| Net credit losses   | 16          | -25          |             | 16          | 0%          | 16              | 16              | 0%          | 29                |
| Gains/losses on disposal of property, equipment and intangible assets   |             |              |             |             | 0%          |                 |                 | 0%          | 2                 |
| Risk tax and resolution fee   | -30         | -37          | -19%        | -38         | -21%        | -30             | -38             | -21%        | -160              |
| <b>Profit for the period from discontinued operations before tax</b>  | <b>292</b>  | <b>531</b>   | <b>-45%</b> | <b>411</b>  | <b>-29%</b> | <b>292</b>      | <b>411</b>      | <b>-29%</b> | <b>1,245</b>      |
| Taxes   | -35         | -448         | -92%        | -105        | -67%        | -35             | -105            | -67%        | -617              |
| <b>Profit for the period from discontinued operations after tax</b>   | <b>256</b>  | <b>84</b>    | <b>205%</b> | <b>307</b>  | <b>-17%</b> | <b>256</b>      | <b>307</b>      | <b>-17%</b> | <b>629</b>        |
| Other expenses related to discontinued operations   | -31         | -27          | 15%         |             |             | -31             |                 |             | -27               |
| Taxes   | 6           | 6            | 0%          |             |             | 6               |                 |             | 6                 |
| <b>Profit for the period pertaining to discontinued operations, after tax</b>   | <b>232</b>  | <b>63</b>    | <b>268%</b> | <b>307</b>  | <b>-24%</b> | <b>232</b>      | <b>307</b>      | <b>-24%</b> | <b>608</b>        |
| <b>Capital gain from disposal of discontinued operations before tax</b>   |             | <b>235</b>   |             |             |             |                 |                 |             | <b>235</b>        |
| Taxes   |             | -561         |             |             |             |                 |                 |             | -561              |
| <b>Capital gain from disposal of discontinued operations after tax</b>  |             | <b>-326</b>  |             |             |             |                 |                 |             | <b>-326</b>       |
| <b>Profit for the period from discontinued operations after tax</b>   | <b>232</b>  | <b>-265</b>  |             | <b>307</b>  | <b>-24%</b> | <b>232</b>      | <b>307</b>      | <b>-24%</b> | <b>280</b>        |
| <b>Material internal transactions with continuing operations, which are eliminated in the income statement above**:</b> |             |              |             |             |             |                 |                 |             |                   |
| Total income  | 23          | -343         |             | 140         |             | 23              | 140             |             | -287              |
| Total expenses  | -22         | -30          |             | -61         |             | -22             | -61             |             | -202              |

\* Additional expenses arise in Sweden relating to the divestment of the discontinued operations, which are attributed to discontinued operations. These include, for example, consultancy fees and legal costs.

\*\* 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. As of 1 January 2023, the Bank applies a new method for eliminating internal transactions relating to net interest income between the disposal group in Finland and Group Treasury, and thus presents internal interest income and internal interest expenses in continuing and discontinued operations, respectively. The comparative figures have not been recalculated.

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

| SEK m   | Q1<br>2023 | Q4<br>2022  | Change | Q1<br>2022  | Change | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Change | Full year<br>2022 |
|---|------------|-------------|--------|-------------|--------|-----------------|-----------------|--------|-------------------|
| Net interest income   |            | 399         |        | 411         |        |                 | 411             |        | 1,712             |
| Net fee and commission income   |            | 143         |        | 202         |        |                 | 202             |        | 701               |
| Net gains/losses on financial transactions  |            | -26         |        | 27          |        |                 | 27              |        | -49               |
| Net insurance result  |            | 0           |        | 0           |        |                 | 0               |        | 1                 |
| Other income  |            | 20          |        | 2           |        |                 | 2               |        | 49                |
| <b>Total income</b>   |            | <b>535</b>  |        | <b>642</b>  |        |                 | <b>642</b>      |        | <b>2,413</b>      |
| Staff costs   |            | -149        |        | -206        |        |                 | -206            |        | -1,035            |
| Other expenses  |            | -276        |        | -135        |        |                 | -135            |        | -768              |
| Depreciation, amortisation and impairments of property, equipment and intangible assets |            |             |        | 1           |        |                 | 1               |        |                   |
| <b>Total expenses</b>   |            | <b>-425</b> |        | <b>-340</b> |        |                 | <b>-340</b>     |        | <b>-1,803</b>     |
| Net credit losses   |            | -6          |        | 17          |        |                 | 17              |        | 38                |
| Gains/losses on disposal of property, equipment and intangible assets                   |            |             |        | 0           |        |                 | 0               |        | 2                 |
| Risk tax and resolution fee   |            | -11         |        | -14         |        |                 | -14             |        | -58               |
| <b>Profit for the period from discontinued operations before tax</b>                    |            | <b>94</b>   |        | <b>304</b>  |        |                 | <b>304</b>      |        | <b>593</b>        |
| Tax   |            | 19          |        | -67         |        |                 | -67             |        | -57               |
| <b>Profit for the period from discontinued operations after tax</b>                     |            | <b>113</b>  |        | <b>238</b>  |        |                 | <b>238</b>      |        | <b>536</b>        |
| <b>Capital gain from disposal of discontinued operations before tax</b>                 |            | <b>235</b>  |        |             |        |                 |                 |        | <b>235</b>        |
| Taxes   |            | -561        |        |             |        |                 |                 |        | -561              |
| <b>Capital gain from disposal of discontinued operations after tax</b>                  |            | <b>-326</b> |        |             |        |                 |                 |        | <b>-326</b>       |
| <b>Profit for the period pertaining to discontinued operations, after tax</b>           |            | <b>-213</b> |        | <b>238</b>  |        |                 | <b>238</b>      |        | <b>210</b>        |

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

|                |     |     |  |     |  |  |      |
|----------------|-----|-----|--|-----|--|--|------|
| Total income   | -68 | -22 |  | -22 |  |  | -177 |
| Total expenses | -20 | -24 |  | -24 |  |  | -89  |

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

| SEK m   | Q1<br>2023  | Q4<br>2022  | Change      | Q1<br>2022  | Change      | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Change      | Full year<br>2022 |
|---|-------------|-------------|-------------|-------------|-------------|-----------------|-----------------|-------------|-------------------|
| Net interest income   | 530         | 746         | -29%        | 235         | 126%        | 530             | 235             | 126%        | 1,722             |
| Net fee and commission income   | 100         | 96          | 4%          | 103         | -3%         | 100             | 103             | -3%         | 396               |
| Net gains/losses on financial transactions  | 6           | 10          | -40%        | 10          | -40%        | 6               | 10              | -40%        | 37                |
| Net insurance result  | 5           | 5           | 0%          | 4           | 25%         | 5               | 4               | 25%         | 12                |
| Other income  | 0           | 1           | -100%       | 3           | -100%       | 0               | 3               | -100%       | 19                |
| <b>Total income</b>   | <b>641</b>  | <b>857</b>  | <b>-25%</b> | <b>356</b>  | <b>80%</b>  | <b>641</b>      | <b>356</b>      | <b>80%</b>  | <b>2,186</b>      |
| Staff costs   | -213        | -220        | -3%         | -132        | 61%         | -213            | -132            | 61%         | -647              |
| Other expenses  | -121        | -157        | -23%        | -90         | 34%         | -121            | -90             | 34%         | -775              |
| Depreciation, amortisation and impairments of property, equipment and intangible assets |             | 0           |             | -2          |             |                 | -2              |             | -2                |
| <b>Total expenses</b>   | <b>-334</b> | <b>-375</b> | <b>-11%</b> | <b>-224</b> | <b>49%</b>  | <b>-334</b>     | <b>-224</b>     | <b>49%</b>  | <b>-1,423</b>     |
| Net credit losses   | 16          | -20         |             | -1          |             | 16              | -1              |             | -10               |
| Gains/losses on disposal of property, equipment and intangible assets                   |             |             |             | 0           |             |                 | 0               | 0%          | 0                 |
| Risk tax and resolution fee   | -30         | -26         | 15%         | -23         | 30%         | -30             | -23             | 30%         | -102              |
| <b>Profit for the period from discontinued operations before tax</b>                    | <b>292</b>  | <b>437</b>  | <b>-33%</b> | <b>107</b>  | <b>173%</b> | <b>292</b>      | <b>107</b>      | <b>173%</b> | <b>652</b>        |
| Tax   | -35         | -467        | -93%        | -38         | -8%         | -35             | -38             | -8%         | -560              |
| <b>Profit for the period from discontinued operations after tax</b>                     | <b>256</b>  | <b>-31</b>  |             | <b>69</b>   | <b>271%</b> | <b>256</b>      | <b>69</b>       | <b>271%</b> | <b>91</b>         |

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

|                |     |      |  |     |  |     |     |  |      |
|----------------|-----|------|--|-----|--|-----|-----|--|------|
| Total income   | 23  | -275 |  | 162 |  | 23  | 162 |  | -110 |
| Total expenses | -22 | -10  |  | -37 |  | -22 | -37 |  | -113 |

\* 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 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. As of 1 January 2023, the Bank applies a new method for eliminating internal transactions relating to net interest income between the disposal group in Finland and Group Treasury, and thus presents internal interest income and internal interest expenses in continuing and discontinued operations, respectively. The comparative figures have not been recalculated.



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

| SEK m                                      | Q1<br>2023 | Q4<br>2022 | Change | Q1<br>2022 | Change | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Change | Full year<br>2022 |
|--|------------|------------|--------|------------|--------|-----------------|-----------------|--------|-------------------|
| Brokerage and other securities commissions |            | 7          |        | 13         |        |                 | 13              |        | 41                |
| Mutual funds                               |            | 28         |        | 43         |        |                 | 43              |        | 147               |
| Custody and other asset management fees    |            | 24         |        | 47         |        |                 | 47              |        | 148               |
| Advisory services                          |            | 3          |        | 11         |        |                 | 11              |        | 22                |
| Insurance                                  |            | -2         |        | 12         |        |                 | 12              |        | 22                |
| Payments                                   |            | 78         |        | 39         |        |                 | 39              |        | 205               |
| Loans and deposits                         |            | 9          |        | 15         |        |                 | 15              |        | 55                |
| Guarantees                                 |            | 10         |        | 18         |        |                 | 18              |        | 65                |
| Other                                      |            | 10         |        | 22         |        |                 | 22              |        | 64                |
| <b>Total fee and commission income</b>     |            | <b>166</b> |        | <b>220</b> |        |                 | <b>220</b>      |        | <b>768</b>        |

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

| SEK m                                      | Q1<br>2023 | Q4<br>2022 | Change    | Q1<br>2022 | Change     | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Change     | Full year<br>2022 |
|--|------------|------------|-----------|------------|------------|-----------------|-----------------|------------|-------------------|
| Brokerage and other securities commissions | 2          | 2          | 0%        | 3          | -33%       | 2               | 3               | -33%       | 8                 |
| Mutual funds                               | 2          | 2          | 0%        | 2          | 0%         | 2               | 2               | 0%         | 8                 |
| Custody and other asset management fees    | 10         | 11         | -9%       | 13         | -23%       | 10              | 13              | -23%       | 44                |
| Advisory services                          |            |            |           |            |            |                 |                 |            |                   |
| Insurance                                  | 19         | 20         | -5%       | 22         | -14%       | 19              | 22              | -14%       | 84                |
| Payments                                   | 54         | 50         | 8%        | 48         | 13%        | 54              | 48              | 13%        | 203               |
| Loans and deposits                         | 22         | 22         | 0%        | 20         | 10%        | 22              | 20              | 10%        | 79                |
| Guarantees                                 | 5          | 5          | 0%        | 5          | 0%         | 5               | 5               | 0%         | 20                |
| Other                                      | 3          | 3          | 0%        | 4          | -25%       | 3               | 4               | -25%       | 13                |
| <b>Total fee and commission income</b>     | <b>116</b> | <b>114</b> | <b>2%</b> | <b>117</b> | <b>-1%</b> | <b>116</b>      | <b>117</b>      | <b>-1%</b> | <b>458</b>        |

#### Cash flows, discontinued operations

| SEK m  | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Full year<br>2022 |
|--|-----------------|-----------------|-------------------|
| Cash flow from operating activities                          | 517             | -82,997         | -123,159          |
| Cash flow from investing activities                          | -1              | -15             | -11               |
| Cash flow from financing activities                          |                 |                 |                   |
| <b>Cash flow for the period from discontinued operations</b> | <b>516</b>      | <b>-83,012</b>  | <b>-123,171</b>   |

The operations in Denmark were sold during the fourth quarter 2022, meaning that the statement of cash flows for discontinued operations comprises the operations in Finland alone. Cash flows from the divestment of the operations in Denmark are included in the comparative figures for cash flows from investing activities in the Condensed statement of cash flows – Group (see page 29).

#### Note 11 Derivates

| SEK m                         | 31 Mar<br>2023   | 31 Dec<br>2022   | 30 Sep<br>2022   | 30 Jun<br>2022   | 31 Mar<br>2022   |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Positive market values</b> |                  |                  |                  |                  |                  |
| Trading                       | 67,692           | 74,801           | 106,788          | 82,854           | 46,136           |
| Fair value hedges             | 15,946           | 16,972           | 21,285           | 15,482           | 8,756            |
| Cash flow hedges              | 28,765           | 25,600           | 38,298           | 24,507           | 12,332           |
| Amounts offset                | -72,903          | -81,112          | -84,395          | -67,765          | -42,891          |
| <b>Total</b>                  | <b>39,500</b>    | <b>36,261</b>    | <b>81,976</b>    | <b>55,078</b>    | <b>24,333</b>    |
| <b>Negative market values</b> |                  |                  |                  |                  |                  |
| Trading                       | 67,329           | 78,199           | 75,024           | 62,347           | 42,735           |
| Fair value hedges             | 24,935           | 27,349           | 27,077           | 17,955           | 10,690           |
| Cash flow hedges              | 6,226            | 6,050            | 5,337            | 3,287            | 5,131            |
| Amounts offset                | -74,350          | -82,558          | -80,504          | -61,807          | -38,737          |
| <b>Total</b>                  | <b>24,140</b>    | <b>29,040</b>    | <b>26,934</b>    | <b>21,782</b>    | <b>19,819</b>    |
| <b>Nominal value</b>          |                  |                  |                  |                  |                  |
| Trading                       | 3,694,500        | 3,762,560        | 4,007,177        | 4,297,270        | 4,177,320        |
| Fair value hedges             | 617,484          | 578,034          | 597,717          | 551,758          | 500,721          |
| Cash flow hedges              | 517,162          | 562,999          | 592,710          | 578,984          | 561,381          |
| Amounts offset                | -2,797,234       | -2,826,362       | -2,827,030       | -2,784,212       | -2,760,110       |
| <b>Total</b>                  | <b>2,031,912</b> | <b>2,077,231</b> | <b>2,370,574</b> | <b>2,643,800</b> | <b>2,479,312</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 12 Offsetting of financial instruments

| 31 March 2023 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   | 112,403        | 37,430   | 149,833        |
| Amounts offset   | -72,903        | -6,821   | -79,724        |
| <b>Carrying amount on the balance sheet</b>  | <b>39,500</b>  | <b>30,609</b>  | <b>70,109</b>  |
| <b>Related amounts not offset on the balance sheet</b>   |                |  |                |
| Financial instruments, netting arrangements  | -7,662         |  | -7,662         |
| Financial assets received as collateral  | -28,161        | -30,597  | -58,758        |
| <b>Total amounts not offset on the balance sheet</b>   | <b>-35,823</b> | <b>-30,597</b>   | <b>-66,420</b> |
| <b>Net amount</b>  | <b>3,677</b>   | <b>12</b>  | <b>3,689</b>   |
| <b>Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements</b> |                |  |                |
| Gross amount   | 98,490         | 17,683   | 116,173        |
| Amounts offset   | -74,350        | -6,821   | -81,171        |
| <b>Carrying amount on the balance sheet</b>  | <b>24,140</b>  | <b>10,862</b>  | <b>35,002</b>  |
| <b>Related amounts not offset on the balance sheet</b>   |                |  |                |
| Financial instruments, netting arrangements  | -7,662         |  | -7,662         |
| Financial assets pledged as collateral   | -5,701         | -10,862  | -16,563        |
| <b>Total amounts not offset on the balance sheet</b>   | <b>-13,363</b> | <b>-10,862</b>   | <b>-24,225</b> |
| <b>Net amount</b>  | <b>10,777</b>  |  | <b>10,777</b>  |

| 31 December 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   | 117,373        | 18,416   | 135,789        |
| Amounts offset   | -81,112        | -4,833   | -85,945        |
| <b>Carrying amount on the balance sheet</b>  | <b>36,261</b>  | <b>13,583</b>  | <b>49,844</b>  |
| <b>Related amounts not offset on the balance sheet</b>   |                |  |                |
| Financial instruments, netting arrangements  | -11,031        |  | -11,031        |
| Financial assets received as collateral  | -21,972        | -13,568  | -35,540        |
| <b>Total amounts not offset on the balance sheet</b>   | <b>-33,003</b> | <b>-13,568</b>   | <b>-46,571</b> |
| <b>Net amount</b>  | <b>3,258</b>   | <b>15</b>  | <b>3,273</b>   |
| <b>Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements</b> |                |  |                |
| Gross amount   | 111,598        | 4,838  | 116,436        |
| Amounts offset   | -82,558        | -4,833   | -87,391        |
| <b>Carrying amount on the balance sheet</b>  | <b>29,040</b>  | <b>5</b>   | <b>29,045</b>  |
| <b>Related amounts not offset on the balance sheet</b>   |                |  |                |
| Financial instruments, netting arrangements  | -11,031        |  | -11,031        |
| Financial assets pledged as collateral   | -5,897         | -5   | -5,902         |
| <b>Total amounts not offset on the balance sheet</b>   | <b>-16,928</b> | <b>-5</b>  | <b>-16,933</b> |
| <b>Net amount</b>  | <b>12,112</b>  |  | <b>12,112</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 10,075m (11,346) derived from the balance sheet item Deposits and borrowing from the public. The amount set off for derivative liabilities includes offset cash collateral of SEK 11,522m (12,791), derived from the balance sheet item Loans to the public.

### Note 13 Goodwill and other intangible assets

| SEK m                                | Goodwill        |                 |                   | Other intangible assets |                 |                   | Total           |                 |                   |
|--------------------------------------|-----------------|-----------------|-------------------|-------------------------|-----------------|-------------------|-----------------|-----------------|-------------------|
|                                      | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Full year<br>2022 | Jan-Mar<br>2023         | Jan-Mar<br>2022 | Full year<br>2022 | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Full year<br>2022 |
| Opening residual value               | 4,397           | 4,357           | 4,357             | 4,005                   | 3,945           | 3,945             | <b>8,402</b>    | <b>8,302</b>    | <b>8,302</b>      |
| Additional during the period         |                 |                 |                   | 257                     | 142             | 703               | <b>257</b>      | <b>142</b>      | <b>703</b>        |
| Reclassified as assets held for sale |                 |                 |                   |                         |                 |                   |                 |                 |                   |
| The period's amortisation            |                 |                 |                   | -196                    | -164            | -661              | <b>-196</b>     | <b>-164</b>     | <b>-661</b>       |
| The period's impairments             |                 |                 |                   |                         |                 | -21               |                 |                 | <b>-21</b>        |
| Foreign exchange effect              | -40             | 29              | 41                | 3                       | 4               | 38                | <b>-37</b>      | <b>33</b>       | <b>79</b>         |
| <b>Closing residual value</b>        | <b>4,357</b>    | <b>4,386</b>    | <b>4,397</b>      | <b>4,069</b>            | <b>3,927</b>    | <b>4,005</b>      | <b>8,426</b>    | <b>8,313</b>    | <b>8,402</b>      |

### Note 14 Due to credit institutions, deposits and borrowing from the public

| SEK m                                  | 31 Mar<br>2023 | 31 Dec<br>2022 | 30 Sep<br>2022 | 30 Jun<br>2022 | 31 Mar<br>2022 |
|--|----------------|----------------|----------------|----------------|----------------|
| Due to credit institutions             | 97,306         | 81,693         | 120,251        | 121,449        | 111,179        |
| <i>of which repos</i>                  | 13             |                |                |                |                |
| Deposits and borrowing from the public | 1,435,563      | 1,318,925      | 1,459,240      | 1,442,548      | 1,371,092      |
| <i>of which repos</i>                  | 926            | 5              | 12,182         | 11,306         | 10,863         |

### Note 15 Issued securities

| SEK m   | Jan-Mar<br>2023  | Jan-Mar<br>2022  | Full year<br>2022 |
|---|------------------|------------------|-------------------|
| <b>Issued securities at beginning of year</b> | <b>1,474,801</b> | <b>1,353,768</b> | <b>1,353,768</b>  |
| Issued  | 327,693          | 285,145          | 1,064,019         |
| Repurchased                                   | -24,555          | -9,847           | -57,759           |
| Matured                                       | -303,106         | -217,580         | -926,079          |
| Foreign exchange effect etc.                  | 3,835            | 5,025            | 40,852            |
| <b>Issued securities at end of period</b>     | <b>1,478,669</b> | <b>1,416,511</b> | <b>1,474,801</b>  |

### Note 16 Pledged assets, contingent liabilities and commitments

| SEK m                       | 31 Mar<br>2023 | 31 Dec<br>2022 | 30 Sep<br>2022 | 30 Jun<br>2022 | 31 Mar<br>2022 |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|
| Assets pledged for own debt | 978,609        | 979,378        | 953,571        | 954,996        | 1,000,172      |
| Other pledged assets        | 76,358         | 15,850         | 14,978         | 16,629         | 15,041         |
| Contingent liabilities      | 60,467         | 60,975         | 67,456         | 69,517         | 77,919         |
| Commitments                 | 450,498        | 459,114        | 482,570        | 491,180        | 480,812        |

## Note 17 Classification of financial assets and liabilities

| 31 March 2023   |                | Fair value through profit or loss |   |   | Amortised cost   | Total carrying amount | Fair value       |
|---|----------------|-----------------------------------|---|---|------------------|-----------------------|------------------|
| SEK m   | Mandatory      | Fair value option                 | Derivatives identified as hedge instruments | Fair value through other comprehensive income |                  |                       |                  |
| <b>Assets</b>   |                |                                   |   |   |                  |                       |                  |
| Cash and balances with central banks                                  |                |                                   |   |   | 447,601          | 447,601               | 447,601          |
| Other loans to central banks  |                |                                   |   |   | 40,569           | 40,569                | 40,569           |
| Interest-bearing securities eligible as collateral with central banks | 6,212          | 227,539                           |   |   |                  | 233,751               | 233,751          |
| Loans to other credit institutions                                    |                |                                   |   |   | 24,442           | 24,442                | 24,440           |
| Loans to the public   |                |                                   |   |   | 2,459,286        | 2,459,286             | 2,419,150        |
| Value change of interest-hedged item in portfolio hedge               |                |                                   |   |   | -15,039          | -15,039               |                  |
| Bonds and other interest-bearing securities                           | 17,279         | 15,364                            |   | 8,588   |                  | 41,231                | 41,231           |
| Shares  | 20,728         |                                   |   | 569   |                  | 21,297                | 21,297           |
| Assets where the customer bears the value change risk                 | 234,210        |                                   |   |   | 73               | 234,283               | 234,283          |
| Derivative instruments  | 14,740         |                                   | 24,760                                      |   |                  | 39,500                | 39,500           |
| Other assets  | 13             |                                   |   |   | 41,151           | 41,164                | 41,164           |
| <b>Total</b>  | <b>293,182</b> | <b>242,903</b>                    | <b>24,760</b>                               | <b>9,157</b>                                  | <b>2,998,083</b> | <b>3,568,085</b>      | <b>3,542,986</b> |
| Investments in associates   |                |                                   |   |   |                  | 591                   |                  |
| Non-financial assets  |                |                                   |   |   |                  | 33,402                |                  |
| <b>Total assets</b>   |                |                                   |   |   |                  | <b>3,602,079</b>      |                  |
| <b>Liabilities</b>  |                |                                   |   |   |                  |                       |                  |
| Due to credit institutions  |                |                                   |   |   | 98,201           | 98,201                | 98,351           |
| Deposits and borrowing from the public                                |                |                                   |   |   | 1,489,473        | 1,489,473             | 1,488,476        |
| Liabilities where the customer bears the value change risk            |                | 234,211                           |   |   | 73               | 234,284               | 234,284          |
| Issued securities   | 1,082          |                                   |   |   | 1,477,587        | 1,478,669             | 1,437,206        |
| Derivative instruments  | 11,177         |                                   | 12,963                                      |   |                  | 24,140                | 24,140           |
| Short positions   | 11,544         |                                   |   |   |                  | 11,544                | 11,544           |
| Other liabilities   | 13             |                                   |   |   | 25,778           | 25,791                | 25,791           |
| Subordinated liabilities  |                |                                   |   |   | 33,771           | 33,771                | 33,131           |
| <b>Total</b>  | <b>23,816</b>  | <b>234,211</b>                    | <b>12,963</b>                               |   | <b>3,124,883</b> | <b>3,395,872</b>      | <b>3,352,923</b> |
| Non-financial liabilities   |                |                                   |   |   |                  | 21,331                |                  |
| <b>Total liabilities</b>  |                |                                   |   |   |                  | <b>3,417,204</b>      |                  |

| 31 December 2022  | Fair value through profit or loss |                   |   | Fair value through other comprehensive income | Amortised cost   | Total carrying amount | Fair value       |
|---|-----------------------------------|-------------------|---|---|------------------|-----------------------|------------------|
|   | Mandatory                         | Fair value option | Derivatives identified as hedge instruments |   |                  |                       |                  |
| SEK m   |                                   |                   |   |   |                  |                       |                  |
| <b>Assets</b>   |                                   |                   |   |   |                  |                       |                  |
| Cash and balances with central banks                                  |                                   |                   |   |   | 475,882          | <b>475,882</b>        | 475,882          |
| Other loans to central banks  |                                   |                   |   |   | 32,620           | <b>32,620</b>         | 32,620           |
| Interest-bearing securities eligible as collateral with central banks | 1,465                             | 131,113           |   | 200   |                  | <b>132,778</b>        | 132,778          |
| Loans to other credit institutions                                    |                                   |                   |   |   | 9,415            | <b>9,415</b>          | 9,410            |
| Loans to the public   |                                   |                   |   |   | 2,469,324        | <b>2,469,324</b>      | 2,422,795        |
| Value change of interest-hedged item in portfolio hedge               |                                   |                   |   |   | -16,616          | <b>-16,616</b>        |                  |
| Bonds and other interest-bearing securities                           | 5,328                             | 17,487            |   | 9,882   |                  | <b>32,697</b>         | 32,697           |
| Shares  | 12,272                            |                   |   | 544   |                  | <b>12,815</b>         | 12,815           |
| Assets where the customer bears the value change risk                 | 222,038                           |                   |   |   | 73               | <b>222,111</b>        | 222,111          |
| Derivative instruments  | 14,912                            |                   | 21,349                                      |   |                  | <b>36,261</b>         | 36,261           |
| Other assets  | 14                                |                   |   |   | 14,797           | <b>14,811</b>         | 14,811           |
| <b>Total</b>  | <b>256,028</b>                    | <b>148,600</b>    | <b>21,349</b>                               | <b>10,626</b>                                 | <b>2,985,494</b> | <b>3,422,097</b>      | <b>3,392,180</b> |
| Investments in associates   |                                   |                   |   |   |                  | <b>561</b>            |                  |
| Non-financial assets  |                                   |                   |   |   |                  | <b>31,058</b>         |                  |
| <b>Total assets</b>   |                                   |                   |   |   |                  | <b>3,453,716</b>      |                  |
| <b>Liabilities</b>  |                                   |                   |   |   |                  |                       |                  |
| Due to credit institutions  |                                   |                   |   |   | 82,372           | <b>82,372</b>         | 82,395           |
| Deposits and borrowing from the public                                |                                   |                   |   |   | 1,376,286        | <b>1,376,286</b>      | 1,375,504        |
| Liabilities where the customer bears the value change risk            |                                   | 222,038           |   |   | 73               | <b>222,111</b>        | 222,111          |
| Issued securities   | 1,635                             |                   |   |   | 1,473,167        | <b>1,474,801</b>      | 1,431,925        |
| Derivative instruments  | 16,648                            |                   | 12,392                                      |   |                  | <b>29,040</b>         | 29,040           |
| Short positions   | 1,939                             |                   |   |   |                  | <b>1,939</b>          | 1,939            |
| Other liabilities   | 11                                |                   |   |   | 11,227           | <b>11,238</b>         | 11,238           |
| Subordinated liabilities  |                                   |                   |   |   | 42,404           | <b>42,404</b>         | 42,430           |
| <b>Total</b>  | <b>20,233</b>                     | <b>222,038</b>    | <b>12,392</b>                               |   | <b>2,985,529</b> | <b>3,240,192</b>      | <b>3,196,582</b> |
| Non-financial liabilities   |                                   |                   |   |   |                  | <b>19,502</b>         |                  |
| <b>Total liabilities</b>  |                                   |                   |   |   |                  | <b>3,259,694</b>      |                  |

Assets and liabilities in the tables above include the Finland disposal group, which has been reclassified to Assets held for sale and Liabilities held for sale in the balance sheet, respectively (see Note 10).

## Note 18 Fair value measurement of financial instruments

| 31 March 2023 SEK m   | Level 1        | Level 2       | Level 3    | Total          |
|---|----------------|---------------|------------|----------------|
| <b>Assets</b>   |                |               |            |                |
| Interest-bearing securities eligible as collateral with central banks | 230,643        | 3,108         |            | 233,751        |
| Bonds and other interest-bearing securities                           | 37,501         | 3,730         |            | 41,231         |
| Shares  | 20,507         | 612           | 178        | 21,297         |
| Assets where the customer bears the value change risk                 | 232,711        | 967           | 532        | 234,210        |
| Derivative instruments  | 61             | 39,426        | 13         | 39,500         |
| <b>Total</b>  | <b>521,423</b> | <b>47,843</b> | <b>723</b> | <b>569,989</b> |
| <b>Liabilities</b>  |                |               |            |                |
| Liabilities where the customer bears the value change risk            | 232,711        | 968           | 532        | 234,211        |
| Issued securities   |                | 1,082         |            | 1,082          |
| Derivative instruments  | 71             | 24,056        | 13         | 24,140         |
| Short positions   | 11,501         | 43            |            | 11,544         |
| <b>Total</b>  | <b>244,283</b> | <b>26,149</b> | <b>545</b> | <b>270,977</b> |
| <b>31 December 2022 SEK m</b>   |                |               |            |                |
|   | Level 1        | Level 2       | Level 3    | Total          |
| <b>Assets</b>   |                |               |            |                |
| Interest-bearing securities eligible as collateral with central banks | 132,778        |               |            | 132,778        |
| Bonds and other interest-bearing securities                           | 31,939         | 758           |            | 32,697         |
| Shares  | 12,141         | 501           | 173        | 12,815         |
| Assets where the customer bears the value change risk                 | 220,766        | 747           | 525        | 222,038        |
| Derivative instruments  | 49             | 36,173        | 39         | 36,261         |
| <b>Total</b>  | <b>397,673</b> | <b>38,179</b> | <b>737</b> | <b>436,589</b> |
| <b>Liabilities</b>  |                |               |            |                |
| Liabilities where the customer bears the value change risk            | 220,766        | 747           | 525        | 222,038        |
| Issued securities   |                | 1,635         |            | 1,635          |
| Derivative instruments  | 54             | 28,947        | 39         | 29,040         |
| Short positions   | 1,858          | 81            |            | 1,939          |
| <b>Total</b>  | <b>222,678</b> | <b>31,410</b> | <b>564</b> | <b>254,652</b> |

Assets and liabilities in the tables above include the Finland disposal group, which has been reclassified to Assets held for sale and Liabilities held for sale in the balance sheet, respectively (see Note 10).

### 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 2022), the instrument has been moved between the levels in the table. Holdings of bonds and other interest-bearing securities worth SEK 1.0bn were transferred from level 1 to level 2 during the period, and worth SEK 0.2bn from level 2 to level 1. The transfers between levels were carried out after an updated assessment of market activity. Changes in level 3 holdings during the year are shown in a separate table below.

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

Certain holdings of private equity funds are categorised in level 3. These are valued using valuation models mainly based on a relative valuation of comparable listed companies in the same sector. The performance measurements used in the comparison are adjusted for factors which

distort the comparison between the investment and the company used for comparison. Subsequently, the valuation is based on earnings multiples, such as P/E ratios.

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 to March, an accrual effect of SEK 23m (50) was recognised under Net gains/losses on financial transactions. At the end of the period, non-recognised day 1 gains/losses totalled SEK 433m; at year-end 2022, the corresponding figure was SEK 447m.

### Change in holdings in level 3

| January - March 2023 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>173</b> | <b>39</b>         | <b>-39</b>             | <b>525</b>  | <b>-525</b>  |
| Acquisitions  |            |                   |                        |   |  |
| Repurchases/sales                                     |            |                   |                        |   |  |
| Matured during the period                             |            |                   |                        |   |  |
| Unrealised value change in income statement           | 5          | -43               | 43                     | 7   | -7   |
| Unrealised value change in other comprehensive income |            |                   |                        |   |  |
| Transfer from level 1 or 2                            |            |                   |                        |   |  |
| Transfer to level 1 or 2                              |            | 17                | -17                    |   |  |
| <b>Carrying amount at end of period</b>               | <b>178</b> | <b>13</b>         | <b>-13</b>             | <b>532</b>  | <b>-532</b>  |

| January - December 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  |            | 34                | -39                    |   |  |
| Repurchases/sales                                     | -472       | -43               | 41                     |   |  |
| Matured during the period                             |            |                   |                        |   |  |
| Unrealised value change in income statement           | 6          | -32               | 39                     | 41  | -41  |
| Unrealised value change in other comprehensive income |            |                   |                        |   |  |
| Transfer from level 1 or 2                            |            | 29                | -29                    |   |  |
| Transfer to level 1 or 2                              |            | 8                 | -8                     |   |  |
| <b>Carrying amount at end of period</b>               | <b>173</b> | <b>39</b>         | <b>-39</b>             | <b>525</b>  | <b>-525</b>  |

## Note 19 Assets and liabilities by currency

| 31 March 2023 SEK m   |                  |                |                |              |                |                |                  |                  |
|---|------------------|----------------|----------------|--------------|----------------|----------------|------------------|------------------|
|   | SEK              | EUR            | NOK            | DKK          | GBP            | USD            | Other currencies | Total            |
| <b>Assets</b>   |                  |                |                |              |                |                |                  |                  |
| Cash and balances with central banks                                  | 40,483           | 117,587        | 3,644          | 0            | 98,391         | 187,430        | 65               | 447,601          |
| Other loans to central banks  |                  | 32,853         | 6,436          |              | 1,281          |                |                  | 40,569           |
| Loans to other credit institutions                                    | 420              | 5,620          | 6,820          | 14           | 814            | 10,459         | 295              | 24,442           |
| Loans to the public   | 1,595,502        | 292,948        | 304,709        | 8,319        | 243,389        | 12,430         | 1,989            | 2,459,286        |
| <i>of which corporates</i>  | 609,347          | 184,895        | 194,279        | 8,302        | 170,772        | 12,262         | 715              | 1,180,571        |
| <i>of which households</i>  | 986,155          | 108,054        | 110,430        | 17           | 72,617         | 168            | 1,274            | 1,278,715        |
| Interest-bearing securities eligible as collateral with central banks | 213,555          | 7,288          | 3,125          | 1            |                | 9,783          |                  | 233,751          |
| Bonds and other interest-bearing securities                           | 29,879           | 594            | 10,245         |              |                | 513            |                  | 41,231           |
| Other items not broken down by currency                               | 355,199          |                |                |              |                |                |                  | 355,199          |
| <b>Total assets</b>   | <b>2,235,038</b> | <b>456,890</b> | <b>334,979</b> | <b>8,333</b> | <b>343,874</b> | <b>220,616</b> | <b>2,349</b>     | <b>3,602,079</b> |
| <b>Liabilities</b>  |                  |                |                |              |                |                |                  |                  |
| Due to credit institutions  | 28,619           | 38,281         | 7,846          | 36           | 296            | 22,794         | 328              | 98,201           |
| Deposits and borrowing from the public                                | 866,505          | 141,800        | 94,380         | 3,719        | 254,257        | 126,500        | 2,312            | 1,489,473        |
| <i>of which corporates</i>  | 384,569          | 109,555        | 62,918         | 3,624        | 185,637        | 122,807        | 1,513            | 870,623          |
| <i>of which households</i>  | 481,936          | 32,245         | 31,462         | 95           | 68,621         | 3,693          | 799              | 618,850          |
| Issued securities   | 522,185          | 325,139        | 24,131         |              | 30,800         | 549,553        | 26,861           | 1,478,669        |
| Subordinated liabilities  | 0                | 13,972         |                |              | 6,066          | 13,733         |                  | 33,771           |
| Other items not broken down by currency, incl. equity                 | 501,965          |                |                |              |                |                |                  | 501,965          |
| <b>Total liabilities and equity</b>                                   | <b>1,919,273</b> | <b>519,193</b> | <b>126,357</b> | <b>3,755</b> | <b>291,418</b> | <b>712,581</b> | <b>29,502</b>    | <b>3,602,079</b> |
| Other assets and liabilities broken down by currency (net)            |                  | 62,034         | -208,545       | -4,582       | -52,356        | 491,935        | 27,196           |                  |
| <b>Net foreign currency position</b>                                  |                  | <b>-269</b>    | <b>78</b>      | <b>-4</b>    | <b>100</b>     | <b>-30</b>     | <b>43</b>        | <b>-82</b>       |
| 31 December 2022 SEK m  |                  |                |                |              |                |                |                  |                  |
|   | SEK              | EUR            | NOK            | DKK          | GBP            | USD            | Other currencies | Total            |
| <b>Assets</b>   |                  |                |                |              |                |                |                  |                  |
| Cash and balances with central banks                                  | 100,413          | 136,928        | 8,962          | 0            | 99,872         | 129,674        | 34               | 475,882          |
| Other loans to central banks  |                  | 31,364         |                |              | 1,256          |                | 0                | 32,620           |
| Loans to other credit institutions                                    | 480              | 3,709          | 2              | 1            | 903            | 3,894          | 424              | 9,415            |
| Loans to the public   | 1,586,449        | 292,228        | 324,563        | 9,901        | 242,246        | 11,704         | 2,233            | 2,469,324        |
| <i>of which corporates</i>  | 602,504          | 183,963        | 206,027        | 9,884        | 169,380        | 11,517         | 847              | 1,184,121        |
| <i>of which households</i>  | 983,946          | 108,265        | 118,537        | 17           | 72,867         | 187            | 1,385            | 1,285,204        |
| Interest-bearing securities eligible as collateral with central banks | 117,546          | 5,483          | 36             | 1            |                | 9,712          |                  | 132,778          |
| Bonds and other interest-bearing securities                           | 22,353           | 1,472          | 8,352          |              |                | 519            |                  | 32,697           |
| Other items not broken down by currency                               | 301,000          |                |                |              |                |                | 0                | 301,000          |
| <b>Total assets</b>   | <b>2,128,242</b> | <b>471,184</b> | <b>341,916</b> | <b>9,902</b> | <b>344,277</b> | <b>155,503</b> | <b>2,691</b>     | <b>3,453,716</b> |
| <b>Liabilities</b>  |                  |                |                |              |                |                |                  |                  |
| Due to credit institutions  | 17,760           | 50,548         | 29             | 1,906        | 115            | 11,990         | 23               | 82,372           |
| Deposits and borrowing from the public                                | 854,602          | 136,375        | 91,473         | 1,201        | 252,592        | 43,167         | 3,011            | 1,382,422        |
| <i>of which corporates</i>  | 370,568          | 103,155        | 58,072         | 1,110        | 179,920        | 39,354         | 2,184            | 754,362          |
| <i>of which households</i>  | 484,035          | 33,220         | 33,401         | 91           | 72,672         | 3,814          | 828              | 628,060          |
| Issued securities   | 511,251          | 342,123        | 25,828         |              | 39,407         | 536,118        | 20,076           | 1,474,801        |
| Subordinated liabilities  | 0                | 22,266         | -              | -            | 5,930          | 14,208         |                  | 42,404           |
| Other items not broken down by currency, incl. equity                 | 471,716          |                |                |              |                |                | 1                | 471,717          |
| <b>Total liabilities and equity</b>                                   | <b>1,855,329</b> | <b>551,311</b> | <b>117,330</b> | <b>3,107</b> | <b>298,044</b> | <b>605,483</b> | <b>23,111</b>    | <b>3,453,716</b> |
| Other assets and liabilities broken down by currency (net)            |                  | 80,111         | -224,480       | -6,820       | -46,235        | 449,902        | 20,488           |                  |
| <b>Net foreign currency position</b>                                  |                  | <b>-16</b>     | <b>105</b>     | <b>-24</b>   | <b>-2</b>      | <b>-78</b>     | <b>68</b>        | <b>53</b>        |

Assets and liabilities in the tables above include the Finland disposal group, which has been reclassified to Assets held for sale and Liabilities held for sale in the balance sheet, respectively (see Note 10).



## Note 20 Own funds and capital requirements in the consolidated situation

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

Information in this section relates to Handelsbanken's material risks and capital requirement as of the publication date of this report. A full description of the Bank's risks and capital management can be found in Handelsbanken's Annual Report and in Handelsbanken's Risk and Capital – Information according to Pillar 3.

### Key metrics

|  | 31 Mar<br>2023 | 31 Dec<br>2022 | 30 Sep<br>2022 | 30 Jun<br>2022 | 31 Mar<br>2022 |
|--|----------------|----------------|----------------|----------------|----------------|
| <b>Available own funds</b>   |                |                |                |                |                |
| Common equity tier 1 (CET1) capital  | 160,582        | 158,551        | 157,550        | 155,434        | 152,665        |
| Tier 1 capital   | 176,038        | 174,134        | 174,119        | 170,775        | 166,578        |
| Total capital  | 195,398        | 193,186        | 192,695        | 194,039        | 183,956        |
| <b>Risk-weighted exposure amounts</b>  |                |                |                |                |                |
| Total risk-weighted exposure amount  | 827,075        | 810,144        | 829,860        | 830,705        | 816,394        |
| <b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>   |                |                |                |                |                |
| Common equity tier 1 ratio (%)   | 19.4%          | 19.6%          | 19.0%          | 18.7%          | 18.7%          |
| Tier 1 ratio (%)   | 21.3%          | 21.5%          | 21.0%          | 20.6%          | 20.4%          |
| Total capital ratio (%)  | 23.6%          | 23.8%          | 23.2%          | 23.4%          | 22.5%          |
| <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%           | 2.1%           | 2.1%           | 1.9%           | 1.9%           |
| of which: to be made up of CET1 capital (percentage points)  | 1.3%           | 1.3%           | 1.3%           | 1.2%           | 1.2%           |
| of which: to be made up of Tier 1 capital (percentage points)  | 1.6%           | 1.6%           | 1.6%           | 1.5%           | 1.5%           |
| Total SREP own funds requirements (%)  | 10.1%          | 10.1%          | 10.1%          | 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 (%)  | 1.1%           | 1.0%           | 0.8%           | 0.2%           | 0.1%           |
| Systemic risk buffer (%)   | 3.1%           | 3.2%           | 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>7.7%</b>    | <b>7.7%</b>    | <b>7.3%</b>    | <b>6.7%</b>    | <b>6.6%</b>    |
| Overall capital requirements (%)   | 17.8%          | 17.8%          | 17.4%          | 16.6%          | 16.6%          |
| CET1 available after meeting the total SREP own funds requirements (%)   | 13.6%          | 13.7%          | 13.2%          | 13.0%          | 12.6%          |
| <b>Leverage ratio</b>  |                |                |                |                |                |
| Leverage ratio total exposure measure  | 3,453,723      | 3,341,332      | 3,604,416      | 3,589,683      | 3,441,379      |
| Leverage ratio   | 5.1%           | 5.2%           | 4.8%           | 4.8%           | 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)   | 889,352        | 885,096        | 860,570        | 815,978        | 784,150        |
| Cash outflows - Total weighted value   | 660,672        | 645,218        | 634,114        | 600,174        | 591,031        |
| Cash inflows - Total weighted value  | 88,477         | 83,191         | 73,621         | 72,202         | 69,965         |
| Total net cash outflows (adjusted value)   | 572,195        | 562,026        | 560,493        | 527,972        | 521,066        |
| Liquidity coverage ratio   | 156%           | 159%           | 154%           | 156%           | 151%           |
| <b>Net stable funding ratio (NSFR)</b>   |                |                |                |                |                |
| Total available stable funding   | 2,052,855      | 2,036,932      | 2,138,889      | 2,125,152      | 2,059,478      |
| Total required stable funding  | 1,785,899      | 1,793,937      | 1,845,855      | 1,836,823      | 1,803,072      |
| NSFR ratio   | 115%           | 114%           | 116%           | 116%           | 114%           |

\* 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 |                |
|---|----------------|----------------|------------------------|----------------|
|   | 31 Mar<br>2023 | 31 Dec<br>2022 | 31 Mar<br>2023         | 31 Dec<br>2022 |
| <b>Credit risk (excluding CCR)</b>  | <b>701,864</b> | <b>692,006</b> | <b>56,149</b>          | <b>55,360</b>  |
| Of which standardised approach  | 189,514        | 182,775        | 15,161                 | 14,622         |
| Of which foundation IRB (FIRB) approach   | 53,008         | 51,700         | 4,241                  | 4,136          |
| Of which slotting approach  |                |                |                        |                |
| Of which equities under simple risk-weighted approach                           | 2,096          | 2,108          | 168                    | 169            |
| Of which advanced IRB (AIRB) approach   | 255,171        | 221,403        | 20,414                 | 17,712         |
| Of which risk weight floors   | 202,075        | 234,020        | 16,166                 | 18,722         |
| <b>Counterparty credit risk - CCR</b>   | <b>13,329</b>  | <b>11,833</b>  | <b>1,066</b>           | <b>947</b>     |
| Of which standardised approach  | 8,851          | 8,255          | 708                    | 660            |
| Of which internal model method (IMM)  |                |                |                        |                |
| Of which exposures to a CCP   | 186            | 174            | 15                     | 14             |
| Of which credit valuation adjustment - CVA                                      | 3,375          | 2,802          | 270                    | 224            |
| Of which other CCR  | 917            | 602            | 73                     | 48             |
| <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>36,666</b>  | <b>34,654</b>  | <b>2,933</b>           | <b>2,772</b>   |
| Of which standardised approach  | 36,666         | 34,654         | 2,933                  | 2,772          |
| Of which IMA  |                |                |                        |                |
| <b>Large exposures</b>  |                |                |                        |                |
| <b>Operational risk</b>   | <b>75,216</b>  | <b>71,651</b>  | <b>6,017</b>           | <b>5,732</b>   |
| Of which basic indicator approach   |                |                |                        |                |
| Of which standardised approach  | 75,216         | 71,651         | 6,017                  | 5,732          |
| Of which advanced measurement approach  |                |                |                        |                |
| <b>Amounts below the thresholds for deduction (subject to 250% risk weight)</b> |                |                |                        |                |
| <b>Total</b>  | <b>827,075</b> | <b>810,144</b> | <b>66,166</b>          | <b>64,812</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 73% of the total risk-weighted exposure amount for credit risk, including the effect of the risk weight floor. For the remaining credit risk exposures, the capital requirements are calculated using the standardised approach.

During Q1 2023, the risk-weighted exposure amount for retail exposures according to the advanced IRB approach saw a relatively substantial increase. This increase was almost entirely due to technical changes to the PD model, with the forthcoming PD model indicating

higher values. It does not indicate changes in the credit portfolio, but rather reflects a change in the way the model approaches defaults during crisis periods and also margins of conservatism. The majority of the exposures affected by this change have risk weight floors, meaning that almost the entire upturn in the risk-weighted exposure amounts according to the advanced IRB approach is compensated for by a reduction in the risk-weighted exposure amounts due to the risk weight floors.

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

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

## Capital requirement market risk

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

## Capital requirement operational risk

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

## Note 21 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. Essentially, market risks in the Bank's business operations are only taken as part of meeting customers' investment and risk management needs. Handelsbanken's exposure to market risks is low. The Bank's low tolerance of risk means that it is also well-equipped to operate under difficult market conditions. This applies to the changed environment for interest rates and inflation, partly brought about by Russia's invasion of Ukraine, which has brought about increased uncertainty in the European and global economies. Handelsbanken has no direct exposures to Russia, Ukraine

or Belarus. Nonetheless, geopolitical developments may entail indirect risks for the Bank. Since Russia's invasion of Ukraine, there is a heightened risk of different types of cyberattack on critical infrastructure. The Bank's security department is monitoring developments and assesses the risk of various scenarios on an ongoing basis.

In the light of the considerable changes to the interest rate environment and the turbulence in the financial markets during the year, the future conditions for the Bank's counterparties within the property sector, for example, have become more challenging. Given this situation, Handelsbanken is maintaining its strict view of credit risks and the normal credit process established at the Bank.

### Liquidity and funding

Handelsbanken has a low tolerance of liquidity risks and works actively to minimise them, at aggregate level and also in each individual currency. The aim is to have good access to liquidity, a low level of variation in results and a considerable capacity to meet customers' funding requirements, even in difficult times. This is achieved by maintaining a good matching of incoming and outgoing cash flows over time in all currencies essential to the Bank and by maintaining large liquidity reserves of good quality. The Bank thus minimises the economic risks in funding and can thereby maintain stable and long-term funding for 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 765bn at 31 March 2023. The remainder of the liquidity reserve comprises an unutilised issue amount for covered bonds and other liquidity-creating measures.

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

| Market value, SEK m  | 31 Mar<br>2023 | 31 Dec<br>2022 | 30 Sep<br>2022 | 30 Jun<br>2022 | 31 Mar<br>2022 |
|--|----------------|----------------|----------------|----------------|----------------|
| <b>Level 1 assets</b>  | <b>759,832</b> | <b>675,238</b> | <b>839,101</b> | <b>824,191</b> | <b>730,345</b> |
| Cash and balances with central banks   | 484,816        | 505,339        | 639,308        | 651,029        | 552,115        |
| Securities issued or guaranteed by sovereigns, central banks, MDBs and international organisations | 226,416        | 135,491        | 139,826        | 127,402        | 130,753        |
| Securities issued by municipalites and PSEs  | 329            | 447            | 449            | 517            | 590            |
| Extremely high quality covered bonds   | 48,270         | 33,962         | 59,518         | 45,244         | 46,887         |
| <b>Level 2 assets</b>  | <b>4,837</b>   | <b>1,139</b>   | <b>6,213</b>   | <b>2,125</b>   | <b>2,960</b>   |
| Level 2A assets  | 4,635          | 1,047          | 6,030          | 1,945          | 2,659          |
| <i>Securities issued or guaranteed by sovereigns, central banks, municipalities and PSEs</i>       | 3,604          | 36             | 3,744          | 501            | 844            |
| <i>High quality covered bonds</i>  | 1,031          | 1,011          | 2,286          | 1,444          | 1,815          |
| <i>Corporate debt securities (lowest rating AA-)</i>   |                |                |                |                |                |
| Level 2B assets  | 202            | 91             | 183            | 179            | 301            |
| <i>Asset-backed securities</i>   |                |                |                |                |                |
| <i>High quality covered bonds</i>  |                |                |                |                |                |
| <i>Corporate debt securities (rated A+ to BBB-)</i>  | 202            | 91             | 183            | 179            | 301            |
| <i>Shares (major stock index)</i>  |                |                |                |                |                |
| <b>Total liquid assets</b>   | <b>764,668</b> | <b>676,377</b> | <b>845,314</b> | <b>826,316</b> | <b>733,305</b> |
| <i>of which in SEK</i>   | 278,473        | 238,066        | 300,841        | 274,225        | 252,423        |
| <i>of which in EUR</i>   | 158,679        | 175,457        | 207,206        | 214,108        | 165,307        |
| <i>of which in USD</i>   | 190,849        | 138,867        | 158,275        | 163,140        | 157,091        |
| <i>of which in other currencies</i>  | 136,667        | 123,987        | 178,992        | 174,843        | 158,484        |

| 31 March 2023  |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|
| Market value, SEK m  | SEK            | EUR            | USD            | Other          | Total          |
| <b>Level 1 assets</b>  | <b>278,259</b> | <b>158,263</b> | <b>190,339</b> | <b>132,971</b> | <b>759,832</b> |
| Cash and balances with central banks   | 39,609         | 150,194        | 187,134        | 107,879        | 484,816        |
| Securities issued or guaranteed by sovereigns, central banks, MDBs and international organisations | 212,501        | 8,057          | 3,205          | 2,653          | 226,416        |
| Securities issued by municipalites and PSEs  | 329            |                |                |                | 329            |
| Extremely high quality covered bonds   | 25,820         | 12             |                | 22,438         | 48,270         |
| <b>Level 2 assets</b>  | <b>214</b>     | <b>416</b>     | <b>510</b>     | <b>3,697</b>   | <b>4,837</b>   |
| Level 2A assets  | 209            | 219            | 510            | 3,697          | 4,635          |
| <i>Securities issued or guaranteed by sovereigns, central banks, municipalities and PSEs</i>       |                |                |                | 3,604          | 3,604          |
| <i>High quality covered bonds</i>  | 209            | 219            | 510            | 93             | 1,031          |
| <i>Corporate debt securities (lowest rating AA-)</i>   |                |                |                |                |                |
| Level 2B assets  | 5              | 197            |                |                | 202            |
| <i>Asset-backed securities</i>   |                |                |                |                |                |
| <i>High quality covered bonds</i>  |                |                |                |                |                |
| <i>Corporate debt securities (rated A+ to BBB-)</i>  | 5              | 197            |                |                | 202            |
| <i>Shares (major stock index)</i>  |                |                |                |                |                |
| <b>Total liquid assets</b>   | <b>278,473</b> | <b>158,679</b> | <b>190,849</b> | <b>136,667</b> | <b>764,668</b> |

## Maturities for financial assets and liabilities

| 31 March Friday 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   | 488,170        |                  |                |                |                |                  |                  | 488,170          |
| Interest-bearing securities eligible as collateral with central banks *  | 233,751        |                  |                |                |                |                  |                  | 233,751          |
| Bonds and other interest-bearing securities *  | 41,231         |                  |                |                |                |                  |                  | 41,231           |
| Loans to credit institutions   | 21,619         | 72               | 202            | 185            | 1,043          | 1,320            |                  | 24,442           |
| <i>of which reverse repos</i>  | 7,012          |                  |                |                |                |                  |                  | 7,012            |
| Loans to the public  | 64,124         | 250,854          | 252,689        | 223,697        | 456,456        | 1,211,466        |                  | 2,459,286        |
| <i>of which reverse repos</i>  | 14,342         |                  |                |                |                |                  |                  | 14,342           |
| Other **   | 59,151         |                  |                |                |                |                  | 296,048          | 355,199          |
| <i>of which shares and participating interests</i>   | 21,297         |                  |                |                |                |                  |                  | 21,297           |
| <i>of which claims on investment banking settlements</i>   | 37,854         |                  |                |                |                |                  |                  | 37,854           |
| <b>Total</b>   | <b>908,046</b> | <b>250,926</b>   | <b>252,892</b> | <b>223,882</b> | <b>457,499</b> | <b>1,212,786</b> | <b>296,048</b>   | <b>3,602,079</b> |
| <b>Liabilities</b>   |                |                  |                |                |                |                  |                  |                  |
| Due to credit institutions ***   | 50,893         | 23,330           | 12,468         | 488            | 143            | 774              | 10,105           | 98,201           |
| <i>of which repos</i>  | 236            |                  |                |                |                |                  |                  | 236              |
| <i>of which deposits from central banks</i>  | 12,549         | 12,554           | 6,421          |                |                |                  | 367              | 31,891           |
| Deposits and borrowing from the public ***   | 137,521        | 118,227          | 39,846         | 10,747         | 2,397          | 157              | 1,180,578        | 1,489,473        |
| <i>of which repos</i>  | 926            |                  |                |                |                |                  |                  | 926              |
| Issued securities  | 104,742        | 407,203          | 273,623        | 103,588        | 448,982        | 140,531          |                  | 1,478,669        |
| <i>of which covered bonds</i>  |                | 45,868           | 75,074         | 74,451         | 339,067        | 89,060           |                  | 623,520          |
| <i>of which bank certificates (CDs) with original maturity of less than one year</i>                           | 55,946         | 153,795          | 76,272         |                |                |                  |                  | 286,013          |
| <i>of which corporate certificates (CPs) with original maturity of less than one year</i>                      | 48,788         | 173,058          | 96,713         |                |                |                  |                  | 318,559          |
| <i>of which bank certificates (CDs) and corporate certificates (CPs) with original maturity above one year</i> |                | 8,847            | 5,256          | 520            |                |                  |                  | 14,623           |
| <i>of which Senior Non-Preferred Bonds</i>   |                |                  |                |                | 24,579         | 24,374           |                  | 48,953           |
| <i>of which senior bonds and other securities with original maturity of more than one year</i>                 | 9              | 25,635           | 20,309         | 28,617         | 85,335         | 27,096           |                  | 187,001          |
| Subordinated liabilities   |                |                  | 12,961         |                | 10,643         | 10,166           |                  | 33,770           |
| Other **   | 25,805         |                  |                |                |                |                  | 476,160          | 501,965          |
| <i>of which short positions</i>  | 11,544         |                  |                |                |                |                  |                  | 11,544           |
| <i>of which investment banking settlement debts</i>  | 14,261         |                  |                |                |                |                  |                  | 14,261           |
| <b>Total</b>   | <b>318,961</b> | <b>548,760</b>   | <b>338,898</b> | <b>114,823</b> | <b>462,165</b> | <b>151,628</b>   | <b>1,666,843</b> | <b>3,602,079</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)

|  | 31 Mar<br>2023 | 31 Dec<br>2022 | 30 Sep<br>2022 | 30 Jun<br>2022 | 31 Mar<br>2022 |
|--|----------------|----------------|----------------|----------------|----------------|
| Liquidity coverage ratio (LCR) - sub-components, SEK m     |                |                |                |                |                |
| <b>High quality liquidity assets</b>                       | <b>760,493</b> | <b>673,796</b> | <b>840,152</b> | <b>822,767</b> | <b>729,474</b> |
| <b>Cash outflows</b>                                       |                |                |                |                |                |
| Retail deposits and deposits from small business customers | 57,720         | 65,380         | 70,478         | 72,154         | 68,982         |
| Unsecured wholesale funding                                | 407,876        | 293,008        | 415,380        | 368,990        | 338,241        |
| Secured wholesale funding                                  | 7,330          | 7,351          | 14,003         | 16,041         | 12,139         |
| Other cash outflows  | 115,562        | 124,709        | 78,856         | 65,123         | 64,559         |
| <b>Total cash outflows</b>                                 | <b>588,488</b> | <b>490,448</b> | <b>578,717</b> | <b>522,308</b> | <b>483,921</b> |
| <b>Cash inflows</b>  |                |                |                |                |                |
| Inflows from fully performing exposures                    | 27,603         | 27,209         | 28,025         | 24,960         | 26,785         |
| Other cash inflows   | 56,694         | 50,293         | 31,494         | 40,613         | 25,706         |
| <b>Total cash inflows</b>                                  | <b>84,297</b>  | <b>77,502</b>  | <b>59,519</b>  | <b>65,573</b>  | <b>52,491</b>  |
| <b>Liquidity coverage ratio (LCR)</b>                      | <b>151%</b>    | <b>163%</b>    | <b>162%</b>    | <b>180%</b>    | <b>169%</b>    |

## Net stable funding ratio (NSFR)

|   | 31 Mar<br>2023   | 31 Dec<br>2022   | 30 Sep<br>2022   | 30 Jun<br>2022   | 31 Mar<br>2022   |
|---|------------------|------------------|------------------|------------------|------------------|
| Net stable funding ratio (NSFR) - sub-components, SEK m |                  |                  |                  |                  |                  |
| <b>Available stable funding (ASF)</b>                   |                  |                  |                  |                  |                  |
| Capital items and instruments                           | 203,660          | 214,134          | 229,506          | 218,869          | 206,938          |
| Retail deposits   | 715,995          | 724,112          | 749,894          | 752,687          | 718,486          |
| Wholesale funding                                       | 1,127,120        | 1,092,732        | 1,152,859        | 1,147,415        | 1,128,476        |
| Other liabilities                                       | 6,081            | 5,954            | 6,630            | 6,180            | 5,578            |
| <b>Total Available stable funding (ASF)</b>             | <b>2,052,855</b> | <b>2,036,932</b> | <b>2,138,889</b> | <b>2,125,152</b> | <b>2,059,478</b> |
| <b>Required stable funding (RSF)</b>                    |                  |                  |                  |                  |                  |
| Total high-quality liquid assets (HQLA)                 | 8,768            | 4,918            | 8,759            | 7,706            | 8,658            |
| Assets encumbered for more than 12 months in cover pool | 452,064          | 483,554          | 454,427          | 426,639          | 461,542          |
| Performing loans and securities                         | 1,244,819        | 1,232,720        | 1,302,501        | 1,312,824        | 1,249,790        |
| Other assets  | 57,342           | 48,935           | 55,797           | 64,867           | 58,547           |
| Off-balance sheet items                                 | 22,905           | 23,811           | 24,371           | 24,788           | 24,535           |
| <b>Total Required stable funding (RSF)</b>              | <b>1,785,899</b> | <b>1,793,937</b> | <b>1,845,855</b> | <b>1,836,823</b> | <b>1,803,072</b> |
| <b>Net stable funding ratio (NSFR)</b>                  | <b>115%</b>      | <b>114%</b>      | <b>116%</b>      | <b>116%</b>      | <b>114%</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%. The minimum requirement for the structural liquidity measure, the NSFR (Net Stable Funding Ratio) – the ratio between available stable funding and required stable funding – requires the Bank to have sufficient stable funding to cover its funding needs under both normal and stressed circumstances from the perspective of a one-year horizon. 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 151%, 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 115%.

## 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. With these conditions, the Bank will be liquid for more than three years.

## Non-encumbered assets, NEA

| 31 March 2023  |              |   |
|--|--------------|---|
| SEK bn   | NEA          | Accumulated coverage ratio in % of unsecured funding* |
| Holdings with central banks and securities in the liquidity portfolio*** | 765          | 82%   |
| Mortgage loans   | 822          | 170%  |
| Other household lending  | 156          | 187%  |
| Property company lending lowest risk class (1-3)                         | 301          | 220%  |
| Other corporate lending lowest risk class (1-3)                          | 127          | 233%  |
| Loans to credit institutions lowest risk class (1-3)                     | 4            | 234%  |
| Other corporate lending  | 325          | 268%  |
| Other assets   | 47           | 274%  |
| <b>Total non-encumbered assets (NEA)</b>                                 | <b>2,547</b> | <b>274%</b>   |
| <b>Encumbered assets without underlying liabilities**</b>                | <b>71</b>    |   |
| Encumbered assets with underlying liabilities                            | 984          |   |
| <b>Total assets, Group</b>   | <b>3,602</b> |   |

| 31 December 2022   |              |   |
|--|--------------|---|
| SEK bn   | NEA          | Accumulated coverage ratio in % of unsecured funding* |
| Holdings with central banks and securities in the liquidity portfolio*** | 676          | 75%   |
| Mortgage loans   | 800          | 163%  |
| Other household lending  | 155          | 181%  |
| Property company lending lowest risk class (1-3)                         | 311          | 215%  |
| Other corporate lending lowest risk class (1-3)                          | 137          | 230%  |
| Loans to credit institutions lowest risk class (1-3)                     | 4            | 231%  |
| Other corporate lending  | 321          | 266%  |
| Other assets   | 55           | 272%  |
| <b>Total non-encumbered assets (NEA)</b>                                 | <b>2,459</b> | <b>272%</b>   |
| <b>Encumbered assets without underlying liabilities**</b>                | <b>75</b>    |   |
| Encumbered assets with underlying liabilities                            | 920          |   |
| <b>Total assets, Group</b>   | <b>3,454</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 22 Related-party transactions

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

## Note 23 Segment reporting

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

## Note 24 Events after the balance sheet date

No significant events have occurred after the balance sheet date.

# Condensed set of financial statements – Parent company

## INCOME STATEMENT – PARENT COMPANY

| SEK m  | Q1<br>2023    | Q4<br>2022    | Change      | Q1<br>2022    | Change      | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Change      | Full year<br>2022 |
|--|---------------|---------------|-------------|---------------|-------------|-----------------|-----------------|-------------|-------------------|
| Net interest income  | 5,952         | 5,674         | 5%          | 3,551         | 68%         | 5,952           | 3,551           | 68%         | 18,230            |
| Dividends received   | 3,650         | 16,516        | -78%        | 150           |             | 3,650           | 150             |             | 16,953            |
| Net fee and commission income  | 1,149         | 1,252         | -8%         | 1,381         | -17%        | 1,149           | 1,381           | -17%        | 5,167             |
| Net gains/losses on financial transactions   | 55            | 1,352         | -96%        | 254           | -78%        | 55              | 254             | -78%        | 820               |
| Other operating income   | 901           | 2,413         | -63%        | 781           | 15%         | 901             | 781             | 15%         | 4,841             |
| <b>Total income</b>  | <b>11,707</b> | <b>27,207</b> | <b>-57%</b> | <b>6,117</b>  | <b>91%</b>  | <b>11,707</b>   | <b>6,117</b>    | <b>91%</b>  | <b>46,011</b>     |
| Staff costs  | -3,137        | -3,070        | 2%          | -2,871        | 9%          | -3,137          | -2,871          | 9%          | -11,990           |
| Other administrative expenses  | -1,836        | -2,158        | -15%        | -1,617        | 14%         | -1,836          | -1,617          | 14%         | -7,415            |
| Depreciation, amortisation and impairment of property, equipment and intangible assets | -606          | -660          | -8%         | -606          | 0%          | -606            | -606            | 0%          | -2,459            |
| <b>Total expenses before credit losses</b>   | <b>-5,579</b> | <b>-5,889</b> | <b>-5%</b>  | <b>-5,094</b> | <b>10%</b>  | <b>-5,579</b>   | <b>-5,094</b>   | <b>10%</b>  | <b>-21,864</b>    |
| <b>Profit before credit losses, risk tax and resolution fee</b>                        | <b>6,128</b>  | <b>21,319</b> | <b>-71%</b> | <b>1,023</b>  | <b>499%</b> | <b>6,128</b>    | <b>1,023</b>    | <b>499%</b> | <b>24,148</b>     |
| Net credit losses  | 11            | -51           |             | -56           |             | 11              | -56             |             | -41               |
| Impairment of financial assets   |               | -2,280        |             | -25           |             |                 | -25             |             | -2,305            |
| Risk tax and resolution fee  | -469          | -267          | 76%         | -387          | 21%         | -469            | -387            | 21%         | -1,331            |
| <b>Operating profit</b>  | <b>5,671</b>  | <b>18,720</b> | <b>-70%</b> | <b>556</b>    |             | <b>5,671</b>    | <b>556</b>      |             | <b>20,471</b>     |
| Appropriations   |               | -180          |             | 1             |             |                 | 1               |             | -160              |
| <b>Profit before tax</b>   | <b>5,671</b>  | <b>18,541</b> | <b>-69%</b> | <b>557</b>    |             | <b>5,671</b>    | <b>557</b>      |             | <b>20,311</b>     |
| Taxes  | -505          | -4,304        | -88%        | -135          | 274%        | -505            | -135            | 274%        | -4,856            |
| <b>Profit for the period</b>   | <b>5,165</b>  | <b>14,236</b> | <b>-64%</b> | <b>421</b>    |             | <b>5,165</b>    | <b>421</b>      |             | <b>15,455</b>     |

## STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

| SEK m   | Q1<br>2023   | Q4<br>2022    | Change      | Q1<br>2022   | Change      | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Change      | Full year<br>2022 |
|---|--------------|---------------|-------------|--------------|-------------|-----------------|-----------------|-------------|-------------------|
| <b>Profit for the period</b>  | <b>5,165</b> | <b>14,236</b> | <b>-64%</b> | <b>421</b>   |             | <b>5,165</b>    | <b>421</b>      |             | <b>15,455</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  | 31           | -49           |             | 9            |             | 31              | 9               |             | 41                |
| Tax on items that will not be reclassified to income statement<br><i>of which equity instruments measured at fair value through other comprehensive income</i>  | -4           | -3            |             | -2           |             | -4              | -2              |             | -19               |
| <b>Total items that will not be reclassified to the income statement</b>  | <b>27</b>    | <b>-52</b>    |             | <b>7</b>     |             | <b>27</b>       | <b>7</b>        |             | <b>22</b>         |
| <b>Items that may subsequently be reclassified to the income statement</b>  |              |               |             |              |             |                 |                 |             |                   |
| Cash flow hedges  | -158         | -931          | 83%         | 1,113        |             | -158            | 1,113           |             | 3,411             |
| Instruments measured at fair value through other comprehensive income - debt instruments  | -2           | 25            |             | -44          |             | -2              | -44             |             | -61               |
| Translation differences for the period<br><i>of which hedging net investment in foreign operations</i>  | -760         | 436           |             | 628          |             | -760            | 628             |             | 1,326             |
| Tax on items that may subsequently be reclassified to the income statement<br><i>of which cash flow hedges</i><br><i>of which debt instruments measured at fair value through other comprehensive income</i><br><i>of which hedging net investment in foreign operations</i><br><i>of which tax on translation difference</i> | 5            | -14           |             | -18          |             | 5               | -18             |             | -83               |
|   | 182          | -383          |             | -224         |             | 182             | -224            |             | -1,251            |
|   | 33           | 191           | -83%        | -229         |             | 33              | -229            |             | -703              |
|   |              | -6            |             | 3            |             |                 | 3               |             | 6                 |
|   | -1           | 3             |             | 4            |             | -1              | 4               |             | 17                |
|   | 150          | -572          |             |              |             | 150             |                 |             | -572              |
| <b>Total items that may subsequently be reclassified to the income statement</b>  | <b>-737</b>  | <b>-853</b>   | <b>14%</b>  | <b>1,473</b> |             | <b>-737</b>     | <b>1,473</b>    |             | <b>3,425</b>      |
| <b>Total other comprehensive income for the period</b>  | <b>-711</b>  | <b>-905</b>   | <b>21%</b>  | <b>1,482</b> |             | <b>-711</b>     | <b>1,482</b>    |             | <b>3,447</b>      |
| <b>Total comprehensive income for the period</b>  | <b>4,454</b> | <b>13,331</b> | <b>-67%</b> | <b>1,903</b> | <b>134%</b> | <b>4,454</b>    | <b>1,903</b>    | <b>134%</b> | <b>18,902</b>     |



## Comment on results – Parent company January – March 2023 compared with January – March 2022

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 coordinated 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.

The operations in Denmark were divested during Q4 2022 and the process of divesting the operations in Finland is continuing according to plan.

The parent company's operating profit increased by SEK 5,115m to SEK 5,671m (556) compared with the previous year, mainly due to higher dividends received. The SEK 3,500m increase in dividends received to SEK 3,650m (150) is primarily attributable to the parent company receiving dividends of approximately SEK 3,400m from its subsidiary, Handelsbanken plc. Net interest income increased by 68% to SEK 5,952m (3,551), and net fee and commission income decreased by 17% to SEK 1,149m (1,381). Profit for the period increased by SEK 4,744m to SEK 5,165m (421). Since year-end 2022, the parent company's equity has decreased to SEK 142,501m (153,887).

## BALANCE SHEET – PARENT COMPANY

| SEK m   | 31 Mar<br>2023   | 31 Dec<br>2022   | 30 Sep<br>2022   | 30 Jun<br>2022   | 31 Mar<br>2022   |
|---|------------------|------------------|------------------|------------------|------------------|
| <b>Assets</b>   |                  |                  |                  |                  |                  |
| Cash and balances with central banks                                  | 349,209          | 376,010          | 496,932          | 540,690          | 458,039          |
| Interest-bearing securities eligible as collateral with central banks | 233,751          | 132,778          | 130,097          | 114,338          | 121,996          |
| Loans to credit institutions  | 1,082,040        | 1,025,664        | 1,105,903        | 1,049,080        | 1,012,434        |
| Loans to the public   | 624,712          | 637,721          | 678,884          | 662,966          | 643,007          |
| Value change of interest hedged item in portfolio hedge               | -15,035          | -16,611          | -20,923          | -15,153          | -8,413           |
| Bonds and other interest-bearing securities                           | 45,177           | 33,339           | 46,795           | 40,785           | 44,963           |
| Shares  | 15,103           | 7,112            | 14,312           | 14,819           | 13,470           |
| Shares in subsidiaries and investments<br>in associates               | 70,625           | 70,483           | 72,770           | 72,757           | 72,537           |
| Assets where the customer bears the value change risk                 | 2,344            | 2,387            | 7,546            | 7,838            | 8,338            |
| Derivative instruments  | 53,928           | 52,360           | 97,421           | 65,757           | 31,222           |
| Intangible assets   | 3,168            | 3,144            | 3,046            | 3,098            | 3,110            |
| Property, equipment and leasing assets                                | 6,287            | 6,530            | 6,710            | 6,818            | 6,956            |
| Current tax assets  | 1,186            | 30               | 2,965            | 2,491            | 1,143            |
| Deferred tax assets   | 651              | 617              | 664              | 659              | 726              |
| Other assets  | 28,283           | 30,166           | 5,457            | 19,609           | 16,262           |
| Prepaid expenses and accrued income                                   | 2,010            | 1,159            | 1,437            | 1,625            | 1,970            |
| <b>Total assets</b>   | <b>2,503,439</b> | <b>2,362,889</b> | <b>2,650,016</b> | <b>2,588,176</b> | <b>2,427,762</b> |
| <b>Liabilities and equity</b>   |                  |                  |                  |                  |                  |
| Due to credit institutions  | 196,634          | 169,617          | 201,904          | 203,503          | 191,834          |
| Deposits and borrowing from the public                                | 1,247,521        | 1,137,272        | 1,344,912        | 1,326,625        | 1,266,050        |
| Liabilities where the customer bears the value change risk            | 2,344            | 2,387            | 7,546            | 7,838            | 8,338            |
| Issued securities   | 810,790          | 806,013          | 849,526          | 811,445          | 725,832          |
| Derivative instruments  | 32,847           | 36,985           | 33,793           | 27,772           | 25,131           |
| Short positions   | 11,544           | 1,939            | 10,990           | 14,140           | 17,665           |
| Current tax liabilities   |                  |                  |                  |                  | 0                |
| Deferred tax liabilities  | 1,190            | 1,193            | 1,122            | 709              | 678              |
| Provisions  | 617              | 646              | 997              | 1,102            | 984              |
| Other liabilities   | 19,497           | 6,779            | 9,413            | 15,100           | 19,448           |
| Accrued expenses and deferred income                                  | 3,316            | 2,901            | 3,567            | 3,263            | 3,438            |
| Subordinated liabilities  | 33,771           | 42,404           | 45,058           | 38,516           | 31,434           |
| <b>Total liabilities</b>  | <b>2,360,071</b> | <b>2,208,135</b> | <b>2,508,826</b> | <b>2,450,012</b> | <b>2,290,832</b> |
| <b>Untaxed reserves</b>   | <b>867</b>       | <b>867</b>       | <b>687</b>       | <b>706</b>       | <b>706</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   | 10,525           | 11,196           | 11,987           | 10,215           | 9,132            |
| Retained earnings   | 114,983          | 115,409          | 115,471          | 115,344          | 114,844          |
| Profit for the period   | 5,165            | 15,455           | 1,219            | 72               | 421              |
| <b>Total equity</b>   | <b>142,501</b>   | <b>153,887</b>   | <b>140,503</b>   | <b>137,458</b>   | <b>136,224</b>   |
| <b>Total liabilities and equity</b>                                   | <b>2,503,439</b> | <b>2,362,889</b> | <b>2,650,016</b> | <b>2,588,176</b> | <b>2,427,762</b> |

## CHANGE IN EQUITY – PARENT COMPANY

| January - March 2023<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 2022</b>   | <b>3,069</b>      | <b>2,682</b>      | <b>3,010</b>                           | <b>8,758</b>        | <b>3,531</b>    | <b>126</b>           | <b>1,847</b>          | <b>130,864</b>                              | <b>153,887</b> |
| Profit for the period  |                   |                   |  |                     |                 |                      |                       | 5,165                                       | 5,165          |
| Other comprehensive income<br><i>of which reclassified within equity</i> |                   |                   |  |                     | -125            | 25                   | -611                  |   | -711           |
| <b>Total comprehensive income for the period</b>                         |                   |                   |  |                     | <b>-125</b>     | <b>25</b>            | <b>-611</b>           | <b>5,165</b>                                | <b>4,454</b>   |
| Reclassified to retained earnings  |                   |                   |  |                     |                 |                      |                       |   |                |
| Fund for internally developed software                                   |                   |                   | 40                                     |                     |                 |                      |                       | -40   |                |
| <b>Closing equity</b>  | <b>3,069</b>      | <b>2,682</b>      | <b>3,050</b>                           | <b>8,758</b>        | <b>3,406</b>    | <b>151</b>           | <b>1,236</b>          | <b>120,148</b>                              | <b>142,501</b> |

| January – December 2022<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 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  |                   |                   |  |                     |                 |                      |                       | 15,455                                      | 15,455         |
| Other comprehensive income<br><i>of which reclassified within equity</i> |                   |                   |  |                     | 2,708           | -33                  | 771                   |   | 3,447          |
| <b>Total comprehensive income for the period</b>                         |                   |                   |  |                     | <b>2,708</b>    | <b>-33</b>           | <b>771</b>            | <b>15,455</b>                               | <b>18,902</b>  |
| Reclassified to retained earnings  |                   |                   |  |                     |                 |                      |                       | 664   | 664            |
| Dividend   |                   |                   |  |                     |                 |                      |                       | -9,900                                      | -9,900         |
| Fund for internally developed software                                   |                   |                   | 98                                     |                     |                 |                      |                       | -98   |                |
| <b>Closing equity</b>  | <b>3,069</b>      | <b>2,682</b>      | <b>3,010</b>                           | <b>8,758</b>        | <b>3,531</b>    | <b>126</b>           | <b>1,847</b>          | <b>130,864</b>                              | <b>153,887</b> |

| January - March 2022<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 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  |                   |                   |  |                     |                 |                      |                       | 421   | 421            |
| Other comprehensive income<br><i>of which reclassified within equity</i> |                   |                   |  |                     | 884             | -33                  | 632                   |   | 1,483          |
| <b>Total comprehensive income for the period</b>                         |                   |                   |  |                     | <b>884</b>      | <b>-33</b>           | <b>632</b>            | <b>421</b>                                  | <b>1,904</b>   |
| Reclassified to retained earnings  |                   |                   |  |                     |                 |                      |                       |   |                |
| Dividend**   |                   |                   |  |                     |                 |                      |                       | -9,900                                      | -9,900         |
| Fund for internally developed software                                   |                   |                   | -2                                     |                     |                 |                      |                       | 2   |                |
| <b>Closing equity</b>  | <b>3,069</b>      | <b>2,682</b>      | <b>2,910</b>                           | <b>8,758</b>        | <b>1,707</b>    | <b>125</b>           | <b>1,708</b>          | <b>115,265</b>                              | <b>136,224</b> |

\* Included in fair value fund.

## CONDENSED STATEMENT OF CASH FLOWS – PARENT COMPANY

| SEK m   | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Full year<br>2022 |
|---|-----------------|-----------------|-------------------|
| Operating profit  | 5,671           | 556             | 20,471            |
| Adjustment from Operating profit to investment activities     |                 |                 | -124              |
| Adjustment for non-cash items in profit/loss                  | -320            | 1,205           | -13,583           |
| Paid income tax   | -1,669          | -1,600          | -4,842            |
| Changes in the assets and liabilities of operating activities | -21,511         | 109,405         | 1,447             |
| <b>Cash flow from operating activities</b>                    | <b>-17,830</b>  | <b>109,566</b>  | <b>3,370</b>      |
| Disposal of operations and subsidiaries                       |                 |                 | -3,891            |
| Change in shares  | -50             | -30             | -83               |
| Change in property and equipment                              | -302            | -380            | -1,358            |
| Change in intangible assets                                   | -201            | -116            | -575              |
| <b>Cash flow from investing activities</b>                    | <b>-553</b>     | <b>-526</b>     | <b>-5,907</b>     |
| Repayment of subordinated loans                               | -8,351          |                 | -3,000            |
| Issued subordinated loans                                     |                 |                 | 11,845            |
| Dividend paid   | -15,840         | -9,900          | -9,900            |
| Received Group contributions                                  | 16,249          | 16,685          | 16,685            |
| <b>Cash flow from financing activities</b>                    | <b>-7,943</b>   | <b>6,785</b>    | <b>15,630</b>     |
| <b>Liquid funds at beginning of the year</b>                  | <b>376,010</b>  | <b>338,768</b>  | <b>338,768</b>    |
| Cash flow for the period                                      | -26,326         | 115,825         | 13,093            |
| Exchange rate difference on liquid funds                      | -475            | 3,446           | 24,149            |
| <b>Liquid funds at end of year*</b>                           | <b>349,209</b>  | <b>458,039</b>  | <b>376,010</b>    |

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

## OWN FUNDS AND CAPITAL REQUIREMENTS – PARENT COMPANY

### Key metrics

|  | 31 Mar<br>2023 | 31 Dec<br>2022 | 30 Sep<br>2022 | 30 Jun<br>2022 | 31 Mar<br>2022 |
|--|----------------|----------------|----------------|----------------|----------------|
| <b>Available own funds</b>   |                |                |                |                |                |
| Common equity tier 1 (CET1) capital  | 131,789        | 130,069        | 130,995        | 130,214        | 129,805        |
| Tier 1 capital   | 147,244        | 145,652        | 147,564        | 145,555        | 143,718        |
| Total capital  | 166,604        | 164,704        | 166,140        | 168,819        | 161,096        |
| <b>Risk-weighted exposure amounts</b>  |                |                |                |                |                |
| Total risk-weighted exposure amount  | 449,408        | 442,406        | 460,099        | 471,791        | 464,799        |
| <b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>   |                |                |                |                |                |
| Common equity tier 1 ratio (%)   | 29.3%          | 29.4%          | 28.5%          | 27.6%          | 27.9%          |
| Tier 1 ratio (%)   | 32.8%          | 32.9%          | 32.1%          | 30.9%          | 30.9%          |
| Total capital ratio (%)  | 37.1%          | 37.2%          | 36.1%          | 35.8%          | 34.7%          |
| <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%           | 1.7%           | 1.7%           | 1.6%           | 1.6%           |
| of which: to be made up of CET1 capital (percentage points)  | 1.0%           | 1.0%           | 1.0%           | 0.9%           | 0.9%           |
| of which: to be made up of Tier 1 capital (percentage points)  | 1.3%           | 1.3%           | 1.3%           | 1.2%           | 1.2%           |
| Total SREP own funds requirements (%)  | 9.7%           | 9.7%           | 9.7%           | 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 (%)  | 1.1%           | 1.0%           | 0.8%           | 0.3%           | 0.2%           |
| Systemic risk buffer (%)   |                |                |                |                |                |
| Global Systemically Important Institution buffer (%)   |                |                |                |                |                |
| Other Systemically Important Institution buffer  |                |                |                |                |                |
| Combined buffer requirement (%)  | 3.6%           | 3.5%           | 3.3%           | 2.8%           | 2.7%           |
| Overall capital requirements (%)   | 13.3%          | 13.2%          | 13.0%          | 12.3%          | 12.3%          |
| CET1 available after meeting the total SREP own funds requirements (%)   | 23.8%          | 23.9%          | 26.4%          | 22.2%          | 25.1%          |
| <b>Leverage ratio</b>  |                |                |                |                |                |
| Leverage ratio total exposure measure  | 1,687,857      | 1,575,111      | 1,806,127      | 1,805,514      | 1,696,968      |
| Leverage ratio   | 8.7%           | 9.2%           | 8.2%           | 8.1%           | 8.5%           |
| <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)   | 787,825        | 785,155        | 762,242        | 721,374        | 690,055        |
| Cash outflows - Total weighted value   | 636,476        | 628,587        | 622,625        | 599,300        | 592,160        |
| Cash inflows - Total weighted value  | 169,290        | 156,413        | 136,185        | 131,736        | 122,643        |
| Total net cash outflows (adjusted value)   | 467,186        | 472,174        | 486,440        | 467,564        | 469,517        |
| Liquidity coverage ratio   | 171%           | 170%           | 158%           | 156%           | 148%           |
| <b>Net stable funding ratio (NSFR)</b>   |                |                |                |                |                |
| Total available stable funding   | 1,321,153      | 1,306,873      | 1,392,059      | 1,382,736      | 1,318,109      |
| Total required stable funding  | 1,219,697      | 1,236,689      | 1,295,231      | 1,328,763      | 1,274,734      |
| NSFR ratio   | 108%           | 106%           | 107%           | 104%           | 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 |                |
|---|----------------|----------------|------------------------|----------------|
|   | 31 Mar<br>2023 | 31 Dec<br>2022 | 31 Mar<br>2023         | 31 Dec<br>2022 |
| <b>Credit risk (excluding CCR)</b>  | <b>358,817</b> | <b>358,567</b> | <b>28,705</b>          | <b>28,685</b>  |
| Of which standardised approach  | 149,917        | 147,329        | 11,993                 | 11,786         |
| Of which foundation IRB (FIRB) approach   | 46,335         | 46,651         | 3,707                  | 3,732          |
| Of which slotting approach  |                |                |                        |                |
| Of which equities under simple risk-weighted approach                               | 2,064          | 1,968          | 165                    | 157            |
| Of which advanced IRB (AIRB) approach   | 134,898        | 132,266        | 10,792                 | 10,581         |
| Of which risk weight floors   | 25,603         | 30,353         | 2,048                  | 2,428          |
| <b>Counterparty credit risk - CCR</b>   | <b>13,335</b>  | <b>11,819</b>  | <b>1,067</b>           | <b>946</b>     |
| Of which standardised approach  | 8,857          | 8,241          | 709                    | 659            |
| Of which internal model method (IMM)  |                |                |                        |                |
| Of which exposures to a CCP   | 186            | 174            | 15                     | 14             |
| Of which credit valuation adjustment - CVA  | 3,375          | 2,802          | 270                    | 224            |
| Of which other CCR  | 917            | 602            | 73                     | 48             |
| <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>37,687</b>  | <b>34,928</b>  | <b>3,015</b>           | <b>2,794</b>   |
| Of which standardised approach  | 37,687         | 34,928         | 3,015                  | 2,794          |
| Of which IMA  |                |                |                        |                |
| <b>Large exposures</b>  |                |                |                        |                |
| <b>Operational risk</b>   | <b>39,659</b>  | <b>37,092</b>  | <b>3,173</b>           | <b>2,967</b>   |
| Of which basic indicator approach   |                |                |                        |                |
| Of which standardised approach  | 39,659         | 37,092         | 3,173                  | 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>449,408</b> | <b>442,406</b> | <b>35,953</b>          | <b>35,392</b>  |

## **SUBMISSION OF REPORT**

I hereby submit this interim report.

Stockholm, 26 April 2023

Carina Åkerström  
President and Chief Executive Officer

# Information regarding the press conference and telephone conference

An online press conference will be held on 26 April 2023 at 08:30 a.m.

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

The interim report for January – June 2023 will be published on 19 July 2023.

For further information, please contact:

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# Auditor's review report

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

## INTRODUCTION

We have reviewed the condensed interim financial information (interim report) for Svenska Handelsbanken AB (publ) as at 31 March 2023 and for the three-month period ending as at this date. The Board of Directors and the Chief Executive Officer 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, 26 April 2023

PricewaterhouseCoopers AB  
Johan Rippe  
Authorised Public Accountant

Deloitte AB  
Malin Lüning  
Authorised Public Accountant



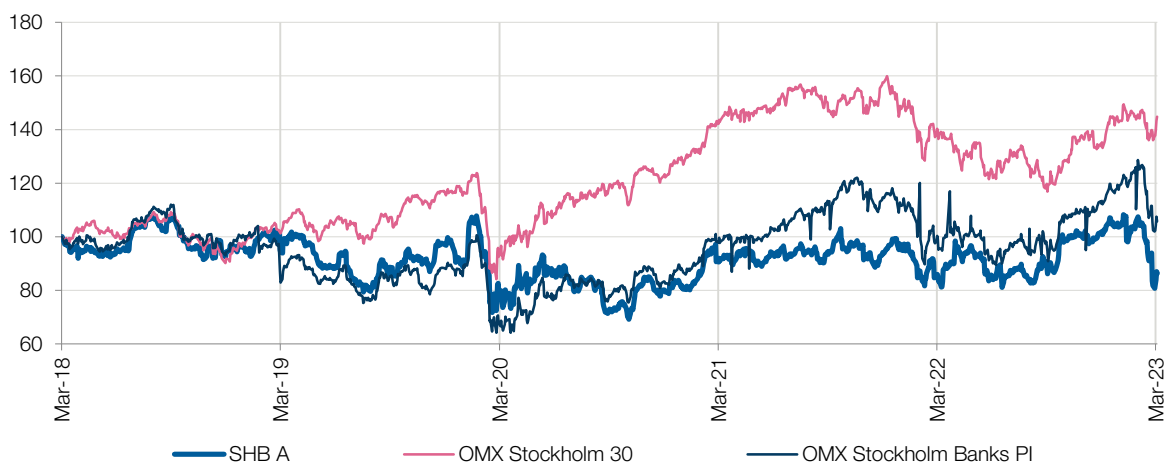
## Share price performance and other information

The Swedish stock market (OMX Stockholm 30 index) went up by 9% during the first three months of the year. The Stockholm stock exchange's bank index was down 6%. Handelsbanken's class A shares closed at SEK 89.84, a decline of 15%. Including the distributed dividend of SEK 8.00 per share, the total return was -7%.

Over the last five years, the Swedish stock market (OMX Stockholm 30) has gone up by 45%, while the bank index (OMX Stockholm Banks PI) has gone up by 6%. During the same period, the price of Handelsbanken's class A share has declined by 14%.

### SHARE PRICE PERFORMANCE PREVIOUS 5 YEARS

Index 100 = March 29, 2018



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