

Interim Report

January-March

2024

Handelsbanken's Interim Report

January - March 2024

Q1 2024 (Q4 2023)

- Operating profit was SEK 8,267m (9,057).
- Return on equity was 13.7% (15.2).
- Earnings per share amounted to SEK 3.33 (3.66).
- The C/I ratio was 42.2% (38.4).
- The credit loss ratio was -0.01% (0.00).
- The common equity tier 1 ratio was 18.8% (18.8).

JANUARY - MARCH 2024 (JANUARY - MARCH 2023)

- Operating profit was SEK 8,267m (8,516).
- Return on equity was 13.7% (15.0).
- Earnings per share amounted to SEK 3.33 (3.44).
- The C/I ratio was 42.2% (38.5).
- The credit loss ratio was -0.01% (0.01).
- The common equity tier 1 ratio was 18.8% (19.4).

In a quarter marked by expenses rising more quickly than income, we are naturally far from satisfied. This outcome spurs us work even more focused with a resolute change work at a higher pace. Expenses tied to business support operations will also be moved closer to the business decisions, and we strengthen and extend the decentralised responsibilities for enforcement of efficiency improvements.

Net interest income has been negatively impacted by narrowing margins. Nonetheless, our branches have successfully leveraged the Bank's strength to retain, develop and attract new customers. We also note good growth within the savings business and Private Banking. This demonstrates the branches' capacity to operate effectively and efficiently, in very competitive segments.

As a consequence of the ongoing weak development of our Norwegian operations, we have after a review decided on a strategic refocus.

Staff costs are rising. However, part of the increase is due to additional recruitments in the branch operations, which bears witness to increasing customer and business activity.

SEK m	Q1 2024	Q4 2023	Change %	Jan-Mar 2024	Jan-Mar 2023	Change %
Total income	15,318	15,854	-3%	15,318	14,985	2%
Total expenses	-6,470	-6,086	6%	-6,470	-5,776	12%
Credit losses	95	-52		95	-30	
Risk tax and resolution fee	-680	-664	2%	-680	-671	1%
Operating profit	8,267	9,057	-9%	8,267	8,516	-3%
<i>Non-recurring items and special items in operating profit*</i>	-248	-83		-188	-202	
<i>Operating profit adjusted for items affecting comparability</i>	<i>8,515</i>	<i>9,140</i>	<i>-7%</i>	<i>8,455</i>	<i>8,718</i>	<i>-3%</i>

* Items affecting comparability consist of foreign exchange effects, non-recurring items and special items, which are presented in the tables on pages 5 and 6.

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For definitions and calculation of alternative performance measures, together with specifications of foreign exchange effects, non-recurring items and special items, please see the Fact Book which is available at 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

SEK m	Q1 2024	Q4 2023	Change	Q1 2023	Change	Jan-mar 2024	Jan-mar 2023	Change	Full year 2023
Summary income statement									
Net interest income	11,587	12,222	-5%	11,485	1%	11,587	11,485	1%	47,578
Net fee and commission income	2,754	2,800	-2%	2,766	0%	2,754	2,766	0%	11,139
Net gains/losses on financial transactions	750	579	30%	602	25%	750	602	25%	2,661
Net insurance result	125	207	-40%	91	37%	125	91	37%	493
Other dividend income	2	1	100%	1	100%	2	1	100%	3
Share of profit of associates	68	-17		-1		68	-1		51
Other income	32	64	-50%	42	-24%	32	42	-24%	325
Total income	15,318	15,854	-3%	14,985	2%	15,318	14,985	2%	62,249
Staff costs	-3,935	-3,531	11%	-3,470	13%	-3,935	-3,470	13%	-13,642
Other expenses	-2,056	-2,152	-4%	-1,852	11%	-2,056	-1,852	11%	-7,796
Depreciation, amortisation and impairment of property, equipment and intangible assets	-479	-402	19%	-454	6%	-479	-454	6%	-1,743
Total expenses	-6,470	-6,086	6%	-5,776	12%	-6,470	-5,776	12%	-23,182
Profit before credit losses, risk tax and resolution fee									
	8,848	9,768	-9%	9,210	-4%	8,848	9,210	-4%	39,067
Net credit losses	95	-52		-30		95	-30		-141
Gains/losses on disposal of property, equipment and intangible assets	4	6	-33%	7	-43%	4	7	-43%	20
Risk tax and resolution fee	-680	-664	2%	-671	1%	-680	-671	1%	-2,624
Operating profit	8,267	9,057	-9%	8,516	-3%	8,267	8,516	-3%	36,322
Taxes	-1,874	-2,093	-10%	-1,934	-3%	-1,874	-1,934	-3%	-8,417
Profit for the period from continuing operations	6,393	6,965	-8%	6,582	-3%	6,393	6,582	-3%	27,905
Profit for the period from discontinued operations after tax	211	280	-25%	232	-9%	211	232	-9%	1,209
Profit for the period	6,604	7,244	-9%	6,814	-3%	6,604	6,814	-3%	29,114
Summary balance sheet*, end of period									
Loans to the public	2,297,097	2,291,808	0%	2,306,742	0%	2,297,097	2,306,742	0%	2,291,808
of which households	1,234,446	1,223,770	1%	1,235,315	0%	1,234,446	1,235,315	0%	1,223,770
of which corporates	1,062,215	1,061,289	0%	1,071,417	-1%	1,062,215	1,071,417	-1%	1,061,289
Deposits and borrowing from the public	1,422,065	1,298,480	10%	1,435,563	-1%	1,422,065	1,435,563	-1%	1,298,480
of which households	607,326	596,671	2%	599,171	1%	607,326	599,171	1%	596,671
of which corporates	814,739	701,809	16%	836,391	-3%	814,739	836,391	-3%	701,809
Total equity	189,571	205,085	-8%	184,875	3%	189,571	184,875	3%	205,085
Total assets	3,756,288	3,537,792	6%	3,602,079	4%	3,756,288	3,602,079	4%	3,537,792
Summary of key figures									
Return on equity, total operations	13.7%	15.2%		15.0%		13.7%	15.0%		15.9%
C/I ratio, Continuing operations	42.2%	38.4%		38.5%		42.2%	38.5%		37.2%
Earnings per share (before and after dilution), SEK	3.33	3.66		3.44		3.33	3.44		14.70
Common equity tier 1 ratio, CRR	18.8%	18.8%		19.4%		18.8%	19.4%		18.8%
Total capital ratio, CRR	22.4%	23.9%		23.6%		22.4%	23.6%		23.9%

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

Q1 2024 COMPARED WITH Q4 2023

Operating profit decreased by 9% to SEK 8,267m (9,057).

Income decreased by 3% to SEK 15,318m (15,854).

Expenses rose by 6% to SEK -6,470m (-6,086). Adjusted for items affecting comparability, the increase was 4%. The increase in expenses was mainly due to annual salary adjustments and an increase in the number of employees.

The C/I ratio was 42.2% (38.4).

Credit losses consisted of net reversals and the credit loss ratio was -0.01% (0.00).

Profit for the period amounted to SEK 6,604m (7,244).

Earnings per share amounted to SEK 3.33 (3.66).

Return on equity was 13.7% (15.2).

After deductions for the anticipated dividend, the common equity tier 1 ratio was 18.8% (18.8).

Income

SEK m	Q1 2024	Q4 2023	Change
Net interest income	11,587	12,222	-5%
Net fee and commission income	2,754	2,800	-2%
Net gains/losses on financial trans.	750	579	30%
Other	227	253	-10%
Total income	15,318	15,854	-3%

Net interest income went down by 5%, or SEK 635m, to SEK 11,587m (12,222). Foreign exchange effects totalled SEK -22m. The day effect, arising because the quarter was one day shorter than the comparison quarter, was SEK -105m. The cost for the government deposit guarantee scheme increased by SEK -72m to SEK -61m (11), with the comparison quarter affected by the final fee for 2023 being lower than anticipated during the first quarters of the year. Adjusted for foreign exchange effects, the day effect and fees for the deposit guarantee scheme, the change in net interest income was -4%, or SEK -436m. The reduction was largely due to lower interest rate margins arising from heightened competition on pricing, particularly on customer deposit accounts, as well as the fact that a larger proportion of the deposit volume was placed in accounts with lower margins. The net effect of margins and funding costs made an overall contribution of SEK -392m. Changed business volumes had an impact of SEK -87m. The liquidity portfolio had a SEK 23m positive impact. Other effects had a SEK 20m impact on net interest income.

Net fee and commission income declined by 2% to SEK 2,754m (2,800). Fund management, custody and other asset management commissions increased by 1% to SEK 1,662m (1,650), which included a 1% increase in mutual fund commissions to SEK 1,400m (1,393). Net payment commissions went down by 12% to SEK 413m (467), of which net card commissions decreased by 17% to SEK 232m (281) as an effect of seasonally higher activity during the comparison quarter. Brokerage income increased by 4% to SEK 106m (102). Income from advisory services grew by 53% to SEK 55m (36). Lending and deposit commissions fell by 6% and amounted to SEK 265m (281). Insurance commissions increased by 6% to SEK 179m (169). Other items in net fee and commission income amounted to SEK 74m (95).

Net gains/losses on financial transactions increased by 30%, or SEK 171m, to SEK 750m (579). The contribution from the customer-driven business in Capital Markets increased by 40% to SEK 331m (236). The contribution from the Bank's liquidity portfolio had an effect of SEK 14m quarter on quarter, amounting to SEK 94m (80). Other net gains/losses on financial transactions, primarily related to bond repurchases

and ineffectiveness in the Bank's hedging relationships, as well as changes in the market values of derivatives used to manage interest rate and foreign exchange risk in the Bank's funding, increased by 24% to SEK 325m (263).

Net insurance result decreased by SEK 82m to SEK 125m (207), with a major factor for the drop being that the return on assets held on behalf of policyholders fell by SEK 85m to SEK 98m (183). Insurance result was SEK 27m (24).

Remaining income items increased to SEK 102m (48).

Expenses

Staff costs rose by 11% to SEK -3,935m (-3,531).

A provision for the Oktogonen profit-sharing scheme was made during the quarter, amounting to SEK -233m (-83), of which SEK -170m referred to an adjustment of the previous year's preliminary provision for the 2023 accounting year. Pension costs increased to SEK -360m (-284), as a consequence of higher expenses for the earning of pensions, which arose primarily due to a lower discount rate at the start of the year compared to the previous year. Adjusted for Oktogonen and pension costs, staff costs increased by SEK 178m, or 6%. Of this increase, 2 percentage points derived from IT development at the Bank, mainly due to replacements of consultants by Bank employees as well as a lower capitalisation rate. The remainder of the increase related to both salary adjustments for the year and a general increase in the average number of employees. Overall, the average number of employees grew by 2% to 12,200 (11,974), mainly due to an increase in the number of employees in the Bank's branch operations, financial crime prevention, business development and IT development.

Other expenses decreased by 4% to SEK -2,056m (-2,152). The decrease was attributable mainly to the fact that lower IT expenses, arising due to the replacement of consultants working within the Bank's IT development with salaried employees, counteracted the effects of a lower capitalisation rate.

Depreciation, amortisation and impairment increased by 19% to SEK -479m (-402).

Credit losses

SEK m	Q1 2024	Q4 2023	Change
Net credit losses	95	-52	147
Credit loss ratio as % of loans to the public	-0.01	0.00	

Credit losses consisted of net reversals and amounted to SEK 95m (-52). The credit loss ratio was -0.01% (0.00).

Actual credit losses for the period, amounting to SEK -48m (-67), were counterbalanced by previous provisions of SEK 38m (43). Recoveries of previously confirmed losses were SEK -7m (23). Expected credit losses in Stage 3 totalled SEK -82m (-73). Provisions in Stage 1 and Stage 2 reduced credit losses by SEK 195m (22), partly due to the reversal of an expert-based provision of SEK 75m, partly to updated macroeconomic assumptions reducing the provisions by SEK 65m (37).

At the end of the quarter, the expert-based provision amounted to SEK 529m (604).

Risk tax and resolution fee

The risk tax and resolution fee totalled SEK -680m (-664). The resolution fee totalled SEK -266m (-253). The risk tax totalled SEK -414m (-411).

Taxes

The *effective tax rate in continuing operations* was 22.7% (23.1). 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 costs on subordinated liabilities.

The *effective tax rate in total operations (including discontinued operations)* was 22.6% (22.7).

Discontinued operations

Profit 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.

Profit from discontinued operations, after tax, decreased by 25% and amounted to SEK 211m (280).

Income decreased by 10% compared to the previous quarter, to SEK 662m (738), with net interest income decreasing by 9% to SEK 563m (619).

Expenses decreased by 10% to SEK -357m (-397).

Credit losses totalled SEK -3m (9).

Non-recurring items and special items in operating profit

	Q1	Q4
SEK m	2024	2023
Oktogonen: adjustment of allocation previous year (staff costs)	-170	
Oktogonen: provision current year (staff costs)	-63	-83
Total	-233	-83

Foreign exchange effects

	Q1
Foreign exchange effects vs. previous quarter, SEK m	2024
Net interest income	-22
Net fee and commission income	-3
Net gains/losses on financial transactions	-1
Other income	0
Total income	-27
Staff costs	7
Other expenses	4
Depreciation and amortisation	0
Total expenses	11
Net loan losses	0
Gains/losses on disposal of property, equipment and intangible assets	0
Risk tax and resolution fee	0
Operating profit	-15

JANUARY – MARCH 2024 COMPARED WITH JANUARY – MARCH 2023

Operating profit decreased by 3% to SEK 8,267m (8,516).

Income grew by 2%, or SEK 333m, to SEK 15,318m (14,985).

Expenses rose by 12%, or SEK 694m, to SEK -6,470m (-5,776). Adjusted for items affecting comparability, the increase in expenses was 11%. The rise in expenses was due to increased investment to strengthen the Bank's offering, and to general inflation in the Bank's home markets.

The *C/I ratio* was 42.2% (38.5).

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

Profit for the period amounted to SEK 6,604m (6,814).

Earnings per share amounted to SEK 3.33 (3.44).

Return on equity was 13.7% (15.0).

After deductions for the anticipated dividend, the *common equity tier 1 ratio* was 18.8% (19.4).

Income

SEK m	Jan-Mar	Jan-Mar	Change
	2024	2023	
Net interest income	11,587	11,485	1%
Net fee and commission income	2,754	2,766	0%
Net gains/losses on financial trans.	750	602	25%
Other	227	132	72%
Total income	15,318	14,985	2%

Net interest income grew by 1% to SEK 11,587m (11,485), an increase of SEK 102m, of which foreign exchange effects accounted for SEK 78m. All in all, the net effect of margins and funding costs had a SEK 255m impact. Lower business volumes had an impact of SEK -204m on net interest income. The liquidity portfolio contributed SEK -76m. The day effect, arising because of the additional day entailed by a leap year, was SEK 103m. Lower costs for deposit guarantee schemes had an impact of SEK 25m. Other effects amounted to SEK -79m.

Net fee and commission income was essentially unchanged at SEK 2,754m (2,766). Fund management, custody and other asset management commissions increased by 5% to SEK 1,662m (1,585), which included a 4% increase in mutual fund commissions to SEK 1,400m (1,351). Brokerage income declined by 14% to SEK 106m (123). Net payment commissions grew by 3% to SEK 413m (400), with net card commissions totalling SEK 232m (241). Lending and deposit commissions fell by 10% to SEK 265m (296). Insurance commissions increased to SEK 179m (167). Advisory commissions decreased to SEK 55m (105). Other net fee and commission income amounted to SEK 74m (90).

Net gains/losses on financial transactions went up by 25%, or SEK 148m, to SEK 750m (602). The contribution from the customer-driven business in Capital Markets increased by 32% to SEK 331m (250). The Bank's liquidity portfolio had a positive effect of SEK 137m, and amounted to SEK 94m (-43). Other net gains/losses on financial transactions, primarily related to bond repurchases and ineffectiveness in the Bank's hedging relationships, as well as changes in the market values of derivatives used to manage interest rate and foreign exchange risk in the Bank's funding, amounted to SEK 325m (395).

Net insurance result increased by SEK 34m to SEK 125m (91). The return on assets held on behalf of policyholders improved by SEK 34m and amounted to SEK 98m (64). Insurance result was SEK 27m (27).

Remaining income items totalled SEK 102m (42), with shares of the profit of associates and joint ventures improving to SEK 68m (-1).

Expenses

Staff costs rose by 13%, or SEK 465m, to SEK -3,935m (-3,470). A provision for the Oktogonen profit-sharing scheme was made during the first quarter, amounting to SEK -233m (-202), of which SEK -170m referred to an adjustment of the previous year's preliminary provision for the 2023 accounting year. Pension costs increased to SEK -360m (-252), as a consequence of higher expenses for the earning of pensions, which arose primarily due to a lower discount rate at the start

of the year compared to the previous year. Foreign exchange effects totalled SEK -23m. Adjusted for Oktogonen, pension costs and foreign exchange effects, staff costs increased by SEK 303m, or 10%. Of this increase, 2 percentage points were attributable to IT-development, mainly due to replacements of consultants with Bank employees. The remainder of the increase related to both salary adjustments for the year and a general increase in the average number of employees. Overall, the average number of employees grew by 8% to 12,200 (11,331), mainly due to an increase in the number of employees in the Bank's branch operations, financial crime prevention, digital business development and IT development.

Other expenses rose by 11%, or SEK 204m, to SEK -2,056m (-1,852). Adjusted for foreign exchange effects, the increase was 10%, or SEK 193m. Of this increase, 2% was due to higher expenses for IT development, as lower costs deriving from the drop in consultant numbers were offset by the lower capitalisation rate for the Bank's IT development expenses. The remaining portion of the increase was attributable to cost inflation in the Bank's home markets.

Depreciation, amortisation and impairments of property, equipment and intangible assets rose by 6% to SEK -479m (-454).

Credit losses

SEK m	Jan-Mar 2024	Jan-Mar 2023	Change
Net credit losses	95	-30	125
Credit loss ratio as % of loans to the public	-0.01	0.01	

Credit losses consisted of net reversals of SEK 95m (-30), with SEK 75m referring to a reversal of an expert-based provision, which thus amounted to SEK 529m (604) at the end of the quarter. The credit loss ratio was -0.01% (0.01).

Risk tax and resolution fee

The *risk tax and resolution fee* totalled SEK -680m (-671). The risk tax totalled SEK -414m (-411). The resolution fee totalled SEK -266m (-260).

Taxes

The *effective tax rate in continuing operations* was 22.7% (22.7). 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 costs on subordinated liabilities.

The *effective tax rate in total operations* (including discontinued operations) was 22.6% (22.4).

Discontinued operations

Profit from discontinued operations, after tax, amounted to SEK 211m (232).

Income increased to SEK 662m (641), of which net interest income increased by 6% to SEK 563m (530).

Expenses rose by 7% to SEK -357m (-334).

Credit losses totalled SEK -3m (16).

Non-recurring items and special items in operating profit

SEK m	Jan-Mar 2024	Jan-Mar 2023
Oktogonen: adjustment of allocation previous year (staff costs)	-170	-202
Oktogonen: provision current year (staff costs)	-63	
Total	-233	-202

Foreign exchange effects

Foreign exchange effects vs. previous year, SEK m	Jan-Mar 2024
Net interest income	78
Net fee and commission income	5
Net gains/losses on financial transactions	-1
Other income	0
Total income	81
Staff costs	-23
Other expenses	-11
Depreciation and amortisation	-2
Total expenses	-36
Net loan losses	-1
Gains/losses on disposal of property, equipment and intangible assets	0
Risk tax and resolution fee	0
Operating profit	45

BUSINESS DEVELOPMENT

Q1 2024 compared with Q4 2023

The average volume of *loans to the public* in the home markets fell by 0.7%, and totalled SEK 2,246bn (2,262).

The average volume of *deposits and borrowing from the public* in the home markets went down by 1% during the quarter, and totalled SEK 1,230bn (1,243).

Total assets under management in the Group increased by 9% during the quarter and amounted to SEK 1,115bn (1,023) at the end of the period, of which SEK 1,028bn (949) was invested in the Bank's mutual funds. The net flow in the Bank's mutual funds during the quarter was SEK -0.6bn (-0.0), of which SEK 4.0bn (-0.1) was in the Swedish market.

January – March 2024 compared with January – March 2023

The average volume of *loans to the public* in the home markets fell by 1%, and totalled SEK 2,246bn (2,275). At the end of the period, lending in the home markets amounted to SEK 2,257bn (2,267).

The average volume of *deposits and borrowing from the public* in the home markets was SEK 1,230bn (1,261). At the end of the period, the corresponding volume was SEK 1,251bn (1,262).

Total assets under management in the Group increased by 15% over the past 12 months and at the end of the period amounted to SEK 1,115bn (971). Of the assets under management, SEK 1,028bn (892) was invested in the Bank's funds. New savings in the Bank's mutual funds during the period totalled net SEK -0.6bn (8.6). Of the new savings in the Swedish mutual fund market during the year, a net total of 17% was invested in Handelsbanken's funds. The Bank's share of the Swedish mutual fund market was 11.8%.

RATING

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

The Bank's strong credit ratings entail that no other privately owned bank in the world has a higher overall rating from the three leading rating agencies. The rating remained unchanged by all agencies during the quarter. The outlooks from Fitch and Standard and Poor's are stable, while the outlook from Moody's is negative. The negative outlook is due to the concentration of the Bank's lending to the Swedish real estate market, and thus the estimated impact of a hypothetical stressed scenario.

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, are matched by short term assets and a liquidity reserve of SEK 900bn (763 at year-end 2023). Of this reserve, 92% is deposited with central banks or invested in holdings of government bonds. The majority of the remainder is invested in holdings of 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 of approximately SEK 700bn, mainly in the form of covered bonds. The low pledging ratio 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 was 253% (261 at year-end 2023).

At the end of the quarter, the Group's liquidity coverage ratio, (LCR), calculated according to the European Commission's delegated act, was 189% (210% at the end of the preceding year). At the end of the quarter, the net stable funding ratio (NSFR) according to CRR2 was 123% (120 at the end of the preceding year).

During the period, the Bank had access to all of its desired funding markets. 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 private banks.

Bond issues during the quarter totalled SEK 60bn (64 during the corresponding quarter of the previous year), of which SEK 45bn (46) was in covered bonds and SEK 15bn (18) in senior bonds, with SEK 9bn (-) constituting eligible liabilities issued according to the Bank's framework for green bonds. No subordinated loans were issued during the period (-).

CAPITAL

After anticipated dividends, the common equity tier 1 ratio was 18.8% at the end of the quarter. The Bank's assessment is that the common equity tier 1 capital requirement, including Pillar 2 guidance, amounted to 14.8% (SEK 128bn) on the same date. The common equity tier 1 capital requirement in Pillar 2 is 1.8 percentage points (0.5 percentage points Pillar 2 guidance and 1.3 percentage points Pillar 2 requirement), corresponding to SEK 15bn. The countercyclical buffer requirement was 1.9%.

At the end of the quarter, the total capital ratio was 22.4%. The Bank's estimation is that the total capital requirement, including Pillar 2 guidance, amounted to 19.0% (SEK 164bn) on the same date. The total capital requirement in Pillar 2 comprises 2.5 percentage points, corresponding to SEK 21bn.

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, including Pillar 2 guidance, by 1-3 percentage points. The Bank's capitalisation was thus above the target range.

Capital for consolidated situation 31 March 2024 compared with 31 December 2023

SEK m	31 Mar 2024	31 Dec 2023	Change
Common equity tier 1 ratio, CRR	18.8%	18.8%	0.0
Total capital ratio, CRR	22.4%	23.9%	-1.5
Risk exposure amount, CRR	863,311	836,790	3%
Common equity tier 1 capital	162,648	157,576	3%
Total own funds	193,227	200,081	-3%
Total equity	189,571	205,085	-8%

Total own funds amounted to SEK 193bn (200) and the total capital ratio was 22.4% (23.9). The common equity tier 1 capital was SEK 163bn (158), while the common equity tier 1 ratio was 18.8% (18.8).

Profit for the period increased the common equity tier 1 ratio by 0.7 percentage points. Volume changes contributed -0.1 percentage points. Credit risk migrations had an impact of -0.1 percentage points, which was offset by a risk weight floor effect that made a positive contribution of 0.1 percentage points. The net effect of differing credit qualities for inflows and outflows had an impact of 0.1 percentage points. Foreign exchange effects had an impact of 0.1 percentage points. The annual update of the risk exposure amount for operational risk resulted in a SEK 10bn increase to the risk exposure amount, which had a -0.2 percentage points impact on the common equity tier 1 ratio. Structural currency positions in GBP were temporarily higher and affected the common equity tier 1 ratio in the amount of -0.2 percentage points.

Financial strength creates security and breeds confidence, and is a prerequisite for growth. Considering the current environment, the Bank intends during 2024 to maintain an extra common equity tier 1 capital buffer of one percentage point over the usual long-term target range of 1-3 percentage points more than the amount required by the Swedish Financial Supervisory Authority. This level differentiates Handelsbanken as a first-class counterparty in uncertain times, and contributes to cementing the Bank's particular financial position as one of the world's safest banks according to the leading international rating agencies. The extra buffer also means that, regardless of surrounding developments, the Bank has the capacity to take significant responsibility for the supply of credit and to grow its business in pace with

customer demand. By year-end at the latest, the Bank will make a reassessment of the appropriate buffer, depending on the prevailing business environment.

In order to calibrate the common equity tier 1 ratio to 4 percentage points above the Swedish Financial Supervisory Authority's requirement, a dividend was anticipated during the quarter that would affect the common equity tier 1 ratio in the amount of -0.3 percentage points, corresponding to SEK 1.30 per share.

Capital for consolidated situation 31 March 2024 compared with 31 March 2023

SEK m	31 Mar 2024	31 Mar 2023	Change
Common equity tier 1 ratio, CRR	18.8%	19.4%	-0.6
Total capital ratio, CRR	22.4%	23.6%	-1.2
Risk exposure amount, CRR	863,310	827,075	4%
Common equity tier 1 capital	162,648	160,582	1%
Total own funds	193,227	195,398	-1%
Total equity	189,571	184,875	3%

Total own funds were SEK 193bn (195), and the total capital ratio amounted to 22.4% (23.6). The common equity tier 1 capital was SEK 163bn (161), while the common equity tier 1 ratio was 18.8% (19.4).

Profit for the period increased the common equity tier 1 ratio by 3.3 percentage points. Paid and anticipated dividends had an impact of -3.0 percentage points. Volume changes had an impact of 0.3 percentage points, rating migrations -0.8 percentage points and the net effect of differing credit qualities for inflows and outflows 0.2 percentage points. Foreign exchange movements had a neutral effect. The move of the risk weight floor for lending secured by commercial properties in Sweden from Pillar 2 to Pillar 1 accounted for -0.4 percentage points. During the second quarter of 2023, the Swedish Financial Supervisory Authority approved the Bank's updated model for calculating risk-weighted exposure amounts for structural foreign exchange positions, which had

an impact of 0.1 percentage points. Other effects had a 0.3 percentage points impact.

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 66.7bn (65.5), while AFR was SEK 236.7bn (239.6). Thus, the ratio between AFR and EC was 355% (366). For the consolidated situation, EC totalled SEK 39.0bn (38.4), and AFR was SEK 229.0bn (232.6).

SUSTAINABILITY

One of Handelsbanken's sustainability goals is to be, and to be recognised as, the most sustainable bank among peer competitors. During the first quarter, the major Sustainable Brand Index survey found that Handelsbanken is considered the banking sector's most sustainable brand by consumers in Sweden.

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 33% to SEK 93.4bn (70); as part of this total, green mortgages grew by 11% to SEK 36.5bn (33.0). In addition, sustainability-linked loan facilities amounted to SEK 113.0bn (74.3).

The EU's Sustainable Finance Disclosures Regulation (SFDR) means that asset managers must be transparent in how their mutual funds are classified under the SFDR. At the end of the period, 14 of the Group's funds, representing 20% of assets under management, were reported in the highest category (article 9), i.e. a fund that has sustainable investment as its objective. A total of 100 funds, representing 76% 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 2024	Home markets						Adj. & elim.	Total Jan-Mar 2024
	Sweden	UK	Norway	The Netherlands	Capital Markets	Other		
SEK m								
Net interest income	7,386	2,625	1,199	480	83	-186		11,587
Net fee and commission income	2,112	204	156	43	179	59		2,754
Net gains/losses on financial transactions	329	57	20	6	331	7		750
Net insurance result	125		-1					125
Share of profits associated companies						68		68
Other income	9	0	1	1	2	22		34
Total income	9,962	2,886	1,375	529	595	-29		15,318
Staff costs	-1,084	-867	-323	-147	-316	-1,271	71	-3,935
Other expenses	-355	-214	-166	-41	-99	-1,181		-2,056
Internal purchased and sold services	-1,551	-378	-201	-77	-69	2,277		
Depreciation, amortisation and impairments of property, equipment and intangible assets	-122	-84	-27	-14	-35	-191	-6	-479
Total expenses	-3,112	-1,543	-717	-279	-519	-365	65	-6,470
Profit before credit losses, risk tax and resolution fee	6,850	1,343	658	250	76	-395	65	8,848
Net credit losses	66	55	-28	1	4	-2		95
Gains/losses on disposal of property, equipment and intangible assets	2	0	2		0			4
Risk tax and resolution fee	-511		-103	-33	-16	-17		-680
Operating profit	6,407	1,398	528	218	65	-413	65	8,267
Profit allocation	94	12	10	0	-121	4		
Operating profit after profit allocation	6,501	1,411	537	218	-56	-409	65	8,267
Internal income	1,441	901	-2,669	-41	453	-84		

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 profits associated companies						-1		-1
Other income	10	1	1	0	1	30		43
Total income	9,630	2,820	1,320	503	603	110		14,985
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
Total expenses	-2,913	-1,309	-601	-231	-498	-308	86	-5,776
Profit before credit losses, risk tax and resolution fee	6,717	1,510	719	272	105	-199	86	9,210
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
Operating profit	6,191	1,502	624	244	100	-231	86	8,516
Profit allocation	140	13	12	0	-172	6		
Operating profit after profit allocation	6,331	1,515	636	244	-71	-225	86	8,516
Internal income	1,133	561	-1,740	-37	592	-509		

Internal income which is included in total income comprises income from transactions with other operating segments and Other. Since interest income and interest expense are reported net as income, this means that internal income includes the net amount of the internal funding cost among segments and Other. 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 2024	Q4 2023	Change	Q1 2023	Change	Jan-mar 2024	Jan-mar 2023	Change	Full year 2023
Net interest income	7,386	7,964	-7%	7,265	2%	7,386	7,265	2%	30,420
Net fee and commission income	2,112	2,142	-1%	2,063	2%	2,112	2,063	2%	8,420
Net gains/losses on financial transactions	329	283	16%	202	63%	329	202	63%	1,180
Net insurance result	125	209	-40%	90	39%	125	90	39%	494
Other income	9	27	-67%	10	-10%	9	10	-10%	197
Total income	9,962	10,626	-6%	9,630	3%	9,962	9,630	3%	40,711
Staff costs	-1,084	-1,058	2%	-1,018	6%	-1,084	-1,018	6%	-4,157
Other expenses	-355	-385	-8%	-388	-9%	-355	-388	-9%	-1,525
Internal purchased and sold services	-1,551	-1,524	2%	-1,401	11%	-1,551	-1,401	11%	-5,535
Depreciation, amortisation and impairments of property, equipment and intangible assets	-122	-113	8%	-106	15%	-122	-106	15%	-427
Total expenses	-3,112	-3,080	1%	-2,913	7%	-3,112	-2,913	7%	-11,644
Profit before credit losses, risk tax and resolution fee	6,850	7,546	-9%	6,717	2%	6,850	6,717	2%	29,067
Net credit losses	66	-57		-39		66	-39		-142
Gains/losses on disposal of property, equipment and intangible assets	2	4	-50%	6	-67%	2	6	-67%	14
Risk tax and resolution fee	-511	-482	6%	-492	4%	-511	-492	4%	-1,919
Operating profit	6,407	7,012	-9%	6,191	3%	6,407	6,191	3%	27,020
Profit allocation	94	76	24%	140	-33%	94	140	-33%	405
Operating profit after profit allocation	6,501	7,088	-8%	6,331	3%	6,501	6,331	3%	27,425
Internal income	1,441	1,967	-27%	1,133	27%	1,441	1,133	27%	5,867
Cost/income ratio, %	30.9	28.8		29.8		30.9	29.8		28.3
Credit loss ratio, %	-0.01	0.00		0.01		-0.01	0.01		0.01
Allocated capital	127,594	123,951	3%	121,806	5%	127,594	121,806	5%	123,951
Return on allocated capital, %	16.2	18.2		16.5		16.2	16.5		18.2
Average number of employees	4,161	4,108	1%	4,031	3%	4,161	4,031	3%	4,099

BUSINESS VOLUMES

Average volumes, SEK bn	Q1 2024	Q4 2023	Change	Q1 2023	Change	Jan-mar 2024	Jan-mar 2023	Change	Full year 2023
Loans to the public*									
Household	971	976	-1%	984	-1%	971	984	-1%	981
<i>of which mortgage loans</i>	943	946	0%	948	-1%	943	948	-1%	948
Corporates	627	639	-2%	647	-3%	627	647	-3%	644
<i>of which mortgage loans</i>	447	444	1%	431	4%	447	431	4%	439
Total	1,598	1,615	-1%	1,631	-2%	1,598	1,631	-2%	1,625
Deposits and borrowing from the public									
Household	474	482	-2%	479	-1%	474	479	-1%	483
Corporates	359	358	0%	380	-6%	359	380	-6%	367
Total	834	840	-1%	859	-3%	834	859	-3%	850

* Excluding loans to the National Debt Office.

Q1 2024 COMPARED WITH Q4 2023

Operating profit decreased by 9% to SEK 6,407m (7,012). Return on allocated capital was 16.2% (18.2). The C/I ratio was 30.9% (28.8).

Income decreased by 6% to SEK 9,962m (10,626).

Expenses rose by 1% to SEK -3,112m (-3,080).

Net interest income went down by 7%, or SEK 578m, to SEK 7,386m (7,964). Changed business volumes had an impact of SEK -52m. The net amount of changed margins and funding costs reduced net interest income by SEK 315m. The reduction was due to heightened competition on pricing as regards deposits, as well as the fact that a larger proportion of the deposit volume was placed in accounts with lower margins. The cost for the Swedish deposit guarantee scheme increased by SEK 66m to SEK -54m (12), with the comparison quarter affected by the final fee for 2023 being lower than expected during the first quarters of the year. The day effect made a contribution of SEK -66m. Other effects had a SEK -79m impact.

Net fee and commission income decreased by 1% to SEK 2,112m (2,142). Positive developments in savings-related fee and commission income, above all in mutual fund commissions, were offset by a negative trend in both net payment commissions and deposit and lending commissions. Net fee and commission income from advisory services was unchanged quarter on quarter.

Net gains/losses on financial transactions improved to SEK 329m (283).

Net insurance result decreased to SEK 125m (209), with a major factor for the drop being that the return on assets held on behalf of policyholders fell by SEK 85m to SEK 98m (183).

Other income amounted to SEK 9m (27).

Staff costs rose by 2% to SEK -1,084m (-1,058). The increase was due to annual salary adjustments and a 1% increase in the average number of employees to 4,161 (4,108). The new employees were mainly hired in the branch operations.

Other expense items amounted to SEK -2,028m (-2,022).

Credit losses consisted of net reversals of SEK 66m (-57), with SEK 72m referring to a reversal of an expert-based provision. The credit loss ratio was -0.01% (0.00).

The risk tax totalled SEK -302m (-300). The resolution fee was SEK -209m (-181).

JANUARY – MARCH 2024 COMPARED WITH JANUARY – MARCH 2023

Operating profit increased by 3% to SEK 6,407m (6,191). Return on allocated capital was 16.2% (16.5). The C/I ratio was 30.9% (29.8).

Income grew by 3% to SEK 9,962m (9,630).

Expenses rose by 7% to SEK -3,112m (-2,913).

Net interest income improved by 2% to SEK 7,386m (7,265). Lower business volumes reduced net interest income by SEK 151m. The net effect of changes to margins and funding costs was an increase in net interest income amounting to SEK 143m. The day effect totalled SEK 66m. Costs for the Swedish deposit guarantee scheme decreased by SEK 23m to SEK -54m (-77). Other effects in net interest income contributed SEK 40m.

Net fee and commission income increased by 2% to SEK 2,112m (2,063). Mutual fund commissions increased by 4% to SEK 1,216m (1,165). Custody and other asset management commissions increased by 15% to SEK 195m (170). Brokerage and other securities commissions decreased by 18% to SEK 42m (51). Insurance commissions increased by 7% to SEK 179m (167). Commission income from loans and deposits and from guarantees decreased by 12% to SEK 189m (215). Net payment commissions went up by 3% to SEK 308m (298), of which net card commissions decreased by 2% to SEK 208m (213). Other net fee and commission income amounted to SEK -16m (-3).

Net gains/losses on financial transactions improved to SEK 329m (202).

Net insurance result was SEK 125m (90), with the return on assets held on behalf of policyholders increasing to SEK 98m (64).

Other income amounted to SEK 9m (10).

Staff costs rose by 6% to SEK -1,084m (-1,018), as a result of annual salary adjustments and a 3% increase in the number of employees to 4,161 (4,031). The new employees were mainly hired in the branch operations.

Other expense items rose by 7% to SEK -2,028m (-1,895), mainly due to increased IT investments and business development, as well as the general effects of inflation on purchased services.

Credit losses consisted of net reversals of SEK 66m (-39) and the credit loss ratio was -0.01% (0.01).

The risk tax amounted to SEK -302m (-298), and the resolution fee amounted to SEK -209m (-194).

BUSINESS DEVELOPMENT

Q1 2024 compared with Q4 2023

The total average volume of lending fell by 1% to SEK 1,598bn (1,615). Household lending went down by 1% to SEK 971bn (976), while corporate lending decreased by 2% to SEK 626bn (639).

The total average volume of deposits fell by 1% to SEK 834bn (840). Household deposits decreased by 2% and amounted to SEK 474bn (482), while corporate deposits were essentially unchanged at SEK 359bn (358).

New savings in the Bank's mutual funds in Sweden were net SEK 4.0bn (-0.1). The total volume of assets under management increased by 8% during the quarter, amounting to SEK 906bn (837) at the end of the quarter.

January – March 2024 compared with January – March 2023

The total average volume of lending fell by 2% to SEK 1,598bn (1,631). Household lending decreased by 1% to SEK 971bn (984) and corporate lending decreased by 3% to SEK 626bn (647).

The total average volume of deposits fell by 3% to SEK 834bn (859). Household deposits went down by 1% to SEK 474bn (479), while corporate deposits decreased by 6% to SEK 359bn (380).

New savings in the Bank's mutual funds were net SEK 4.0bn (7.6), corresponding to a market share of 17%. The total volume of assets under management was SEK 906bn (778).

Handelsbanken UK

INCOME STATEMENT

SEK m	Q1 2024	Q4 2023	Change	Q1 2023	Change	Jan-mar 2024	Jan-mar 2023	Change	Full year 2023
Net interest income	2,625	2,802	-6%	2,556	3%	2,625	2,556	3%	11,010
Net fee and commission income	204	210	-3%	202	1%	204	202	1%	845
Net gains/losses on financial transactions	57	66	-14%	60	-5%	57	60	-5%	253
Other income	0	11	-100%	1	-100%	0	1	-100%	13
Total income	2,886	3,089	-7%	2,820	2%	2,886	2,820	2%	12,121
Staff costs	-867	-825	5%	-714	21%	-867	-714	21%	-3,149
Other expenses	-214	-248	-14%	-196	9%	-214	-196	9%	-907
Internal purchased and sold services	-378	-370	2%	-330	15%	-378	-330	15%	-1,414
Depreciation, amortisation and impairments of property, equipment and intangible assets	-84	-75	12%	-70	20%	-84	-70	20%	-310
Total expenses	-1,543	-1,518	2%	-1,309	18%	-1,543	-1,309	18%	-5,780
Profit before credit losses, risk tax and resolution fee	1,343	1,570	-14%	1,510	-11%	1,343	1,510	-11%	6,340
Net credit losses	55	21	162%	-9		55	-9		-51
Gains/losses on disposal of property, equipment and intangible assets	0	-1		0	0%	0	0	0%	-1
Operating profit	1,398	1,590	-12%	1,502	-7%	1,398	1,502	-7%	6,289
Profit allocation	12	11	9%	13	-8%	12	13	-8%	52
Operating profit after profit allocation	1,411	1,600	-12%	1,515	-7%	1,411	1,515	-7%	6,340
Internal income	901	985	-9%	561	61%	901	561	61%	2,999
Cost/income ratio, %	53.2	49.0		46.2		53.2	46.2		47.5
Credit loss ratio, %	-0.10	-0.02		0.03		-0.10	0.03		0.03
Allocated capital	26,415	25,846	2%	21,553	23%	26,415	21,553	23%	25,846
Return on allocated capital, %	17.0	19.7		22.3		17.0	22.3		21.3
Average number of employees	2,821	2,816	0%	2,582	9%	2,821	2,582	9%	2,707

INCOME STATEMENT IN LOCAL CURRENCY

GBP m	Q1 2024	Q4 2023	Change	Q1 2023	Change	Jan-mar 2024	Jan-mar 2023	Change	Full year 2023
Net interest income	199.2	211.6	-6%	201.5	-1%	199.2	201.5	-1%	834.0
Net fee and commission income	15.5	15.8	-2%	16.0	-3%	15.5	16.0	-3%	64.0
Net gains/losses on financial transactions	4.3	5.0	-14%	4.8	-10%	4.3	4.8	-10%	19.2
Other income	0.0	0.8	-100%	0.1	-99%	0.0	0.1	-99%	1.0
Total income	219.0	233.3	-6%	222.3	-1%	219.0	222.3	-1%	918.2
Staff costs	-65.8	-62.3	6%	-56.3	17%	-65.8	-56.3	17%	-238.6
Other expenses	-16.3	-18.7	-13%	-15.4	6%	-16.3	-15.4	6%	-68.7
Internal purchased and sold services	-28.7	-28.0	2%	-26.0	10%	-28.7	-26.0	10%	-107.1
Depreciation, amortisation and impairments of property, equipment and intangible assets	-6.3	-5.7	11%	-5.5	15%	-6.3	-5.5	15%	-23.5
Total expenses	-117.1	-114.7	2%	-103.2	13%	-117.1	-103.2	13%	-437.9
Profit before credit losses, risk tax and resolution fee	101.9	118.6	-14%	119.1	-14%	101.9	119.1	-14%	480.3
Net credit losses	4.2	1.7	147%	-0.7		4.2	-0.7		-3.8
Gains/losses on disposal of property, equipment and intangible assets	0.0	-0.1		0.0		0.0	0.0		-0.1
Operating profit	106.1	120.1	-12%	118.4	-10%	106.1	118.4	-10%	476.4
Profit allocation	0.9	0.8	13%	1.0	-10%	0.9	1.0	-10%	3.9
Operating profit after profit allocation	107.1	120.9	-11%	119.4	-10%	107.1	119.4	-10%	480.3

BUSINESS VOLUMES

Average volumes, GBP m	Q1 2024	Q4 2023	Change	Q1 2023	Change	Jan-mar 2024	Jan-mar 2023	Change	Full year 2023
Loans to the public									
Household	5,220	5,319	-2%	5,732	-9%	5,220	5,732	-9%	5,520
Corporates	12,729	12,944	-2%	13,192	-4%	12,729	13,192	-4%	13,101
Total	17,950	18,262	-2%	18,925	-5%	17,950	18,925	-5%	18,621
Deposits and borrowing from the public									
Household	5,153	5,295	-3%	5,623	-8%	5,153	5,623	-8%	5,441
Corporates	14,983	15,263	-2%	14,893	1%	14,983	14,893	1%	14,924
Total	20,136	20,558	-2%	20,516	-2%	20,136	20,516	-2%	20,365

Q1 2024 COMPARED WITH Q4 2023

Operating profit decreased by 12% to SEK 1,398m (1,590). Foreign exchange effects amounted to SEK -6m, and in local currency terms, profit fell by 12%. *Return on allocated capital* was 17.0% (19.7), and the *C/I ratio* was 53.2% (49.0).

Income decreased by 7% to SEK 2,886m (3,089). Foreign exchange effects on income totalled SEK -12m, and expressed in local currency terms, income went down by 6%.

Expenses increased by 2% to SEK -1,543m (-1,518). Foreign exchange effects amounted to SEK 6m, and in local currency terms, the increase in expenses was 2%.

Net interest income went down by 6%, or SEK 177m, to SEK 2,625m (2,802). Adjusted for foreign exchange effects of SEK -11m and the day effect of SEK -27m, net interest income decreased by 5%, or SEK 139m. The net amount of changed margins and funding costs had a SEK -69m impact on net interest income, while the impact of changed business volumes was SEK -45m. Other effects amounted to SEK -25m.

Net fee and commission income declined by 3% to SEK 204m (210). Adjusted for foreign exchange effects, net fee and commission income fell by 2%. The decrease was primarily due to negative developments in custody and other asset management commissions, and in payments.

Staff costs rose by 5% to SEK -867m (-825). Expressed in local currency, staff costs rose by 6%. The increase was mainly due to salary adjustments for the year. The average number of employees was 2,821 (2,816).

Other expense items declined by 2% to SEK -676m (-693). In local currency terms, the decrease also amounted to 2%.

Credit losses consisted of net reversals of SEK 55m (21), with SEK 5m referring to a reversal of an expert-based provision. The credit loss ratio was -0.10% (-0.02).

JANUARY – MARCH 2024 COMPARED WITH JANUARY – MARCH 2023

Operating profit decreased by 7% to SEK 1,398m (1,502). Foreign exchange effects amounted to SEK 53m, and in local currency terms, operating profit declined by 10%. *Return on allocated capital* was 17.0% (22.3). The *C/I ratio* worsened to 53.2% (46.2).

Income grew by 2% to SEK 2,886m (2,820). Foreign exchange effects amounted to SEK 103m, and in local currency terms, income fell by 1%.

Expenses increased by 18% to SEK -1,543m (-1,309). Foreign exchange effects amounted to SEK -49m, and in local currency terms, costs rose by 13%.

Net interest income increased by 3% to SEK 2,625m (2,556). Foreign exchange effects amounted to SEK 92m, and in local currency terms, net interest income went down by 1%. Lower business volumes had an impact of SEK -51m. The net amount of changed margins and funding costs increased net interest income by SEK 51m. The day effect made a contribution of SEK 25m. Other effects had a SEK -48m impact on net interest income.

Net fee and commission income increased by 1% to SEK 204m (202). Foreign exchange effects amounted to

SEK 8m, and in local currency terms, net fee and commission income fell by 3%. Commission income from the fund management, custody account management and asset management business, including brokerage and advisory services, decreased by 3% to SEK 104m (107). Net fee and commission income from payments increased by 11% to SEK 69m (62).

Staff costs rose by 21% to SEK -867m (-714). Foreign exchange effects on staff costs amounted to SEK -28m, and in local currency terms, staff costs increased by 17%. The increase was due to annual salary adjustments and a 9% increase in the average number of employees to 2,821 (2,582). The increase in the number of employees was due mainly to further recruitments in the branch operations, in IT and business development, as well as within financial crime prevention.

Other expense items rose by 13% to SEK -676m (-596). Expressed in local currency, other expense items went up by 9%. The increase was mainly attributable to increased IT development and business development, as well as to underlying inflation in purchased services.

Credit losses consisted of net reversals of SEK 55m (-9). The credit loss ratio was -0.10% (0.03).

BUSINESS DEVELOPMENT

Q1 2024 compared with Q4 2023

The total *average volume of lending* decreased by 2% to GBP 18.0bn (18.3). Household lending decreased by 2% to GBP 5.2bn (5.3), and corporate lending decreased by 2% to GBP 12.7bn (12.9).

The total *average volume of deposits* decreased by 2% to GBP 20.1bn (20.6). Household deposits decreased by 3% to GBP 5.2bn (5.3), and corporate deposits decreased by 2% to GBP 15.0bn (15.3).

The total *volume of assets under management* in Handelsbanken Wealth & Asset Management at the end of the period totalled GBP 4.3bn (4.3). *New savings* in Handelsbanken Wealth & Asset Management during the quarter were net GBP -95m (-26).

January – March 2024 compared with January – March 2023

The total *average volume of lending* decreased by 5% to GBP 18.0bn (18.9). Household lending decreased by 9% to GBP 5.2bn (5.7), and corporate lending decreased by 4% to GBP 12.7bn (13.2).

The total *average volume of deposits* decreased by 2% to GBP 20.1bn (20.5). Household deposits decreased by 8% to GBP 5.2bn (5.6), and corporate deposits increased by 1% to GBP 15.0bn (14.9).

The total *volume of assets under management* in Handelsbanken Wealth & Asset Management at the end of the period totalled GBP 4.3bn (4.1). *New savings* during the period were net GBP -95m (25).

Handelsbanken Norway

INCOME STATEMENT

SEK m	Q1			Q4			Q1			Jan-mar			Full year
	2024	2023	Change	2023	2023	Change	2024	2023	Change	2024	2023	Change	
Net interest income	1,199	1,217	-1%	1,139	5%		1,199	1,139	5%				4,624
Net fee and commission income	156	156	0%	156	0%		156	156	0%				659
Net gains/losses on financial transactions	20	18	11%	22	-9%		20	22	-9%				79
Net insurance result	-1	-2	-50%	1			-1	1					0
Other income	1	1	0%	1	0%		1	1	0%				5
Total income	1,375	1,390	-1%	1,320	4%		1,375	1,320	4%				5,366
Staff costs	-323	-291	11%	-274	18%		-323	-274	18%				-1,103
Other expenses	-166	-126	32%	-137	21%		-166	-137	21%				-493
Internal purchased and sold services	-201	-183	10%	-168	20%		-201	-168	20%				-708
Depreciation, amortisation and impairments of property, equipment and intangible assets	-27	-26	4%	-23	17%		-27	-23	17%				-97
Total expenses	-717	-625	15%	-601	19%		-717	-601	19%				-2,401
Profit before credit losses, risk tax and resolution fee	658	764	-14%	719	-8%		658	719	-8%				2,965
Net credit losses	-28	-33	-15%	4			-28	4					37
Gains/losses on disposal of property, equipment and intangible assets	2	2	0%	2	0%		2	2	0%				6
Risk tax and resolution fee	-103	-104	-1%	-101	2%		-103	-101	2%				-393
Operating profit	528	629	-16%	624	-15%		528	624	-15%				2,615
Profit allocation	10	10	0%	12	-17%		10	12	-17%				47
Operating profit after profit allocation	537	639	-16%	636	-16%		537	636	-16%				2,662
Internal income	-2,669	-2,537	5%	-1,740	53%		-2,669	-1,740	53%				-8,567
Cost/income ratio, %	51.8	44.6		45.1			51.8	45.1					44.4
Credit loss ratio, %	0.04	0.03		0.02			0.04	0.02					-0.01
Allocated capital	23,667	23,292	2%	22,648	4%		23,667	22,648	4%				23,292
Return on allocated capital, %	7.2	8.7		8.9			7.2	8.9					9.5
Average number of employees	966	886	9%	783	23%		966	783	23%				828

INCOME STATEMENT IN LOCAL CURRENCY

NOK m	Q1			Q4			Q1			Jan-mar			Full year
	2024	2023	Change	2023	2023	Change	2024	2023	Change	2024	2023	Change	
Net interest income	1,213	1,234	-2%	1,117	9%		1,213	1,117	9%				4,599
Net fee and commission income	158	159	-1%	153	3%		158	153	3%				656
Net gains/losses on financial transactions	20	19	5%	22	-9%		20	22	-9%				79
Net insurance result	-1	-2	-50%	1			-1	1					0
Other income	1	1	0%	1	0%		1	1	0%				5
Total income	1,391	1,410	-1%	1,295	7%		1,391	1,295	7%				5,338
Staff costs	-327	-294	11%	-268	22%		-327	-268	22%				-1,097
Other expenses	-168	-129	30%	-134	25%		-168	-134	25%				-491
Internal purchased and sold services	-204	-185	10%	-164	24%		-204	-164	24%				-704
Depreciation, amortisation and impairments of property, equipment and intangible assets	-27	-26	4%	-23	17%		-27	-23	17%				-96
Total expenses	-726	-634	15%	-590	23%		-726	-590	23%				-2,388
Profit before credit losses, risk tax and resolution fee	665	776	-14%	705	-6%		665	705	-6%				2,950
Net credit losses	-29	-33	-12%	4			-29	4					36
Gains/losses on disposal of property, equipment and intangible assets	2	2	0%	2	0%		2	2	0%				6
Risk tax and resolution fee	-104	-105	-1%	-99	5%		-104	-99	5%				-391
Operating profit	534	639	-16%	612	-13%		534	612	-13%				2,601
Profit allocation	10	10	0%	12	-17%		10	12	-17%				47
Operating profit after profit allocation	544	650	-16%	624	-13%		544	624	-13%				2,648

BUSINESS VOLUMES

Average volumes, NOK bn	Q1			Q4			Q1			Jan-mar			Full year
	2024	2023	Change	2023	2023	Change	2024	2023	Change	2024	2023	Change	
Loans to the public													
Household	125.0	118.1	6%	112.5	11%		125.0	112.5	11%				114.3
Corporates	192.3	193.4	-1%	188.7	2%		192.3	188.7	2%				192.0
Total	317.2	311.5	2%	301.2	5%		317.2	301.2	5%				306.3
Deposits and borrowing from the public													
Household	36.9	33.4	10%	31.3	18%		36.9	31.3	18%				32.4
Corporates	55.8	59.2	-6%	67.8	-18%		55.8	67.8	-18%				64.6
Total	92.7	92.6	0%	99.1	-6%		92.7	99.1	-6%				97.0

Q1 2024 COMPARED WITH Q4 2023

Operating profit decreased by 16% to SEK 528m (629). Foreign exchange effects were marginal and, in local currency terms, operating profit similarly declined by 16%. *Return on allocated capital* was 7.2% (8.7), and the *C/I ratio* was 51.8% (44.6).

Income decreased by 1% to SEK 1,375m (1,390). Foreign exchange effects amounted to SEK 5m, and in local currency terms, income also fell by 1%.

Expenses rose by 15% to SEK -717m (-625). Foreign exchange effects amounted to SEK -2m, and in local currency terms, costs rose by 15%.

Net interest income decreased by 1% to SEK 1,199m (1,217). Adjusted for foreign exchange effects of SEK 4m, the SEK -6m impact of higher government fees for the deposit guarantee scheme, and the day effect of SEK -10m, net interest income decreased by SEK 6m. Higher business volumes contributed SEK 6m. The net amount of changed margins and funding costs contributed SEK 20m, which includes a negative effect in the amount of SEK -40m (-69) deriving from the required notification period, meaning an eight-week delay before interest rates can be changed for household customers. Other effects made a contribution of SEK -32m.

Net fee and commission income was unchanged at SEK 156m (156). Foreign exchange effects were marginal.

Net gains/losses on financial transactions totalled SEK 20m (18).

Net insurance result was SEK -1m (-2) and *Other income* was SEK 1m (1).

Staff costs rose by 11% to SEK -323m (-291). Foreign exchange effects were marginal. The increase was mainly due to annual salary adjustments and a 9% increase in the average number of employees to 966 (886). The larger number of employees mainly derived from the dismissal of consultants and additional recruitment in digital development, more employees in the financial crime prevention area, as well as temporary employees hired to deal with increased business volumes.

Other expense items increased by 18% to SEK -394m (-335). Expressed in local currency, other expense items went up by 17%. The increase was mainly due to the aforementioned ongoing investment in strengthening the digital offering and availability for new and existing private customers.

Credit losses were SEK -28m (-33), and the credit loss ratio was 0.04% (0.03).

The *risk tax* amounted to SEK -58m (-57), and the *resolution fee* amounted to SEK -45m (-47).

JANUARY – MARCH 2024 COMPARED WITH JANUARY – MARCH 2023

Operating profit decreased by 15% to SEK 528m (624). Foreign exchange effects amounted to SEK -18m, and in local currency terms, operating profit declined by 13%. *Return on allocated capital* was 7.2% (8.9). The *C/I ratio* was 51.8% (45.1).

Income grew by 4% to SEK 1,375m (1,320). Foreign exchange effects amounted to SEK -35m, and in local currency terms, income rose by 7%.

Expenses increased by 19% to SEK -717m (-601). Foreign exchange effects amounted to SEK 18m, and in local currency terms, expenses rose by 23%.

Net interest income increased by 5% to SEK 1,199m (1,139). Foreign exchange effects amounted to SEK -31m,

and in local currency terms, net interest income rose by 9%. Changed business volumes made a contribution of SEK -4m. The net amount of changed margins and funding costs increased net interest income by SEK 81m. The day effect made a contribution of SEK 10m. Other effects on net interest income had a SEK 4m impact.

Net fee and commission income was unchanged at SEK 156m (156). Foreign exchange effects amounted to SEK -4m, and in local currency terms, net fee and commission income rose by 3%. Commission income from the fund management, custody account management and asset management business, including brokerage and advisory services, was unchanged at SEK 86m (87). Net payment commissions decreased by 7% to SEK 39m (42).

Net gains/losses on financial transactions totalled SEK 20m (22).

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

Staff costs rose by 18% to SEK -323m (-274). Foreign exchange effects amounted to SEK 8m, and in local currency terms, the increase was 22%. The increase was mainly due to annual salary adjustments and a 23% increase in the average number of employees to 966 (783). The new employees were mainly hired in the digital business development area and within financial crime prevention.

Other expense items increased by 20% to SEK -394m (-328). Foreign exchange effects amounted to SEK 9m, and in local currency terms, the increase was 24%. The increase was mainly due to the aforementioned ongoing investment in strengthening the digital offering and availability for new and existing private customers.

Credit losses totalled SEK -28m (4). The credit loss ratio was 0.04% (0.02).

The *risk tax* amounted to SEK -58m (-58), and the *resolution fee* amounted to SEK -45m (-43).

BUSINESS DEVELOPMENT

Q1 2024 compared with Q4 2023

The *average volume of lending* increased by 2% to NOK 317.2bn (311.5). Household lending increased by 6% to NOK 125.0bn (118.1), and corporate lending decreased by 1% to NOK 192.3bn (193.4).

The total *average volume of deposits* was essentially unchanged at NOK 92.7bn (92.6). Household deposits increased by 10% to NOK 36.9bn (33.4), and corporate deposits decreased by 6% to NOK 55.8bn (59.2).

New savings in the Bank's mutual funds in Norway during the quarter were net SEK 0.4bn (0.4). The total *volume of assets under management* was SEK 43bn (40).

January – March 2024 compared with January – March 2022

The total *average volume of lending* increased by 5% to NOK 317.2bn (301.2). Household lending increased by 11% to NOK 125.0bn (112.5), and corporate lending increased by 2% to NOK 192.3bn (188.7).

The total *average volume of deposits* decreased by 6% to NOK 92.7bn (99.1). Household deposits increased by 18% to NOK 36.9bn (31.3), and corporate deposits decreased by 18% to NOK 55.8bn (67.8).

New savings in the Bank's mutual funds in Norway during the period were net SEK 0.4bn (1.0). The total *volume of assets under management* was SEK 43bn (37).

Handelsbanken the Netherlands

INCOME STATEMENT

SEK m	Q1			Q4			Q1			Jan-mar			Full year
	2024	2023	Change	2023	2023	Change	2024	2023	Change	2024	2023	Change	
Net interest income	480	500	-4%	462	4%	480	462	4%	1,941				
Net fee and commission income	43	75	-43%	39	10%	43	39	10%	198				
Net gains/losses on financial transactions	6	5	20%	3	100%	6	3	100%	17				
Other income	1	1	0%	0		1	0		1				
Total income	529	580	-9%	503	5%	529	503	5%	2,157				
Staff costs	-147	-136	8%	-126	17%	-147	-126	17%	-537				
Other expenses	-41	-34	21%	-28	46%	-41	-28	46%	-136				
Internal purchased and sold services	-77	-85	-9%	-64	20%	-77	-64	20%	-277				
Depreciation, amortisation and impairments of property, equipment and intangible assets	-14	-14	0%	-14	0%	-14	-14	0%	-59				
Total expenses	-279	-270	3%	-231	21%	-279	-231	21%	-1,009				
Profit before credit losses, risk tax and resolution fee	250	310	-19%	272	-8%	250	272	-8%	1,148				
Net credit losses	1	10	-90%	1	0%	1	1	0%	13				
Risk tax and resolution fee	-33	-31	6%	-29	14%	-33	-29	14%	-113				
Operating profit	218	289	-25%	244	-11%	218	244	-11%	1,048				
Profit allocation	0	0	0%	0	0%	0	0	0%	0				
Operating profit after profit allocation	218	289	-25%	244	-11%	218	244	-11%	1,048				
Internal income	-41	-7	486%	-37	11%	-41	-37	11%	-98				
Cost/income ratio, %	52.7	46.6		45.9		52.7	45.9		46.8				
Credit loss ratio, %	0.00	-0.04		0.00		0.00	0.00		-0.01				
Allocated capital	5,691	5,175	10%	4,764	19%	5,691	4,764	19%	5,175				
Return on allocated capital, %	12.1	17.7		16.3		12.1	16.3		16.9				
Average number of employees	415	400	4%	375	11%	415	375	11%	388				

INCOME STATEMENT IN LOCAL CURRENCY

EUR m	Q1			Q4			Q1			Jan-mar			Full year
	2024	2023	Change	2023	2023	Change	2024	2023	Change	2024	2023	Change	
Net interest income	42.5	43.6	-3%	41.2	3%	42.5	41.2	3%	169.1				
Net fee and commission income	3.8	6.5	-42%	3.4	12%	3.8	3.4	12%	17.2				
Net gains/losses on financial transactions	0.5	0.5	0%	0.2	150%	0.5	0.2	150%	1.5				
Other income	0.1	0.1	0%	0.0		0.1	0.0		0.1				
Total income	46.9	50.5	-7%	44.9	4%	46.9	44.9	4%	187.9				
Staff costs	-13.0	-11.9	9%	-11.2	16%	-13.0	-11.2	16%	-46.8				
Other expenses	-3.7	-3.0	23%	-2.5	48%	-3.7	-2.5	48%	-11.9				
Internal purchased and sold services	-6.8	-7.4	-8%	-5.7	19%	-6.8	-5.7	19%	-24.1				
Depreciation, amortisation and impairments of property, equipment and intangible assets	-1.3	-1.2	8%	-1.2	8%	-1.3	-1.2	8%	-5.1				
Total expenses	-24.7	-23.5	5%	-20.6	20%	-24.7	-20.6	20%	-87.9				
Profit before credit losses, risk tax and resolution fee	22.2	27.0	-18%	24.3	-9%	22.2	24.3	-9%	100.0				
Net credit losses	0.1	0.8	-88%	0.1	0%	0.1	0.1	0%	1.1				
Risk tax and resolution fee	-2.9	-2.6	12%	-2.6	12%	-2.9	-2.6	12%	-9.8				
Operating profit	19.3	25.2	-23%	21.8	-11%	19.3	21.8	-11%	91.3				
Profit allocation	0.0	0.0	0%	0.0		0.0	0.0		0.0				
Operating profit after profit allocation	19.3	25.2	-23%	21.8	-11%	19.3	21.8	-11%	91.3				

BUSINESS VOLUMES

Average volumes, EUR m	Q1			Q4			Q1			Jan-mar			Full year
	2024	2023	Change	2023	2023	Change	2024	2023	Change	2024	2023	Change	
Loans to the public													
Household	4,867	4,878	0%	4,902	-1%	4,867	4,902	-1%	4,891				
Corporates	3,885	3,802	2%	3,729	4%	3,885	3,729	4%	3,773				
Total	8,752	8,680	1%	8,631	1%	8,752	8,631	1%	8,664				
Deposits and borrowing from the public													
Household	812	724	12%	650	25%	812	650	25%	679				
Corporates	2,655	2,775	-4%	2,965	-10%	2,655	2,965	-10%	2,858				
Total	3,467	3,498	-1%	3,615	-4%	3,467	3,615	-4%	3,537				

Q1 2024 COMPARED WITH Q4 2023

Operating profit decreased by 25% to SEK 218m (289). Foreign exchange effects amounted to SEK -4m, and in local currency terms, operating profit declined by 23%. *Return on allocated capital* was 12.1% (17.7), and the *C/I ratio* was 52.7% (46.6).

Income decreased by 9% to SEK 529m (580). Foreign exchange effects amounted to SEK -9m, and in local currency terms, income fell by 7%.

Expenses rose by 3% to SEK -279m (-270). Foreign exchange effects amounted to SEK 4m, and in local currency terms, expenses rose by 5%.

Net interest income decreased by 4% to SEK 480m (500). Foreign exchange effects were SEK -8m, and expressed in local currency, net interest income decreased by 3%. Changed business volumes had a SEK 4m positive impact on net interest income. The net effect of changes to margins and funding costs was a reduction of net interest income amounting to SEK 14m. The day effect was SEK -2m. Other effects had a neutral impact on net interest income.

Net fee and commission income declined by 43% to SEK 43m (75). Foreign exchange effects amounted to SEK -1m, and in local currency terms, net fee and commission income fell by 42%. The decrease was due to the SEK 31m performance fee in Optimix during the comparison quarter.

Staff costs rose by 8% to SEK -147m (-136). Foreign exchange effects amounted to SEK 2m, and in local currency terms, staff costs rose by 9%. The increase was due to annual salary adjustments and a 4% increase in the average number of employees to 415 (400). A large proportion of these new employees were hired to work in financial crime prevention.

Other expense items fell by 1% to SEK -132m (-133). In local currency terms, the increase was 2%.

Credit losses consisted of net reversals and amounted to SEK 1m (10). The credit loss ratio was 0.00% (-0.04).

The *risk tax* amounted to SEK -18m (-18), and the *resolution fee* amounted to SEK -15m (-13).

JANUARY – MARCH 2024 COMPARED WITH JANUARY – MARCH 2023

Operating profit decreased by 11% to SEK 218m (244). Foreign exchange effects amounted to SEK 2m, and in local currency terms, operating profit declined by 11%. *Return on allocated capital* was 12.1% (16.3), and the *C/I ratio* was 52.7% (45.9).

Income grew by 5% to SEK 529m (503). Foreign exchange effects amounted to SEK 3m, and in local currency terms, income rose by 4%.

Expenses rose by 21% to SEK -279m (-231). Foreign exchange effects amounted to SEK -2m, and in local currency terms, costs rose by 20%.

Net interest income increased by 4% to SEK 480m (462). Foreign exchange effects amounted to SEK 3m, and in local currency terms, net interest income rose by 3%. Changed business volumes made a contribution of SEK 2m. The net amount of changed margins and funding costs increased net interest income by SEK 10m. The day effect was SEK 2m. Other effects increased net interest income by a marginal amount.

Net fee and commission income increased by 10% to SEK 43m (39). Foreign exchange effects were marginal.

Staff costs rose by 17% to SEK -147m (-126). Foreign exchange effects amounted to SEK -1m, and in local currency terms, staff costs rose by 16%. The increase was mainly due

to annual salary adjustments and a 11% increase in the number of employees to 415 (375). The increase in the number of employees was due mainly to further recruitments within financial crime prevention and to the expansion of the business.

Other expense items increased by 25% in total to SEK -132m (-106). In local currency terms, the increase was 26%, mainly attributable to increased IT development and business growth.

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

The *risk tax* amounted to SEK -18m (-19), and the *resolution fee* amounted to SEK -15m (-10).

BUSINESS DEVELOPMENT

Q1 2024 compared with Q4 2023

The total *average volume of lending* increased by 1% to EUR 8.8bn (8.7). Household lending was unchanged and amounted to EUR 4.9bn (4.9), and corporate lending increased by 2% to EUR 3.9bn (3.8).

The total *average volume of deposits* decreased by 1% to EUR 3.5bn (3.5). Household deposits increased by 12% to EUR 0.8bn (0.7), and corporate deposits decreased by 4% to EUR 2.7bn (2.8).

The total *assets under management* at Optimix totalled EUR 2.1bn (2.0) at the end of the period, including the company's own mutual funds. *New savings* in Optimix during the quarter were net EUR -30m (-61).

January – March 2024 compared with January – March 2023

The total *average volume of lending* increased by 1% to EUR 8.8bn (8.7). Household lending decreased by 1% to EUR 4.9bn (4.9), and corporate lending increased by 4% to EUR 3.9bn (3.7).

The total *average volume of deposits* decreased by 4% to EUR 3.5bn (3.6). Household deposits increased by 25% to EUR 0.8bn (0.7), and corporate deposits decreased by 10% to EUR 2.7bn (3.0).

The total *assets under management* at Optimix totalled EUR 2.1bn (2.0) at the end of the period, including the company's own mutual funds. *New savings* in Optimix during the period were net EUR -30m (47).

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 2024	Q4 2023	Change	Q1 2023	Change	Jan-mar 2024	Jan-mar 2023	Change	Full year 2023
Net interest income	83	87	-5%	110	-25%	83	110	-25%	384
Net fee and commission income	179	146	23%	242	-26%	179	242	-26%	740
Net gains/losses on financial transactions	331	236	40%	250	32%	331	250	32%	1,044
Other income	2	1	100%	1	100%	2	1	100%	7
Total income	595	471	26%	603	-1%	595	603	-1%	2,175
Staff costs	-316	-307	3%	-293	8%	-316	-293	8%	-1,200
Other expenses	-99	-103	-4%	-96	3%	-99	-96	3%	-409
Internal purchased and sold services	-69	-63	10%	-74	-7%	-69	-74	-7%	-247
Depreciation, amortisation and impairments of property, equipment and intangible assets	-35	-36	-3%	-36	-3%	-35	-36	-3%	-144
Total expenses	-519	-509	2%	-498	4%	-519	-498	4%	-2,000
Profit before credit losses, risk tax and resolution fee	76	-39		105	-28%	76	105	-28%	175
Net credit losses	4	4	0%	5	-20%	4	5	-20%	11
Gains/losses on disposal of property, equipment and intangible assets	0	0	0%			0			0
Risk tax and resolution fee	-16	-11	45%	-9	78%	-16	-9	78%	-43
Operating profit	65	-45		100	-35%	65	100	-35%	144
Profit allocation	-121	-100	21%	-172	-30%	-121	-172	-30%	-527
Operating profit after profit allocation	-56	-145	-61%	-71	-21%	-56	-71	-21%	-383
Internal income	453	597	-24%	592	-23%	453	592	-23%	1,891
Cost/income ratio, %	109.5	137.2		115.5		109.5	115.5		121.4
Credit loss ratio, %	-0.04	-0.20		-0.11		-0.04	-0.11		-0.09
Allocated capital	2,249	2,539	-11%	2,320	-3%	2,249	2,320	-3%	2,539
Return on allocated capital, %	-7.9	-18.2		-9.8		-7.9	-9.8		-12.3
Average number of employees	610	607	0%	592	3%	610	592	3%	605

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 2024 COMPARED WITH Q4 2023

Operating profit was SEK 65m (-45). Income increased by 26% and expenses increased by 2%.

Net fee and commission income increased by 23% to SEK 179m (146). The increase was due to increased advisory commissions, and deposit and lending commissions.

Net gains/losses on financial transactions increased by 40% to SEK 331m (236).

Staff costs rose by 3% to SEK -316m (-307). The increase was attributable to annual salary adjustments. The average number of employees was 610 (607).

Other expense items amounted to SEK -203m (-202).

The risk tax and resolution fee totalled SEK -16m (-11).

Credit losses consisted of net reversals of SEK 4m (4) and the credit loss ratio was -0.04% (-0.20).

JANUARY – MARCH 2024 COMPARED WITH JANUARY – MARCH 2023

Operating profit decreased by 35% to SEK 65m (100). Income decreased by 1% to SEK 595m (603). Expenses rose by 4% to SEK -519m (-498).

Net interest income went down by 25% to SEK 83m (110).

Net fee and commission income declined by 26% to SEK 179m (242), because of a drop in advisory commissions and brokerage income.

Net gains/losses on financial transactions increased by 32% to SEK 331m (250).

Staff costs rose by 8% to SEK -316m (-293), due to annual salary adjustments and a 3% increase in the average number of employees to 610 (592).

Other expense items fell by 1% to SEK -203m (-206).

The risk tax and resolution fee totalled SEK -16m (-9).

Credit losses consisted of net reversals of SEK 4m (5) and the credit loss ratio was -0.04% (-0.11).

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, provisions to Oktogonen and central staff functions.

INCOME STATEMENT

SEK m	Q1 2024	Q4 2023	Change	Q1 2023	Change	Jan-mar 2024	Jan-mar 2023	Change	Full year 2023
Net interest income	-186	-349	-47%	-47	296%	-186	-47	296%	-801
Net fee and commission income	59	70	-16%	64	-8%	59	64	-8%	276
Net gains/losses on financial transactions	7	-30		65	-89%	7	65	-89%	88
Share of profit of associates	68	-17		-1		68	-1		51
Other income	22	23	-4%	30	-27%	22	30	-27%	105
Total income	-29	-301	-90%	110		-29	110		-280
Staff costs	-1,271	-1,022	24%	-1,137	12%	-1,271	-1,137	12%	-3,900
Other expenses	-1,181	-1,255	-6%	-1,008	17%	-1,181	-1,008	17%	-4,325
Internal purchased and sold services	2,277	2,224	2%	2,037	12%	2,277	2,037	12%	8,180
Depreciation, amortisation and impairments of property, equipment and intangible assets	-191	-131	46%	-200	-5%	-191	-200	-5%	-682
Total expenses	-365	-184	98%	-308	19%	-365	-308	19%	-727
Profit before credit losses, risk tax and resolution fee	-395	-485	-19%	-199	98%	-395	-199	98%	-1,007
Net credit losses	-2	3		7		-2	7		-8
Gains/losses on disposal of property, equipment and intangible assets		0		0			0		0
Risk tax and resolution fee	-17	-38	-55%	-39	-56%	-17	-39	-56%	-157
Operating profit	-413	-519	-20%	-231	79%	-413	-231	79%	-1,172
Profit allocation	4	4	0%	6	-33%	4	6	-33%	23
Operating profit after profit allocation	-409	-515	-21%	-225	82%	-409	-225	82%	-1,149
Internal income	-84	-1,005	-92%	-509	-83%	-84	-509	-83%	-2,092
Average number of employees	3,226	3,157	2%	2,968	9%	3,226	2,968	9%	3,056
Allocated capital Finland	6,731	6,903	-2%	6,585	2%	6,731	6,585	2%	6,903

Q1 2024 COMPARED WITH Q4 2023

Operating profit was SEK -413m (-519).

Income was SEK -29m (-301).

Expenses totalled SEK -365m (-184).

Staff costs increased by 24% to SEK -1,271m (-1,022).

A provision for Oktogonen was made during the quarter, amounting to SEK -233m (-83), of which SEK -170m referred to an adjustment of the previous year's preliminary provision for the 2023 accounting year, and SEK -63m to a preliminary provision for the current quarter. Pension costs increased by SEK 28m, mainly due to lower interest on the discounting of pension obligations. Adjusted for Oktogonen and pension costs, staff costs increased by SEK 71m, or 8%. Of this increase, 6 percentage points were attributable to the IT development at the Bank, mainly due to replacements of consultants with Bank employees as well as to a lower capitalisation rate. The remainder of the increase related to both salary adjustments for the year and a general increase in the average number of employees. In total, the average number of employees grew by 2% to 3,226 (3,157), with the number of employees at the Bank's IT department totalling 2,196 (2,139).

Other expenses fell by 6% to SEK 1,181m (1,255). The decrease was attributable mainly to lower IT expenses, whereby a lowering of the number of consultants working within the Bank's IT development was counteracted by the effects of a lower capitalisation rate.

JANUARY – MARCH 2024 COMPARED WITH JANUARY – MARCH 2023

Operating profit was SEK -413m (-231).

Income was SEK -29m (110).

Expenses rose to SEK -365m (-308).

Staff costs rose by 12% to SEK -1,271m (-1,137).

A provision totalling SEK -233m (-202) was made for Oktogonen during the first quarter, referring to the current quarter and an adjustment for 2023. Pension costs increased by SEK -44m, as a consequence of an increase to expenses for the earning of pensions, which arose primarily due to a lower discount rate. Adjusted for Oktogonen and pension costs, staff costs increased by SEK 59m, or 5%. Of this increase, 3 percentage points were attributable to the IT development at the Bank, mainly due to replacements of consultants with Bank employees. The remainder of the increase related to both salary adjustments for the year and a general increase in the average number of employees. The average number of employees grew by 9% to 3,226 (2,968), with the number of employees at the Bank's IT department totalling 2,196 (1,961).

Other expenses went up by SEK 173m, or 17%, to SEK 1,181m (1,008). IT development expenses increased by SEK 40m, as lower costs deriving from the drop in consultant numbers were offset by the lower capitalisation rate. The remainder of the increase was due to cost inflation.

Depreciation, amortisation and impairment of property, equipment and intangible assets amounted to SEK -191m (-200).

Key metrics – Group

	Q1 2024	Q4 2023	Q1 2023	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Return on equity, total operations	13.7%	15.2%	15.0%	13.7%	15.0%	15.9%
C/I ratio, Continuing operations	42.2%	38.4%	38.5%	42.2%	38.5%	37.2%
Earnings per share, SEK	3.33	3.66	3.44	3.33	3.44	14.70
<i>of which continuing operations</i>	3.23	3.51	3.32	3.23	3.32	14.09
<i>of which discontinued operations</i>	0.11	0.14	0.12	0.11	0.12	0.61
Ordinary dividend, SEK						6.50
Proposed dividend, SEK						13.00
Adjusted equity per share, SEK	95.69	103.48	93.39	95.69	93.39	103.48
Common equity tier 1 ratio, CRR	18.8%	18.8%	19.4%	18.8%	19.4%	18.8%
Total capital ratio, CRR	22.4%	23.9%	23.6%	22.4%	23.6%	23.9%
Average number of employees	12,200	11,974	11,331	12,200	11,331	11,683

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

THE HANDELSBANKEN SHARE

	Q1 2024	Q4 2023	Q1 2023	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
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	108.25	109.45	89.84	108.25	89.84	109.45
Share price SHB class B, end of period, SEK	135.40	130.20	111.20	135.40	111.20	130.20
Market capitalisation, end of period, SEK bn	214	217	178	214	178	217

Condensed set of financial statements – Group

INCOME STATEMENT - GROUP

SEK m	Q1 2024	Q4 2023	Change	Q1 2023	Change	Jan-Mar 2024	Jan-Mar 2023	Change	Full year 2023
Interest income	43,993	45,665	-4%	32,926	34%	43,993	32,926	34%	159,805
<i>of which interest income according to the effective interest method and interest on derivatives in hedge accounting</i>	38,018	37,818	1%	27,609	38%	38,018	27,609	38%	133,602
Interest expenses	-32,406	-33,443	-3%	-21,441	51%	-32,406	-21,441	51%	-112,227
Net interest income	11,587	12,222	-5%	11,485	1%	11,587	11,485	1%	47,578
Total fee and commission income	3,118	3,145	-1%	3,118	0%	3,118	3,118	0%	
Total fee and commission expenses	-364	-346	5%	-352	3%	-364	-352	3%	
Net fee and commission income	2,754	2,800	-2%	2,766	0%	2,754	2,766	0%	11,139
Net gains/losses on financial transactions	750	579	30%	602	25%	750	602	25%	2,661
Insurance result	27	24	13%	27	0%	27	27	0%	
Return on assets held on behalf of policyholders	98	183	-46%	64	53%	98	64	53%	
Net insurance result	125	207	-40%	91	37%	125	91	37%	493
Other dividend income	2	1	100%	1	100%	2	1	100%	3
Share of profit of associates and joint ventures	68	-17		-1		68	-1		51
Other income	32	64	-50%	42	-24%	32	42	-24%	325
Total income	15,318	15,854	-3%	14,985	2%	15,318	14,985	2%	62,249
Staff costs	-3,935	-3,531	11%	-3,470	13%	-3,935	-3,470	13%	-13,642
Other expenses	-2,056	-2,152	-4%	-1,852	11%	-2,056	-1,852	11%	-7,796
Depreciation, amortisation and impairment of property, equipment and intangible assets	-479	-402	19%	-454	6%	-479	-454	6%	-1,743
Total expenses	-6,470	-6,086	6%	-5,776	12%	-6,470	-5,776	12%	-23,182
Profit before credit losses, risk tax and resolution fee	8,848	9,768	-9%	9,210	-4%	8,848	9,210	-4%	39,067
Net credit losses	95	-52		-30		95	-30		-141
Gains/losses on disposal of property, equipment and intangible assets	4	6	-33%	7	-43%	4	7	-43%	20
Operating profit	8,267	9,057	-9%	8,516	-3%	8,267	8,516	-3%	36,322
Taxes	-1,874	-2,093	-10%	-1,934	-3%	-1,874	-1,934	-3%	-8,417
Profit for the period from continuing operations	6,393	6,965	-8%	6,582	-3%	6,393	6,582	-3%	27,905
Profit for the period from discontinued operations after tax	211	280	-25%	232	-9%	211	232	-9%	1,209
Profit for the period	6,604	7,244	-9%	6,814	-3%	6,604	6,814	-3%	29,114
Attributable to									
Shareholders in Svenska Handelsbanken AB	6,603	7,240	-9%	6,814	-3%	6,603	6,814	-3%	29,107
Non-controlling interest	1	6		1		1	1		8

EARNINGS PER SHARE – GROUP

	Q1 2024	Q4 2023	Change	Q1 2023	Change	Jan-Mar 2024	Jan-Mar 2023	Change	Full year 2023
Profit for the year, attributable to shareholders in Svenska Handelsbanken AB	6,603	7,240	-9%	6,814	-3%	6,603	6,814	-3%	29,107
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	3.33	3.66	-9%	3.44	-3%	3.33	3.44	-3%	14.70
Earnings per share, continuing operations, SEK	3.23	3.51	-8%	3.32	-3%	3.23	3.32	-3%	14.09
Earnings per share, discontinued operations, SEK	0.11	0.14	-21%	0.12	-8%	0.11	0.12	-8%	0.61

STATEMENT OF COMPREHENSIVE INCOME – GROUP

SEK m	Q1 2024	Q4 2023	Change	Q1 2023	Change	Jan-Mar 2024	Jan-Mar 2023	Change	Full year 2023
Profit for the period	6,604	7,244	-9%	6,814	-3%	6,604	6,814	-3%	29,114
Other comprehensive income									
Items that will not be reclassified to the income statement									
Defined benefit pension plans	1,767	-4,087		-220		1,767	-220		-2,226
Instruments measured at fair value through other comprehensive income - equity instruments	50	6		31		50	31		63
Tax on items that will not be reclassified to income statement	-340	832		37		-340	37		439
<i>of which defined benefit pension plans</i>	-329	834		41		-329	41		450
<i>of which equity instruments measured at fair value through other comprehensive income</i>	-11	-2		-4		-11	-4		-11
Total items that will not be reclassified to the income statement	1,477	-3,250		-152		1,477	-152		-1,724
Items that may subsequently be reclassified to the income statement									
Cash flow hedges	-109	557		333		-109	333		614
Instruments measured at fair value through other comprehensive income - debt instruments	12	9	33%	-2		12	-2		25
Insurance contracts	194	-500		-52		194	-52		-396
Translation differences for the period	2,074	-2,801		-335		2,074	-335		-1,079
<i>of which hedging net investment in foreign operations</i>	-387	182		-78	-396%	-387	-78	-396%	31
Tax on items that may subsequently be reclassified to the income statement	-25	107		134		-25	134		113
<i>of which cash flow hedges</i>	22	-115		-69		22	-69		-127
<i>of which debt instruments measured at fair value through other comprehensive income</i>	-3	-2	-50%			-3			-5
<i>of which hedging net investment in foreign operations</i>	80	-37		16	400%	80	16	400%	-6
<i>of which translation difference</i>	-124	261		187		-124	187		251
Total items that may subsequently be reclassified to the income statement	2,146	-2,628		79		2,146	79		-718
Total other comprehensive income for the period	3,623	-5,880		-73		3,623	-73		-2,447
Total comprehensive income for the period	10,227	1,365		6,741	52%	10,227	6,741	52%	26,668
Attributable to									
Shareholders in Svenska Handelsbanken AB	10,226	1,359		6,741	52%	10,226	6,741	52%	26,662
Non-controlling interest	1	6	-83%	1	0%	1	1	0%	5

For the period January - March 2024, other comprehensive income totalled SEK 3,623m (-73) after tax. During the period, other comprehensive income was positively affected by SEK 1,438m (-179) after tax, deriving from a higher discount rate on Swedish pension obligations. The discount rate was 3.8%, compared with 3.5% at year-end. The value of plan assets also increased during the same period.

The translation of the foreign operations had a positive effect of SEK 2,029m after tax (-132), which is a result of the depreciation of the Swedish krona versus the majority of the currencies in the countries where the Group operates.

QUARTERLY PERFORMANCE – GROUP

SEK m	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Net interest income	11,587	12,222	12,184	11,687	11,485
Net fee and commission income	2,754	2,800	2,812	2,761	2,766
Net gains/losses on financial transactions	750	579	1,087	393	602
Net insurance result	125	207	79	116	91
Other dividend income	2	1		1	1
Share of profit of associates and joint ventures	68	-17	49	20	-1
Other income	32	64	32	187	42
Total income	15,318	15,854	16,244	15,166	14,985
Staff costs	-3,935	-3,531	-3,382	-3,259	-3,470
Other expenses	-2,056	-2,152	-1,839	-1,953	-1,852
Depreciation, amortisation and impairment of property, equipment and intangible assets	-479	-402	-466	-421	-454
Total expenses	-6,470	-6,086	-5,686	-5,634	-5,776
Profit before credit losses, risk tax and resolution fee	8,848	9,768	10,558	9,531	9,210
Net credit losses	95	-52	-1	-58	-30
Gains/losses on disposal of property, equipment and intangible assets	4	6	3	4	7
Risk tax and resolution fee	-680	-664	-653	-636	-671
Operating profit	8,267	9,057	9,908	8,841	8,516
Taxes	-1,874	-2,093	-2,324	-2,066	-1,934
Profit for the period from continuing operations	6,393	6,965	7,583	6,775	6,582
Profit for the period from discontinued operations after tax	211	280	368	329	232
Profit for the period	6,604	7,244	7,952	7,104	6,814
Earnings per share, SEK	3.33	3.66	4.02	3.59	3.44

BALANCE SHEET – GROUP

SEK m		31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
Assets						
Cash and balances with central banks		561,864	476,171	482,302	503,673	447,588
Other loans to central banks	Note 8	22,212	6,282	6,379	5,163	10,646
Interest-bearing securities eligible as collateral with central banks		230,519	199,128	231,839	265,238	233,751
Loans to other credit institutions	Note 8	27,342	19,294	28,796	38,247	24,440
Loans to the public	Note 8	2,297,097	2,291,808	2,330,086	2,335,959	2,306,742
Value change of interest-hedged item in portfolio hedge		-9,690	-9,657	-14,837	-16,046	-15,039
Bonds and other interest-bearing securities		54,358	50,087	61,484	57,611	41,231
Shares		33,223	12,216	24,980	22,409	21,296
Investments in associates		725	657	642	606	591
Assets where the customer bears the value change risk		269,726	244,893	232,741	238,626	224,813
Derivative instruments	Note 11,12	39,451	30,110	45,612	56,729	39,500
Intangible assets	Note 13	8,603	8,567	8,530	8,553	8,426
Property and equipment		4,971	4,777	4,762	4,786	4,786
Current tax assets		1,014	203	1,213	1,140	1,346
Deferred tax assets		325	358	1,518	1,527	1,516
Net pension assets		13,906	11,699	16,080	14,469	13,005
Assets held for sale	Note 10	174,370	178,590	190,761	201,478	193,180
Other assets		22,571	10,276	23,915	12,422	40,963
Prepaid expenses and accrued income		3,699	2,331	2,527	2,853	3,297
Total assets	Note 17	3,756,288	3,537,792	3,679,330	3,755,442	3,602,079
Liabilities and equity						
Due to credit institutions	Note 14	98,824	90,143	135,502	143,863	97,306
Deposits and borrowing from the public	Note 14	1,422,065	1,298,480	1,369,077	1,433,843	1,435,563
Liabilities where the customer bears the value change risk		269,929	245,100	232,916	238,627	224,814
Issued securities	Note 15	1,611,848	1,523,481	1,556,596	1,563,875	1,478,669
Derivative instruments	Note 11,12	18,353	34,238	20,533	22,307	24,140
Short positions		15,013	2,364	12,558	13,459	11,544
Insurance liabilities		8,055	8,407	8,040	8,290	8,464
Current tax liabilities		1,025	1,211	1,872	1,314	894
Deferred tax liabilities		4,186	3,969	6,342	6,113	5,735
Provisions		543	601	541	577	520
Liabilities held for sale	Note 10	62,571	63,721	66,267	72,942	66,577
Other liabilities		20,198	14,882	18,283	16,398	24,503
Accrued expenses and deferred income		3,962	2,990	3,459	2,462	4,705
Subordinated liabilities		30,146	43,117	43,598	35,085	33,771
Total liabilities	Note 17	3,566,717	3,332,706	3,475,583	3,559,156	3,417,204
Non-controlling interest		9	8	3	2	4
Share capital		3,069	3,069	3,069	3,069	3,069
Share premium		8,758	8,758	8,758	8,758	8,758
Reserves		19,862	16,239	22,119	22,920	18,610
Retained earnings		151,270	147,905	147,931	147,621	147,621
Profit for the period, attributable to shareholders in Svenska Handelsbanken AB		6,603	29,107	21,867	13,917	6,814
Total equity		189,571	205,085	203,747	196,286	184,875
Total liabilities and equity		3,756,288	3,537,792	3,679,330	3,755,442	3,602,079

STATEMENT OF CHANGES IN EQUITY – GROUP

January - March 2024 SEK m	Share capital	Share premium	Defined benefit plans	Hedge reserve	Fair value reserve	Insurance contracts	Trans- lation reserve	Retained earnings incl profit for the year	Non- controlling interest	Total
Opening equity 2024	3,069	8,758	11,963	181	197	396	3,502	177,011	8	205,085
Profit for the period								6,603	1	6,604
Other comprehensive income			1,437	-86	49	194	2,029		0	3,623
Total comprehensive income for the period			1,437	-86	49	194	2,029	6,603	1	10,227
Dividend								-25,740		-25,740
Change in non-controlling interest										
Closing equity	3,069	8,758	13,401	94	246	590	5,530	157,873	9	189,571

January – December 2023 SEK m	Share capital	Share premium	Defined benefit plans	Hedge reserve	Fair value reserve	Insurance contracts	Trans- lation reserve	Retained earnings incl profit for the year	Non- controlling interest	Total
Opening equity 2023	3,069	8,758	13,739	-307	126	793	4,332	163,510	3	194,024
Profit for the period								29,107	8	29,114
Other comprehensive income			-1,776	488	71	-396	-831		-3	-2,447
<i>of which reclassified within equity</i>			49				-284			-235
Total comprehensive income for the period			-1,776	488	71	-396	-831	29,107	5	26,667
Reclassified to retained earnings								235		235
Dividend								-15,840		-15,840
Share-based payments to employees of Handelsbanken Plc								79		79
Repurchase own shares								-79		-79
Change in non-controlling interest										
Closing equity	3,069	8,758	11,963	181	197	396	3,502	177,011	8	205,085

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

CONDENSED STATEMENT OF CASH FLOWS – GROUP

SEK m	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Operating profit	8,267	8,516	36,322
Profit from discontinued operations, before tax	263	261	1,394
Adjustment for non-cash items in profit/loss and result from discontinued operations	315	-575	907
Paid income tax	-3,175	-2,117	-7,681
Changes in the assets and liabilities of operating activities	96,750	-11,230	-7,816
Cash flow from operating activities	102,421	-5,144	23,125
Change in shares		-50	-53
Change in property and equipment	-184	-116	-506
Change in intangible assets	-191	-257	-957
Cash flow from investing activities	-375	-423	-1,517
Repayment of subordinated loans	-13,371	-8,351	-8,351
Issued subordinated loans			8,635
Dividend paid	-25,740	-15,840	-15,840
Cash flow from financing activities	-39,112	-24,192	-15,556
Cash and cash equivalents at beginning of the period*	476,181	475,882	475,882
Cash flow for the period	62,934	-29,759	6,052
Exchange rate difference on cash and cash equivalents	22,759	1,477	-5,753
Cash and cash equivalents at end of the period*	561,874	447,601	476,181

* Cash and cash equivalents 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).

Notes

Note 1 Accounting Policies

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

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

Changed accounting policies

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

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 2023.

Future regulatory changes

IFRS 18 Presentation and Disclosure in Financial Statements

The IASB published the new IFRS 18 Presentation and Disclosure in Financial Statements standard on 9 April 2024, which replaces IAS 1 Presentation of Financial Statements. Assuming that IFRS 18 is adopted by the EU, and the date of implementation proposed by the IASB is not changed, this standard is to be applied as of the 2027 financial year. IFRS 18 sets out new requirements for the presentation and disclosure of information in financial statements, with a particular focus on the income statement and enhanced transparency surrounding management-defined performance measures. The standard is not expected to entail any financial effects for Handelsbanken, as IFRS 18 focuses on presentation and disclosure in financial statements. The Bank plans to commence work on analysing the effects of the new standard.

Other changes in IFRS

None of the other 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.

Note 2 Net interest income

SEK m	Q1 2024	Q4 2023	Change	Q1 2023	Change	Jan-mar 2024	Jan-mar 2023	Change	Full year 2023
Interest income									
Loans to credit institutions and central banks	8,458	8,391	1%	5,939	42%	8,458	5,939	42%	29,262
Loans to the public	26,282	25,782	2%	19,212	37%	26,282	19,212	37%	91,518
Interest-bearing securities eligible as collateral with central banks	2,433	2,319	5%	1,255	94%	2,433	1,255	94%	8,110
Bonds and other interest-bearing securities	609	621	-2%	213	186%	609	213	186%	2,076
Derivative instruments	7,012	9,593	-27%	6,787	3%	7,012	6,787	3%	32,227
Other interest income	98	207	-53%	233	-58%	98	233	-58%	853
Total	44,890	46,914	-4%	33,639	33%	44,890	33,639	33%	164,046
Deduction of interest income reported in Net gains/losses on financial transactions	-898	-1,249	-28%	-715	26%	-898	-715	26%	-4,242
Total interest income	43,993	45,665	-4%	32,926	34%	43,993	32,926	34%	159,805
<i>of which interest income according to the effective interest method and interest on derivatives in hedge accounting</i>	<i>38,018</i>	<i>37,818</i>	<i>1%</i>	<i>27,609</i>	<i>38%</i>	<i>38,018</i>	<i>27,609</i>	<i>38%</i>	<i>133,602</i>
Interest expense									
Due to credit institutions and central banks	-772	-871	-11%	-656	18%	-772	-656	18%	-3,768
Deposits and borrowing from the public	-10,957	-10,417	5%	-6,618	66%	-10,957	-6,618	66%	-35,195
Issued securities	-13,603	-12,551	8%	-9,357	45%	-13,603	-9,357	45%	-45,983
Derivative instruments	-7,554	-10,200	-26%	-4,873	55%	-7,554	-4,873	55%	-28,562
Subordinated liabilities	-475	-409	16%	-377	26%	-475	-377	26%	-1,615
Deposit guarantee fee	-61	11		-86	-29%	-61	-86	-29%	-246
Other interest expenses	-117	-144	-19%	-115	2%	-117	-115	2%	-513
Total	-33,539	-34,580	-3%	-22,082	52%	-33,539	-22,082	52%	-115,881
Deduction of interest expense reported in Net gains/losses on financial transactions	1,134	1,137	0%	640	77%	1,134	640	77%	3,654
Total interest expense	-32,406	-33,443	-3%	-21,441	51%	-32,406	-21,441	51%	-112,227
<i>of which interest expense according to the effective interest method and interest on derivatives in hedge accounting</i>	<i>-29,885</i>	<i>-28,811</i>	<i>4%</i>	<i>-19,295</i>	<i>55%</i>	<i>-29,885</i>	<i>-19,295</i>	<i>55%</i>	<i>-100,238</i>
Net interest income	11,587	12,222	-5%	11,485	1%	11,587	11,485	1%	47,578

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			Q4			Q1			Full year
	2024	2023	Change	2023	Change	Jan-Mar	Jan-Mar	Change	2023	
Brokerage and other securities commissions	106	102	4%	123	-14%	106	123	-14%	420	
Mutual funds	1,400	1,393	1%	1,351	4%	1,400	1,351	4%	5,534	
Custody and other asset management fees	262	257	2%	234	12%	262	234	12%	997	
Advisory services	55	36	53%	105	-48%	55	105	-48%	236	
Insurance	179	169	6%	167	7%	179	167	7%	673	
Payments	674	715	-6%	663	2%	674	663	2%	2,811	
Loans and deposits	265	281	-6%	296	-10%	265	296	-10%	1,156	
Guarantees	48	52	-8%	50	-4%	48	50	-4%	196	
Other	129	141	-9%	129	0%	129	129	0%	536	
Total fee and commission income	3,118	3,145	-1%	3,118	0%	3,118	3,118	0%	12,559	
Securities	-76	-66	15%	-57	33%	-76	-57	33%	-243	
Payments	-261	-248	5%	-263	-1%	-261	-263	-1%	-1,053	
Other	-27	-31	-13%	-32	-16%	-27	-32	-16%	-124	
Total fee and commission expenses	-364	-346	5%	-352	3%	-364	-352	3%	-1,421	
Net fee and commission income	2,754	2,800	-2%	2,766	0%	2,754	2,766	0%	11,139	

Net fee and commission income per segment

SEK m	Home markets							Total Jan-Mar 2024
	Sweden	UK	Norway	The Nether- lands	Capital Markets	Other	Adj. & elim.	
Brokerage and other securities commissions	42	0	4	5	57	1	-3	106
Mutual funds	1,216	83	55	15	1	46	-16	1,400
Custody and other asset management fees	195	9	27	25	8	0	-2	262
Advisory services		12	0		42		1	55
Insurance	179	0				0		179
Payments	532	78	63	0	3	-3	0	674
Loans and deposits	163	35	30	2	15	24	-5	265
Guarantees	26	3	9	0	10	0		48
Other	123	1	0	0	71	0	-66	129
Total fee and commission income	2,475	222	188	48	207	69	-91	3,118
Total fee and commission expenses	-363	-18	-33	-5	-28	-10	91	-364
Net fee and commission income	2,112	204	156	43	179	59	0	2,754
<i>of which Net card commissions</i>	<i>208</i>	<i>14</i>	<i>13</i>	<i></i>	<i>0</i>	<i>-3</i>	<i></i>	<i>232</i>

SEK m	Home markets							Total Jan-Mar 2023
	Sweden	UK	Norway	The Nether- lands	Capital 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
Total fee and commission income	2,411	225	189	42	276	79	-105	3,118
Total fee and commission expenses	-348	-23	-33	-4	-34	-15	105	-352
Net fee and commission income	2,063	202	156	39	242	64	0	2,766
<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></i>	<i>241</i>

Note 4 Net gains/losses on financial transactions

SEK m	Q1			Q4		Q1		Jan-mar			Full year 2023
	2024	2023	Change	2023	Change	2024	2023	Change	2023		
Amortised cost	235	214	10%	123	91%	235	123	91%	668		
<i>of which loans</i>	34	63	-46%	1		34	1		95		
<i>of which interest-bearing securities</i>				0			0		0		
<i>of which issued securities</i>	200	151	32%	122	64%	200	122	64%	573		
Fair value through other comprehensive income		0		0			0		-1		
<i>of which interest-bearing securities - expected credit losses</i>	0	0		0		0	0		0		
<i>of which interest-bearing securities - reclassification from other comprehensive income</i>	0	0				0			-1		
Fair value through profit or loss, fair value option	-523	1,255		121		-523	121		670		
<i>of which interest-bearing securities</i>	-523	1,255		121		-523	121		670		
Fair value through profit or loss, mandatory including FX effects	1,193	-713		443	169%	1,193	443	169%	1,494		
<i>of which assets held on behalf of policyholders</i>	98	183	-46%	64	53%	98	64	53%	336		
Hedge accounting	-57	6		-21	-171%	-57	-21	-171%	166		
<i>of which net gains/losses on fair value hedges</i>	-56	-13	-331%	17		-56	17		82		
<i>of which cash flow hedge ineffectiveness</i>	-1	18		-38	97%	-1	-38	97%	83		
Total	848	761	11%	666	27%	848	666	27%	2,997		
Deduction of return on assets held on behalf of policyholders	-98	-183	46%	-64	-53%	-98	-64	-53%	-336		
Net gains/losses on financial transactions	750	579	30%	602	25%	750	602	25%	2,661		

Note 5 Net insurance result

SEK m	Q1			Q4		Q1		Jan-mar			Full year 2023
	2024	2023	Change	2023	Change	2024	2023	Change	2023		
Insurance revenue	322	286	13%	302	7%	322	302	7%	1,169		
Insurance service expenses	-284	-230	23%	-268	6%	-284	-268	6%	-958		
Insurance service result	38	56	-32%	34	12%	38	34	12%	211		
Result from reinsurance contracts held		-10	-100%						-10		
Financial income and expenses from insurance contracts	-12	-22	-45%	-7	71%	-12	-7	71%	-44		
Insurance result	27	24	13%	27	0%	27	27	0%	157		
Return on assets held on behalf of policyholders	98	183	-46%	64	53%	98	64	53%	336		
Net insurance result	125	207	-40%	91	37%	125	91	37%	493		

Note 6 Other expenses

SEK m	Q1			Q4		Q1		Jan-Mar			Full year 2023
	2024	2023	Change	2023	Change	2024	2023	Change	2023		
Property and premises	-183	-182	1%	-162	13%	-183	-162	13%	-686		
IT related expenses	-930	-972	-4%	-837	11%	-930	-837	11%	-3,379		
Communication	-71	-69	3%	-71	0%	-71	-71	0%	-284		
Travel and marketing	-60	-92	-35%	-63	-5%	-60	-63	-5%	-299		
Purchased services	-600	-600	0%	-555	8%	-600	-555	8%	-2,355		
Supplies	-42	-46	-9%	-52	-19%	-42	-52	-19%	-188		
Other expenses	-170	-191	-11%	-112	52%	-170	-112	52%	-605		
Other expenses	-2,056	-2,152	-4%	-1,852	11%	-2,056	-1,852	11%	-7,796		

Note 7 Credit losses

SEK m	Q1 2024	Q4 2023	Change	Q1 2023	Change	Jan-mar 2024	Jan-mar 2023	Change	Full year 2023
Expected credit losses on balance sheet items									
The period's provision Stage 3	-134	-89	51%	-91	47%	-134	-91	47%	-328
Reversal of Stage 3 provisions previous years	52	18	189%	39	33%	52	39	33%	209
Total expected credit losses Stage 3	-82	-71	15%	-52	58%	-82	-52	58%	-119
The period's net provision Stage 2	93	42	121%	-84		93	-84		-112
The period's net provision Stage 1	51	17	200%	14	264%	51	14	264%	39
Total expected credit losses in Stage 1 and Stage 2	144	60	140%	-70		144	-70		-72
Total expected credit losses on balance sheet items	62	-12		-121		62	-121		-192
Expected credit losses on off-balance sheet items									
The period's net provision Stage 3	0	-2	-100%	6	-100%	0	6	-100%	8
The period's net provision Stage 2	33	-25		35	-6%	33	35	-6%	-39
The period's net provision Stage 1	18	-13		8	125%	18	8	125%	8
Total expected credit losses on off-balance sheet items	51	-39		50	2%	51	50	2%	-23
Write-offs									
Actual credit losses for the period	-48	-67	-28%	-61	-21%	-48	-61	-21%	-260
Utilised share of previous provision Stage 3	38	43	-12%	57	-33%	38	57	-33%	185
Total write-offs	-11	-24	-54%	-4	175%	-11	-4	175%	-75
Recoveries	-7	23		46		-7	46		149
Net credit losses	95	-52		-30		95	-30		-141
<i>of which loans to the public</i>	45	-15		-79		45	-79		-120

SEK m	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
1) Expected credit losses Stage 3 on and off balance sheet	-82	-73	-4	12	-46
Change in model-based provision Stage 1 and Stage 2:					
Update of macroeconomic scenarios and risk factors	65	37	-2	27	-2
Transfer of exposures in exposed sectors from Stage 1 to Stage 2*	-3	5	0	1	-5
Change in probability of default in portfolio at beginning of quarter (net rating changes)	-49	-137	-77	-176	-46
Effects of changes in exposures (existing, new and terminated exposures)	24	44	10	11	10
Other in Stage 1 and Stage 2	85	84	69	17	17
<i>Deducted, discontinued operations</i>	-3	-11	3	-1	2
Model-based credit losses in Stage 1 and Stage 2	119	22	3	-121	-24
Expert based provision					
Expert based provision	-540	-617	-617	-632	-637
<i>Deducted, discontinued operations</i>	11	13	13	14	13
Expert based provision in continuing operations	-529	-604	-604	-618	-624
Quarterly change of provisions which affect credit losses in Stage 1 and Stage 2	75	0	14	6	-3
2) Expected credit losses in Stage 1 and Stage 2 on and off balance sheet	195	22	17	-115	-27
3) Write-offs	-11	-24	-39	-8	-4
4) Recoveries	-7	23	25	55	46
Net credit losses (1+2+3+4)	95	-52	-1	-58	-30

* Expert-based assessment of significant increase in credit risk

The total provision requirement in Stage 1 and Stage 2 has decreased slightly during the first quarter. The provision consists of a model-based provision which is affected by aspects including 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. Updated assumptions for macroeconomic risk factors have led to an overall SEK 65m decrease in the provision requirement during the quarter. Negative rating migration in the customer portfolio increased the provision requirement by SEK 49m. Changes in the size of the exposures decreased the provision requirement by SEK 24m. The Other line item in Stage 1 and Stage 2 reduced the provision requirement due to the effects of factors such as agreements entering default, foreign exchange effects and maturity effects.

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 linked to macroeconomic conditions and potentially substantial changes in demand. 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, the Bank has therefore applied an expert-based stress in sectors at risk of extra sensitivity. This stress has been applied in addition to the model-based calculations, and results in an additional provision requirement of SEK 529m (604 during the previous quarter) in continuing operations and SEK 540m (617) 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 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
Credit loss ratio, continuing operations YTD	-0.01	0.01	0.01	0.01	0.01
Total credit loss reserve ratio	0.09	0.10	0.10	0.10	0.10
Credit loss reserve ratio Stage 1	0.02	0.02	0.02	0.02	0.02
Credit loss reserve ratio Stage 2	0.58	0.60	0.62	0.74	0.90
Credit loss reserve ratio Stage 3	14.96	16.28	16.79	18.50	20.89
Proportion of loans Stage 3	0.28	0.24	0.23	0.22	0.19

For definitions, please see the Fact Book which is available at handelsbanken.com/ir. The reserve ratios and proportions of loans above include the disposal groups in Finland, which have been reclassified on the balance sheet as Assets held for sale (see Note 10).

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 2024, if the downturn and upturn 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 2024		31 December 2023	
	Percentage increase in the provision in a negative scenario	Percentage decrease in the provision in a positive scenario	Percentage increase in the provision in a negative scenario	Percentage decrease in the provision in a positive scenario
Sweden	20.63	-11.95	27.45	-15.70
Great Britain	15.13	-23.11	21.13	-29.56
Great Britain, severe downturn scenario	21.50		29.99	
Norway	23.67	-13.39	33.68	-18.20
Finland	8.07	-4.73	8.52	-5.06
The Netherlands	30.15	-15.43	36.85	-22.53
United States	42.34	-28.90	57.50	-36.86
Other countries	15.35	-8.70	23.51	-12.04
Total	17.47	-14.50	23.58	-18.51

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 70% (70), while an upturn in the economy is assigned 15% (15), and a downturn 15% (15). For exposures in the UK, a fourth, more severe downturn scenario is also applied. 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 2024.

Macroeconomic risk factor		Downturn scenario			Base case scenario			Upturn scenario		
		2024	2025	2026	2024	2025	2026	2024	2025	2026
GDP growth, %	Sweden	-2.89	0.44	3.14	0.11	2.44	2.49	2.61	3.94	2.19
	Great Britain	-2.00	-0.30	2.45	0.50	1.70	1.80	3.00	3.20	1.50
	Great Britain, severe downturn scenario	-2.50	-3.30	2.80						
	Norway	-2.93	-0.57	2.45	0.07	1.43	1.80	2.57	2.93	1.50
	Finland	-2.90	-0.31	2.16	0.10	1.69	1.51	2.60	3.19	1.21
	Euro area	-2.62	-0.68	2.40	0.38	1.32	1.75	2.88	2.82	1.45
	United States	-1.45	-0.42	2.31	1.55	1.58	1.66	4.05	3.08	1.36
Unemployment rate, %	Sweden	9.94	10.22	9.96	8.24	8.12	7.76	7.74	6.92	6.86
	Great Britain	6.20	7.10	7.10	5.00	5.40	5.20	4.50	4.20	4.20
	Great Britain, severe downturn scenario	7.00	9.90	9.70						
	Norway	3.85	4.43	4.53	2.15	2.33	2.33	1.65	1.63	1.63
	Finland	9.31	9.30	9.00	7.61	7.20	6.80	7.11	6.00	5.90
	Euro area	8.45	8.85	8.78	6.75	6.75	6.58	6.25	5.55	5.68
	United States	5.82	6.48	6.40	4.12	4.38	4.20	3.62	3.18	3.30
Policy interest rate, %	Sweden	4.50	4.25	3.25	3.25	2.25	2.25	2.25	1.25	1.25
	Great Britain	6.00	4.25	3.25	4.50	2.75	2.25	3.50	1.75	1.25
	Great Britain, severe downturn scenario	0.75	0.00	0.00						
	Norway	5.00	5.00	3.50	3.75	3.00	2.50	2.75	2.00	1.50
	Finland	4.50	4.00	2.75	3.25	2.00	1.75	2.25	1.00	0.75
	Euro area	4.50	4.00	2.75	3.25	2.00	1.75	2.25	1.00	0.75
	United States	5.63	4.88	3.50	4.38	2.88	2.50	3.38	1.88	1.50
Residential real estate, value change %	Sweden	-4.84	-0.51	5.08	0.49	2.99	3.04	6.46	5.00	2.64
	Great Britain	-6.47	-8.02	-1.04	-4.72	-0.76	4.04	-2.44	5.34	8.11
	Great Britain, severe downturn scenario	-10.28	-2.86	-1.21						
	Norway	0.15	1.75	3.53	2.38	2.81	3.30	3.68	3.62	2.87
	Finland	-0.32	4.74	2.71	0.45	3.51	3.01	1.40	3.16	3.07
	Euro area	2.37	3.37	5.20	2.87	3.37	3.75	4.48	4.27	2.95
Commercial real estate, value change %	Sweden	-5.59	3.46	3.09	1.97	11.47	4.00	4.30	14.80	6.39
	Great Britain	-11.01	-4.78	3.63	-1.28	1.35	1.50	2.34	7.99	3.82
	Great Britain, severe downturn scenario	-15.81	-10.16	2.28						
	Norway	-3.84	-3.81	0.97	1.40	3.48	3.34	3.79	6.56	3.76
	Finland	-6.87	2.41	5.60	0.25	7.85	7.77	1.91	9.72	7.79
	Euro area	-7.83	-2.60	3.13	-1.43	6.22	6.84	0.95	8.01	6.71

Note 8 Loans

The balance sheet items in the tables below include the disposal groups in Finland, which have been reclassified to Assets held for sale and Liabilities held for sale in the balance sheet, respectively (see Note 10).

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

SEK m	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
Cash and balances with central banks	561,855	476,162	482,291	503,660	447,577
Other loans to central banks	42,751	32,145	33,470	38,776	40,569
Interest-bearing securities eligible as collateral with central banks					
Loans to other credit institutions	27,344	19,297	28,803	38,259	24,442
<i>of which reverse repos</i>	16,463	9,623	19,011	22,325	6,790
Loans to the public	2,440,007	2,434,217	2,483,022	2,492,465	2,459,286
<i>of which reverse repos</i>	19,088	17,404	18,555	14,233	14,350
Bonds and interest-bearing securities	13,396	12,709	13,222	12,531	8,588
Total	3,085,353	2,974,529	3,040,809	3,085,691	2,980,463

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

SEK m	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
Volume, gross	3,087,673	2,976,927	3,043,294	3,088,268	2,982,969
<i>of which Stage 1</i>	2,951,914	2,833,004	2,895,613	2,959,699	2,888,415
<i>of which Stage 2</i>	127,760	136,859	140,830	121,957	88,569
<i>of which Stage 3</i>	7,999	7,064	6,851	6,612	5,985
Provisions	-2,322	-2,400	-2,487	-2,579	-2,508
<i>of which Stage 1</i>	-386	-430	-463	-454	-463
<i>of which Stage 2</i>	-740	-820	-874	-902	-795
<i>of which Stage 3</i>	-1,197	-1,150	-1,150	-1,223	-1,250

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

SEK m	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
Volume, gross	2,442,324	2,436,611	2,485,501	2,495,036	2,461,789
<i>of which Stage 1</i>	2,306,576	2,292,700	2,337,820	2,366,466	2,367,255
<i>of which Stage 2</i>	127,749	136,848	140,830	121,957	88,549
<i>of which Stage 3</i>	7,999	7,064	6,851	6,612	5,985
Provisions	-2,317	-2,395	-2,480	-2,571	-2,503
<i>of which Stage 1</i>	-382	-426	-459	-449	-459
<i>of which Stage 2</i>	-738	-819	-870	-898	-794
<i>of which Stage 3</i>	-1,197	-1,150	-1,150	-1,223	-1,250

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

31 March 2024				
SEK m	Stage 1	Stage 2	Stage 3	Total
Provision at beginning of year	-430	-820	-1,150	-2,400
Derecognised assets	8	11	12	31
Write-offs	0	0	49	49
Remeasurements due to changes in credit risk	-15	48	-29	4
Changes due to update in the methodology for estimation				
Foreign exchange effect, etc	-8	-14	-18	-41
Purchased or originated assets	-7	-6	-1	-13
Transfer to Stage 1	-21	39	0	18
Transfer to Stage 2	50	-121	1	-70
Transfer to Stage 3	37	123	-61	100
Provision at end of period	-386	-740	-1,197	-2,322

31 December 2023				
SEK m	Stage 1	Stage 2	Stage 3	Total
Provision at beginning of year	-480	-723	-1,257	-2,459
Derecognised assets	37	89	211	337
Write-offs		1	213	214
Remeasurements due to changes in credit risk	-219	140	-96	-175
Changes due to update in the methodology for estimation	-32	-16		-48
Foreign exchange effect, etc	2	2	1	5
Purchased or originated assets	-34	-33	-8	-75
Transfer to Stage 1	-40	56	1	17
Transfer to Stage 2	169	-503	6	-328
Transfer to Stage 3	167	166	-221	111
Provision at end of period	-430	-820	-1,150	-2,400

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

31 March 2024				
SEK m	Stage 1	Stage 2	Stage 3	Total
Provision at beginning of year	-426	-819	-1,150	-2,395
Derecognised assets	8	11	12	31
Write-offs	0	0	49	49
Remeasurements due to changes in credit risk	-15	48	-29	4
Changes due to update in the methodology for estimation				
Foreign exchange effect, etc	-8	-14	-18	-41
Purchased or originated assets	-7	-6	-1	-13
Transfer to Stage 1	-21	39	0	18
Transfer to Stage 2	50	-121	1	-70
Transfer to Stage 3	37	123	-61	100
Provision at end of period	-382	-738	-1,197	-2,317

31 December 2023				
SEK m	Stage 1	Stage 2	Stage 3	Total
Provision at beginning of year	-475	-722	-1,257	-2,454
Derecognised assets	36	89	211	337
Write-offs		1	213	214
Remeasurements due to changes in credit risk	-219	140	-96	-176
Changes due to update in the methodology for estimation	-32	-16		-48
Foreign exchange effect, etc	2	2	1	5
Purchased or originated assets	-34	-33	-8	-75
Transfer to Stage 1	-40	56	1	17
Transfer to Stage 2	169	-502	6	-326
Transfer to Stage 3	167	166	-221	111
Provision at end of period	-426	-819	-1,150	-2,395

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 2024 SEK m	Gross			Provisions			Net
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Private individuals	1,168,733	29,266	4,519	-119	-127	-611	1,201,661
<i>of which mortgage loans</i>	995,177	21,706	1,854	-31	-41	-48	1,018,617
<i>of which other loans with property mortgages</i>	143,161	6,010	1,396	-36	-34	-96	150,401
<i>of which other loans to private individuals</i>	30,395	1,550	1,269	-52	-52	-467	32,643
Housing co-operative associations	282,408	13,662	12	-4	-42	-8	296,028
<i>of which mortgage loans</i>	265,266	6,689	11	-1	-6	-7	271,952
Property management	664,217	69,606	2,502	-128	-216	-158	735,823
Manufacturing	18,320	4,315	64	-17	-106	-41	22,535
Retail	32,664	533	107	-11	-8	-72	33,213
Hotel and restaurant	5,743	813	127	-5	-7	-27	6,644
Passenger and goods transport by sea	433	1	0	0	0	0	434
Other transport and communication	7,764	796	18	-3	-2	-17	8,556
Construction	14,963	4,651	318	-57	-182	-107	19,586
Electricity, gas and water	14,496	52	7	-2	0	-4	14,549
Agriculture, hunting and forestry	20,558	1,133	84	-6	-7	-7	21,755
Other services	20,541	822	156	-9	-9	-87	21,414
Holding, investment and insurance Comp., funds etc.	27,100	1,789	11	-10	-16	-3	28,871
Government and municipalities	3,926	54		0	0		3,980
<i>of which Swedish national debt office</i>	436						436
Other corporate lending	24,710	256	74	-11	-16	-55	24,958
Total	2,306,576	127,749	7,999	-382	-738	-1,197	2,440,007

31 December 2023 SEK m	Gross			Provisions			Net
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Private individuals	1,158,428	28,771	4,159	-143	-132	-589	1,190,494
<i>of which mortgage loans</i>	991,247	21,664	1,592	-38	-43	-44	1,014,378
<i>of which other loans with property mortgages</i>	139,030	5,631	1,310	-44	-40	-93	145,794
<i>of which other loans to private individuals</i>	28,151	1,476	1,257	-61	-49	-452	30,322
Housing co-operative associations	283,134	11,367	13	-4	-20	-9	294,481
<i>of which mortgage loans</i>	265,549	5,291	12	-1	-1	-8	270,842
Property management	648,688	81,834	1,984	-130	-249	-159	731,968
Manufacturing	19,210	4,150	72	-24	-105	-46	23,257
Retail	30,214	671	108	-13	-9	-62	30,909
Hotel and restaurant	4,333	1,803	101	-4	-9	-6	6,218
Passenger and goods transport by sea	1,289	1	0	0	0	0	1,290
Other transport and communication	11,985	178	18	-5	-2	-15	12,159
Construction	14,238	4,429	281	-56	-264	-93	18,535
Electricity, gas and water	15,941	33	7	-2	0	-3	15,976
Agriculture, hunting and forestry	20,390	1,507	81	-7	-8	-3	21,960
Other services	20,965	818	143	-11	-9	-85	21,821
Holding, investment and insurance Comp., funds etc.	23,154	878	12	-6	-5	-3	24,030
Government and municipalities	12,278	64		0	0		12,342
<i>of which Swedish national debt office</i>	6,748						6,748
Other corporate lending	28,453	344	85	-21	-7	-77	28,777
Total	2,292,700	136,848	7,064	-426	-819	-1,150	2,434,217

Specification of Loans to the public – Property management

31 March 2024 SEK m	Gross			Provisions			Net
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Loans in Sweden							
State-owned property companies	11,210			0			11,210
Municipal-owned property companies	7,722	159		0	0		7,881
Residential property companies	132,098	27,338	155	-6	-62	-13	159,510
<i>of which mortgage loans</i>	124,650	25,190	146	-6	-58	-7	149,915
Other property management	139,699	12,933	174	-14	-18	-46	152,728
<i>of which mortgage loans</i>	76,691	7,893	67	-3	-15	-21	84,612
Total loans in Sweden	290,729	40,430	329	-20	-80	-59	331,329
Loans outside Sweden							
UK	135,600	13,228	1,530	-84	-114	-28	150,132
Norway	126,177	7,363	93	-22	-13	-30	133,568
Finland	45,391	4,879	539	-1	-8	-36	50,764
The Netherlands	65,233	3,706		-1	-1		68,937
Other countries	1,087		11	0		-5	1,093
Total loans outside Sweden	373,488	29,176	2,173	-108	-136	-99	404,494
Total loans - Property management	664,217	69,606	2,502	-128	-216	-158	735,823

31 December 2023 SEK m	Gross			Provisions			Net
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Loans in Sweden							
State-owned property companies	11,306			0			11,306
Municipal-owned property companies	7,311	515		0	0		7,826
Residential property companies	129,563	30,200	64	-7	-68	-13	159,739
<i>of which mortgage loans</i>	121,606	28,574	56	-6	-64	-7	150,159
Other property management	131,093	20,222	164	-11	-30	-52	151,386
<i>of which mortgage loans</i>	72,794	10,836	63	-3	-17	-21	83,652
Total loans in Sweden	279,273	50,937	228	-18	-98	-65	330,257
Loans outside Sweden							
UK	129,672	13,876	1,132	-87	-129	-26	144,438
Norway	133,310	6,364	91	-22	-12	-28	139,703
Finland	44,389	5,249	522	-2	-9	-35	50,114
The Netherlands	61,056	5,408		-1	-1		66,462
Other countries	988		11	0		-5	994
Total loans outside Sweden	369,415	30,897	1,756	-112	-151	-94	401,711
Total loans - Property management	648,688	81,834	1,984	-130	-249	-159	731,968

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

31 March 2024

SEK m, gross	Sweden	UK	Norway	Finland	The Netherlands	Total
Government guarantees	3,033	4	1,261	20,459		24,757
Residential	192,932	83,165	20,860	18,467	35,863	351,287
Office, retail, hotel	99,662	48,224	81,937	7,135	12,817	249,775
Other real estate	5,581	395	11,553	1,093	19,310	37,932
Industry, logistics	18,188	16,249	9,073	2,900	660	47,070
Agriculture, forestry	3,985	1,169	127	4	15	5,300
Other collateral	1,861	194	244	434	130	2,863
Unsecured	6,246	958	7,187	63	112	14,566
Undeveloped			1,391	254	32	1,677
Total	331,488	150,358	133,633	50,809	68,939	735,227

31 December 2023

SEK m, gross	Sweden	UK	Norway	Finland	The Netherlands	Total
Government guarantees	3,336	5	1,290	19,494		24,125
Residential	192,222	80,478	21,139	18,414	37,184	349,437
Office, retail, hotel	101,189	46,526	86,230	7,062	10,619	251,626
Other real estate	4,024	314	11,863	1,111	17,676	34,988
Industry, logistics	17,239	15,022	8,873	2,851	596	44,581
Agriculture, forestry	4,093	1,139	113	4	15	5,364
Other collateral	1,763	209	192	509	281	2,954
Unsecured	6,572	987	8,282	446	41	16,328
Undeveloped			1,783	269	52	2,104
Total	330,438	144,680	139,765	50,160	66,464	731,507

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

31 March 2024

LTV, %	Sweden	UK	Norway	Finland	The Netherlands	Total
0-40	83.7	90.5	79.5	76.1	88.2	83.6
41-60	15.4	9.2	18.2	15.3	11.6	14.8
61-75	0.8	0.2	1.8	7.0	0.2	1.3
>75	0.1	0.1	0.5	1.6		0.3
Average LTV	45.3	40.4	51.1	46.6	45.9	44.6

31 December 2023

LTV, %	Sweden	UK	Norway	Finland	The Netherlands	Total
0-40	83.7	90.1	78.9	75.1	88.4	83.2
41-60	15.5	9.5	18.9	15.7	11.3	15.3
61-75	0.6	0.2	1.9	6.9	0.2	1.3
>75	0.1	0.1	0.3	2.3	0.1	0.3
Average LTV	46.0	41.0	51.0	47.0	45.0	45.0

Loan to value (LTV) shows lending in relation to the market value of the collateral. *Average LTV* refers to a weighted average maximum LTV per property. The *division into ranges* follows an allocation method that can be described using the following feasible example: a credit with a loan-to-value ratio of 60% is divided up in such a way that two-thirds of the volume is reported under the line item LTV 0-40%, while the remaining third is reported under the line item LTV 41-60%.

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

31 March 2024						
LTV, %	Sweden	UK	Norway	Finland	The Netherlands	Total
0-40	79.2	86.9	75.8	55.1	80.5	79.2
41-60	18.2	12.9	20.7	19.7	16.3	17.0
61-75	2.3	0.2	3.0	9.9	2.9	2.5
>75	0.3		0.5	15.3	0.3	1.3
Average LTV	49.2	44.6	54.0	55.9	51.7	49.0

31 December 2023						
LTV, %	Sweden	UK	Norway	Finland	The Netherlands	Total
0-40	79.2	86.6	76.5	55.7	81.0	79.3
41-60	18.1	13.2	20.5	20.2	16.4	17.1
61-75	2.4	0.2	2.6	10.5	2.4	2.5
>75	0.3	0.0	0.5	13.6	0.2	1.2
Average LTV	49.0	45.0	54.0	57.0	51.0	49.0

Loan to value (LTV) shows lending in relation to the market value of the collateral. *Average LTV* refers to a weighted average maximum LTV per property. The *division into ranges* follows an allocation method that can be described using the following feasible example: a credit with a loan-to-value ratio of 60% is divided up in such a way that two-thirds of the volume is reported under the line item LTV 0-40%, while the remaining third is reported under the line item LTV 41-60%.

Note 9 Credit risk exposure

SEK m	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
Cash and balances with central banks	561,874	476,181	482,313	503,684	447,601
Other loans to central banks	42,751	32,145	33,470	38,776	40,569
Interest-bearing securities eligible as collateral with central banks	230,519	199,128	231,839	265,238	233,751
Loans to other credit institutions	27,344	19,297	28,803	38,259	24,442
<i>of which reverse repos</i>	16,463	9,623	19,011	22,325	6,790
Loans to the public	2,440,007	2,434,217	2,483,022	2,492,465	2,459,286
<i>of which reverse repos</i>	19,088	17,404	18,555	14,233	14,350
Bonds and other interest-bearing securities	54,358	50,087	61,484	57,611	41,231
Derivative instruments*	39,451	30,110	45,612	56,729	39,500
Contingent liabilities	60,724	58,120	60,241	63,568	60,467
Commitments	433,675	427,865	450,456	459,305	450,498
Total	3,890,703	3,727,150	3,877,239	3,975,634	3,797,345

* Refers to the sum total of positive market values.

The balance sheet items in the tables above include the disposal groups in Finland, which have been reclassified to Assets held for sale and Liabilities held for sale in the balance sheet, respectively (see Note 10).

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 in accordance with IFRS 5, and are attributable to two different disposal groups. An agreement was signed in the second quarter of 2023 to sell those parts of the Finnish operations relating to private customers, including asset management and investment services, SMEs and the life insurance business. The deal is expected to be concluded during the second half of 2024. Handelsbanken's operations in Denmark were sold during the fourth quarter 2022. The units listed below are included in the disposal groups and in the discontinued operations in Finland: Handelsbanken AB (publ) Finland branch, Handelsbanken Asuntoluottopankki (Stadshypotek AB (publ) Finland branch), Handelsbanken Liv Försäkrings AB Finland branch, Handelsbanken Liv Försäkrings AB Finland branch.

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 2024	Finland
SEK m	
Assets	
Cash and balances with central banks	10
Other loans to central banks	20,539
Interest-bearing securities eligible as collateral with central banks	
Loans to other credit institutions	2
Loans to the public	142,910
<i>Of which households</i>	39,650
<i>Of which corporates</i>	103,260
Bonds and other interest-bearing securities	0
Shares	16
Assets where the customer bears the value change risk	10,150
Intangible assets	128
Property and equipment	431
Other assets	186
Total assets	174,370
Liabilities	
Due to credit institutions	957
Deposits and borrowing from the public	50,165
<i>Of which households</i>	17,270
<i>Of which corporates</i>	32,895
Liabilities where the customer bears the value change risk	10,150
Provisions	238
Other liabilities	1,060
Total liabilities	62,571

The translation reserve includes an accumulated amount of SEK 1,301m (1,022) attributable to the translation of assets and liabilities held for sale, see the Statement of changes in equity – Group.

31 December 2023	Finland
SEK m	
Assets	
Cash and balances with central banks	10
Other loans to central banks	25,863
Interest-bearing securities eligible as collateral with central banks	0
Loans to other credit institutions	3
Loans to the public	142,409
<i>Of which households</i>	39,561
<i>Of which corporates</i>	102,847
Bonds and other interest-bearing securities	0
Shares	2
Assets where the customer bears the value change risk	9,586
Intangible assets	123
Property and equipment	467
Other assets	128
Total assets	178,590
Liabilities	
Due to credit institutions	980
Deposits and borrowing from the public	51,556
<i>Of which households</i>	17,434
<i>Of which corporates</i>	34,122
Liabilities where the customer bears the value change risk	9,586
Provisions	195
Other liabilities	1,404
Total liabilities	63,721

Income, expenses and profits, discontinued operations in Finland

SEK m	Q1 2024	Q4 2023	Change	Q1 2023	Change	Jan-mar 2024	Jan-mar 2023	Change	Full year 2023
Net interest income	563	619	-9%	530	6%	563	530	6%	2,368
Net fee and commission income	90	97	-7%	100	-10%	90	100	-10%	406
Net gains/losses on financial transactions	5	9	-44%	6	-17%	5	6	-17%	29
Net insurance result	4	3	33%	5	-20%	4	5	-20%	17
Other income	0	9	-100%			0			9
Total income	662	738	-10%	641	3%	662	641	3%	2,829
Staff costs	-215	-264	-19%	-213	1%	-215	-213	1%	-841
Other expenses	-142	-132	8%	-121	17%	-142	-121	17%	-464
Depreciation, amortisation and impairments of property, equipment and intangible assets									
Total expenses	-357	-397	-10%	-334	7%	-357	-334	7%	-1,306
Net credit losses	-3	9		16		-3	16		41
Gains/losses on disposal of property, equipment and intangible assets	0	0	0%			0			-1
Risk tax and resolution fee	-34	-24	42%	-30	13%	-34	-30	13%	-97
Profit for the period attributable to Denmark and Finland before tax	269	327	-18%	292	-8%	269	292	-8%	1,467
Tax	-54	-43	26%	-35	54%	-54	-35	54%	-200
Profit for the period attributable to Denmark and Finland after tax	215	284	-24%	256	-16%	215	256	-16%	1,267
Other expenses pertaining to discontinued operations*	-5	-5	0%	-31	-84%	-5	-31	-84%	-73
Taxes	1	1	0%	6	-83%	1	6	-83%	15
Profit for the period incl. Other expenses pertaining to discontinued operations, after tax	211	280	-25%	232	-9%	211	232	-9%	1,209
Material internal transactions with continuing operations, which are eliminated in the income statement above**:									
Total income	18	25		23		18	23		100
Total expenses	-30	-24		-22		-30	-22		-101

* 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. The elimination of internal transactions relating to net interest income between the discontinued operations in Finland and Group Treasury is adjusted and thus internal interest income and internal interest expenses are presented in continuing and discontinued operations, respectively.

Fee and commission income, discontinued operations in Finland

SEK m	Q1 2024	Q4 2023	Change	Q1 2023	Change	Jan-Mar 2024	Jan-Mar 2023	Change	Full year 2023
Brokerage and other securities commissions	2	2	0%	2	0%	2	2	0%	9
Mutual funds	1	1	0%	2	-50%	1	2	-50%	7
Custody and other asset management fees	11	10	10%	10	10%	11	10	10%	41
Advisory services									
Insurance	20	19	5%	19	5%	20	19	5%	77
Payments	50	50	0%	54	-7%	50	54	-7%	213
Loans and deposits	15	20	-25%	22	-32%	15	22	-32%	85
Guarantees	4	4	0%	5	-20%	4	5	-20%	19
Other	2	3	-33%	3	-33%	2	3	-33%	11
Total fee and commission income	105	111	-5%	116	-9%	105	116	-9%	463

Cash flows, discontinued operations

SEK m	Jan-mar 2024	Jan-mar 2023	Full year 2023
Cash flow from operating activities	3,154	517	4,611
Cash flow from investing activities	0	-1	-8
Cash flow from financing activities			
Cash flow for the period from discontinued operations	3,154	516	4,604

Note 11 Derivatives

mkr	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
Positive market values					
Trading	47,888	45,668	75,868	83,902	67,692
Fair value hedges	15,133	17,253	15,889	16,973	15,946
Cash flow hedges	27,402	19,410	31,308	36,933	28,765
Amounts offset	-50,972	-52,221	-77,453	-81,079	-72,903
Total	39,451	30,110	45,612	56,729	39,500
Negative market values					
Trading	42,606	54,579	65,677	69,463	67,329
Fair value hedges	18,285	16,007	28,198	28,853	24,935
Cash flow hedges	4,149	8,877	5,461	6,321	6,226
Amounts offset	-46,687	-45,225	-78,803	-82,330	-74,350
Total	18,353	34,238	20,533	22,307	24,140
Nominal value					
Trading	3,068,052	2,789,188	3,188,776	3,586,661	3,694,500
Fair value hedges	728,324	696,655	715,864	695,882	617,484
Cash flow hedges	422,602	468,797	497,359	526,301	517,162
Amounts offset	-2,360,869	-2,310,691	-2,830,826	-2,897,069	-2,797,234
Total	1,858,109	1,643,949	1,571,173	1,911,775	2,031,912

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 2024		Repurchase agreements, securities borrowing and similar agreements	Total
SEK m	Derivatives		
Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements			
Gross amount	90,423	38,189	128,612
Amounts offset	-50,972	-1,650	-52,622
Carrying amount on the balance sheet	39,451	36,539	75,990
Related amounts not offset on the balance sheet			
Financial instruments, netting arrangements	-5,752		-5,752
Financial assets received as collateral	-28,594	-36,539	-65,133
Total amounts not offset on the balance sheet	-34,346	-36,539	-70,885
Net amount	5,105		5,105
Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements			
Gross amount	65,040	1,651	66,691
Amounts offset	-46,687	-1,650	-48,337
Carrying amount on the balance sheet	18,353	1	18,354
Related amounts not offset on the balance sheet			
Financial instruments, netting arrangements	-5,752		-5,752
Financial assets pledged as collateral	-3,645	-1	-3,646
Total amounts not offset on the balance sheet	-9,397	-1	-9,398
Net amount	8,956		8,956
31 December 2023			
SEK m	Derivatives	Repurchase agreements, securities borrowing and similar agreements	Total
Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements			
Gross amount	82,331	32,141	114,472
Amounts offset	-52,221	-4,628	-56,849
Carrying amount on the balance sheet	30,110	27,513	57,623
Related amounts not offset on the balance sheet			
Financial instruments, netting arrangements	-7,781		-7,781
Financial assets received as collateral	-18,880	-27,513	-46,393
Total amounts not offset on the balance sheet	-26,661	-27,513	-54,174
Net amount	3,449		3,449
Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements			
Gross amount	79,463	4,631	84,094
Amounts offset	-45,225	-4,628	-49,853
Carrying amount on the balance sheet	34,238	3	34,241
Related amounts not offset on the balance sheet			
Financial instruments, netting arrangements	-7,781		-7,781
Financial assets pledged as collateral	-17,305	-3	-17,308
Total amounts not offset on the balance sheet	-25,086	-3	-25,089
Net amount	9,152		9,152

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 9,911m (11,268) derived from the balance sheet item Deposits and borrowing from the public. The amount set off for derivative liabilities includes offset cash collateral of SEK 5,625m (4,272), 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 2024	Jan-Mar 2023	Full year 2023	Jan-Mar 2024	Jan-Mar 2023	Full year 2023	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Opening residual value	4,356	4,397	4,397	4,211	4,005	4,005	8,567	8,402	8,402
Additional during the period				191	257	961	191	257	961
Reclassified as assets held for sale									
The period's amortisation				-198	-196	-751	-198	-196	-751
The period's impairments						-1			-1
Foreign exchange effect	12	-40	-41	31	3	-3	43	-37	-44
Closing residual value	4,368	4,357	4,356	4,235	4,069	4,211	8,603	8,426	8,567

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

SEK m	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
Due to credit institutions	98,824	90,143	135,502	143,863	97,306
<i>of which repos</i>	0	0	419	619	13
Deposits and borrowing from the public	1,422,065	1,298,480	1,369,077	1,433,843	1,435,563
<i>of which repos</i>	1	2	199	2,255	926

Note 15 Issued securities

SEK m	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Issued securities at beginning of year	1,523,481	1,474,801	1,474,801
Issued	313,239	327,693	1,251,086
Repurchased	-17,893	-24,555	-72,561
Matured	-254,230	-303,106	-1,124,075
Foreign exchange effect etc.	47,252	3,835	-5,771
Issued securities at end of period	1,611,848	1,478,669	1,523,481

Note 16 Pledged assets and contingent liabilities

SEK m	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
Assets pledged for own debt	1,062,964	1,062,518	1,024,027	1,004,096	978,609
Other pledged assets	76,699	69,399	78,416	75,418	76,358
Contingent liabilities	60,724	58,120	60,241	63,568	60,467
Commitments	433,675	427,865	450,456	459,305	450,498

Note 17 Classification of financial assets and liabilities

31 March 2024	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				
Assets							
Cash and balances with central banks					561,874	561,874	561,874
Other loans to central banks					42,751	42,751	42,751
Interest-bearing securities eligible as collateral with central banks	5,592	224,927				230,519	230,519
Loans to other credit institutions					27,344	27,344	27,320
Loans to the public					2,440,007	2,440,007	2,418,583
Value change of interest-hedged item in portfolio hedge					-9,690	-9,690	
Bonds and other interest-bearing securities	18,920	22,042		13,396		54,358	54,358
Shares	32,591			648		33,238	33,238
Assets where the customer bears the value change risk	279,876					279,876	279,876
Derivative instruments	15,043		24,408			39,451	39,451
Other assets	13				22,607	22,620	22,620
Total	352,034	246,969	24,408	14,044	3,084,893	3,722,349	3,710,591
Investments in associates						725	
Non-financial assets						33,214	
Total assets						3,756,288	
Liabilities							
Due to credit institutions					99,781	99,781	99,919
Deposits and borrowing from the public					1,472,230	1,472,230	1,471,721
Liabilities where the customer bears the value change risk		280,079				280,079	280,079
Issued securities	560				1,611,288	1,611,848	1,592,446
Derivative instruments	16,484		1,869			18,353	18,353
Short positions	15,013					15,013	15,013
Other liabilities	12				20,923	20,936	20,936
Subordinated liabilities					30,146	30,146	30,860
Total	32,069	280,079	1,869		3,234,368	3,548,386	3,529,327
Non-financial liabilities						18,331	
Total liabilities						3,566,717	

31 December 2023		Fair value through profit or loss			Fair value through other comprehensive income	Amortised cost	Total carrying amount	Fair value
SEK m	Mandatory	Fair value option	Derivatives identified as hedge instruments					
Assets								
Cash and balances with central banks					476,181	476,181	476,181	
Other loans to central banks					32,145	32,145	32,145	
Interest-bearing securities eligible as collateral with central banks	3,534	195,594				199,128	199,128	
Loans to other credit institutions					19,298	19,298	19,272	
Loans to the public					2,434,217	2,434,217	2,415,484	
Value change of interest-hedged item in portfolio hedge					-9,657	-9,657		
Bonds and other interest-bearing securities	13,550	23,827		12,709		50,087	50,087	
Shares	11,617			601		12,218	12,218	
Assets where the customer bears the value change risk	254,401				78	254,479	254,479	
Derivative instruments	13,618		16,492			30,110	30,110	
Other assets	27				10,282	10,309	10,309	
Total	296,747	219,421	16,492	13,310	2,962,544	3,508,514	3,499,412	
Investments in associates						657		
Non-financial assets						28,620		
Total assets						3,537,792		
Liabilities								
Due to credit institutions					91,124	91,124	91,287	
Deposits and borrowing from the public					1,350,036	1,350,036	1,349,338	
Liabilities where the customer bears the value change risk		254,609			78	254,687	254,687	
Issued securities	1,506				1,521,975	1,523,481	1,497,333	
Derivative instruments	27,399		6,840			34,238	34,238	
Short positions	2,364					2,364	2,364	
Other liabilities	27				15,712	15,739	15,739	
Subordinated liabilities					43,117	43,117	43,227	
Total	31,296	254,609	6,840		3,022,042	3,314,787	3,288,213	
Non-financial liabilities						17,919		
Total liabilities						3,332,706		

Assets and liabilities in the tables above include the disposal groups in Finland, which have 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 2024

SEK m	Level 1	Level 2	Level 3	Total
Assets				
Interest-bearing securities eligible as collateral with central banks	227,884	2,635		230,519
Bonds and other interest-bearing securities	48,358	6,000		54,358
Shares	32,358	711	169	33,238
Assets where the customer bears the value change risk	276,932	2,865	80	279,876
Derivative instruments	76	39,375		39,451
Total	585,608	51,586	249	637,442
Liabilities				
Liabilities where the customer bears the value change risk	277,134	2,865	80	280,079
Issued securities		560		560
Derivative instruments	63	18,290		18,353
Short positions	14,994	19		15,013
Total	292,191	21,734	80	314,005

31 December 2023

SEK m	Level 1	Level 2	Level 3	Total
Assets				
Interest-bearing securities eligible as collateral with central banks	199,092	36		199,128
Bonds and other interest-bearing securities	48,231	1,856		50,087
Shares	11,406	638	174	12,218
Assets where the customer bears the value change risk	251,504	2,820	77	254,401
Derivative instruments	92	30,016	2	30,110
Total	510,325	35,366	253	545,944
Liabilities				
Liabilities where the customer bears the value change risk	251,712	2,820	77	254,609
Issued securities		1,506		1,506
Derivative instruments	47	34,189	2	34,238
Short positions	2,364			2,364
Total	254,123	38,515	79	292,717

Assets and liabilities in the tables above include the disposal groups in Finland, which have 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 2023), the instrument has been moved between the levels in the table. There were no significant moves between the levels during the period. Changes in level 3 holdings during the period 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, an accrual effect of SEK 43m (23) was recognised under Net gains/losses on financial transactions. At the end of the period, non-recognised day 1 gains/losses totalled SEK 464m; at year-end 2023, the corresponding figure was SEK 472m.

Change in level 3 holdings

31 March 2024 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
Carrying amount at beginning of year	174	2	-2	77	-77
Acquisitions					
Repurchases/sales	-2				
Matured during the period					
The period's value change realised in the income statement					
Unrealised value change in income statement	-3	-2	2	3	-3
Unrealised value change in other comprehensive income					
Changes in the methodology					
Transfer from level 1 or 2					
Transfer to level 1 or 2					
Carrying amount at end of period	169			80	-80

31 December 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
Carrying amount at beginning of year	173	39	-39	525	-525
Acquisitions					
Repurchases/sales	-1				
Matured during the period					
The period's value change realised in the income statement					
Unrealised value change in income statement	2			-448	448
Unrealised value change in other comprehensive income					
Changes in the methodology					
Transfer from level 1 or 2					
Transfer to level 1 or 2		-37	37		
Carrying amount at end of period	174	2	-2	77	-77

A change in non-observable input data is not judged to give rise to significantly higher or lower values for holdings in level 3, for which reason no sensitivity analysis is presented.

Note 19 Assets and liabilities by currency

31 March 2024								Other	
SEK m	SEK	EUR	NOK	DKK	GBP	USD	currencies	Total	
Assets									
Cash and balances with central banks	50,475	148,759	467	0	118,331	243,726	116	561,874	
Other loans to central banks		24,503	18,247					42,751	
Loans to other credit institutions	761	3,107	16,332	1	997	5,657	488	27,344	
Loans to the public	1,572,288	284,468	322,179	1,726	245,926	10,646	2,775	2,440,007	
<i>of which corporates</i>	599,551	180,631	195,569	1,704	175,760	10,483	1,777	1,165,475	
<i>of which households</i>	972,301	103,837	126,610	22	70,166	163	998	1,274,096	
Interest-bearing securities eligible as collateral with central banks	209,982	7,743	1,852	1		10,941		230,519	
Bonds and other interest-bearing securities	37,773	931	15,653			0		54,358	
Other items not broken down by currency	399,435							399,435	
Total assets	2,270,715	469,512	374,731	1,727	365,253	270,971	3,379	3,756,288	
Liabilities									
Due to credit institutions	19,889	44,697	24,185	-12	701	10,227	94	99,781	
Deposits and borrowing from the public	828,027	137,113	120,218	1,304	265,673	116,007	3,887	1,472,230	
<i>of which corporates</i>	345,740	105,345	81,317	1,156	198,269	112,681	3,126	847,634	
<i>of which households</i>	482,287	31,768	38,901	148	67,404	3,326	761	624,596	
Issued securities	554,614	472,503	21,890		42,532	498,018	22,292	1,611,848	
Subordinated liabilities	0	14,791			6,419	8,936		30,146	
Other items not broken down by currency, incl. equity	542,283							542,283	
Total liabilities and equity	1,944,813	669,104	166,293	1,292	315,325	633,188	26,273	3,756,288	
Other assets and liabilities broken down by currency (net)		199,543	-208,289	-417	-49,862	362,320	22,916		
Net foreign currency position		-50	149	18	66	103	22	308	
31 December 2023								Other	
SEK m	SEK	EUR	NOK	DKK	GBP	USD	currencies	Total	
Assets									
Cash and balances with central banks	67,895	128,820	4,776	0	113,645	160,935	109	476,181	
Other loans to central banks		29,326	1,687		1,131		0	32,145	
Loans to other credit institutions	259	5,772	9,671	1	873	2,299	422	19,297	
Loans to the public	1,579,316	287,783	319,815	1,464	234,892	9,330	1,617	2,434,217	
<i>of which corporates</i>	598,485	185,869	201,140	1,443	167,456	9,171	573	1,164,137	
<i>of which households</i>	974,083	101,914	118,675	21	67,436	159	1,044	1,263,332	
Interest-bearing securities eligible as collateral with central banks	181,752	7,561	36	1		9,778		199,128	
Bonds and other interest-bearing securities	36,868	486	12,223			509		50,087	
Other items not broken down by currency	326,737							326,737	
Total assets	2,192,827	459,749	348,209	1,465	350,541	182,852	2,148	3,537,792	
Liabilities									
Due to credit institutions	15,666	50,097	18,093	64	346	6,835	22	91,124	
Deposits and borrowing from the public	814,008	140,586	110,296	1,171	257,177	24,238	2,561	1,350,037	
<i>of which corporates</i>	335,161	110,747	75,871	1,034	190,553	20,797	1,767	735,931	
<i>of which households</i>	478,848	29,839	34,424	138	66,624	3,441	793	614,106	
Issued securities	569,595	407,148	27,016		37,930	459,581	22,211	1,523,481	
Subordinated liabilities	0	22,740			6,258	14,120	0	43,117	
Other items not broken down by currency, incl. equity	530,033							530,033	
Total liabilities and equity	1,929,302	620,570	155,404	1,236	301,711	504,774	24,794	3,537,792	
Other assets and liabilities broken down by currency (net)		160,527	-192,764	-223	-48,850	321,918	22,716		
Net foreign currency position		-294	41	7	-20	-4	70	-200	

Assets and liabilities in the tables above include the disposal groups in Finland, which have 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

mkr	31 mar 2024	31 dec 2023	30 sep 2023	30 jun 2023	31 mar 2023
Tillgänglig kapitalbas (belopp)					
Kärnprimärkapital	162 648	157 576	168 147	166 003	160 582
Primärkapital	173 274	172 603	184 438	182 123	176 038
Totalt kapital	193 227	200 081	212 975	202 556	195 398
Risikvägda exponeringsbelopp					
Totalt riskvägt exponeringsbelopp	863 310	836 790	868 888	837 505	827 075
Kapitalrelationer (som en procentandel av det riskvägda exponeringsbeloppet)					
Kärnprimärkapitalrelation (i %)	18,8%	18,8%	19,4%	19,8%	19,4%
Primärkapitalrelation (i %)	20,1%	20,6%	21,2%	21,7%	21,3%
Total kapitalrelation (i %)	22,4%	23,9%	24,5%	24,2%	23,6%
Ytterligare kapitalbaskrav för att hantera andra risker än risken för alltför låg bruttosoliditet (som en procentandel av det riskvägda exponeringsbeloppet)					
Ytterligare kapitalbaskrav för att hantera andra risker än risken för alltför låg bruttosoliditet	2,0%	2,0%	2,0%	2,1%	2,1%
varav: ska utgöras av kärnprimärkapital (i procentenheter)	1,3%	1,3%	1,3%	1,3%	1,3%
varav: ska utgöras av primärkapital (i procentenheter)	1,5%	1,5%	1,5%	1,6%	1,6%
Totala kapitalbaskrav för översyns- och utvärderingsprocessen (i %)	10,0%	10,0%	10,0%	10,1%	10,1%
Kombinerat buffertkrav och samlat kapitalkrav (som en procentandel av det riskvägda exponeringsbeloppet)					
Kapitalkonserveringsbuffert (i %)	2,5%	2,5%	2,5%	2,5%	2,5%
Konserveringsbuffert på grund av makrotillsynsrisiker eller systemrisiker identifierade på medlemsstatsnivå (i %)					
Institutspecifik kontryckisk kapitalbuffert (i %)	1,9%	1,9%	1,9%	1,7%	1,1%
Systemriskbuffert (i %)	3,2%	3,2%	3,2%	3,2%	3,1%
Buffert för globalt systemviktigt institut (i %)					
Buffert för andra systemviktiga institut (i %)	1,0%	1,0%	1,0%	1,0%	1,0%
Kombinerat buffertkrav (i %)	8,6%	8,6%	8,6%	8,4%	7,7%
Samlade kapitalkrav (i %)	18,6%	18,6%	18,5%	18,4%	17,8%
Tillgängligt kärnprimärkapital efter uppfyllande av de totala kapitalbaskraven för översyns- och utvärderingsprocessen (i %)	13,1%	13,1%	13,6%	14,0%	13,6%
Bruttosoliditetsgrad					
Totalt exponeringsmått	3 593 854	3 390 498	3 543 920	3 602 883	3 453 723
Bruttosoliditetsgrad (i %)	4,8%	5,1%	5,2%	5,1%	5,1%
Ytterligare kapitalbaskrav för att hantera risken för alltför låg bruttosoliditet (som en procentandel av det totala exponeringsmättet)					
Ytterligare kapitalbaskrav för att hantera risken för alltför låg bruttosoliditet					
varav: ska utgöras av kärnprimärkapital (i procentenheter)					
Totala krav avseende bruttosoliditetsgrad för översyns- och utvärderingsprocessen (%)	3,0%	3,0%	3,0%	3,0%	3,0%
Bruttosoliditetsbuffert och samlat bruttosoliditetskrav (som en procentandel av det totala exponeringsmättet)					
Krav på bruttosoliditetsbuffert (i %)					
Samlat bruttosoliditetskrav (i %)	3,0%	3,0%	3,0%	3,0%	3,0%
Likviditetstäckningskvot*					
Totala högkvalitativa likvida tillgångar (viktat värde - genomsnitt)	924 173	895 982	883 232	889 405	889 352
Likviditetsutflöden - totalt viktat värde	605 867	617 192	633 045	652 947	660 672
Likviditetsinflöden - totalt viktat värde	86 896	88 942	92 214	91 583	88 477
Totala nettolikviditetsutflöden (justerat värde)	518 972	528 250	540 831	561 364	572 195
Likviditetstäckningskvot (LCR)	179%	172%	164%	159%	156%
Stabil nettofinansieringskvot					
Total tillgänglig stabil finansiering	2 218 720	2 101 502	2 140 123	2 165 162	2 052 856
Totalt behov av stabil finansiering	1 804 849	1 758 065	1 826 421	1 827 179	1 785 897
Stabil nettofinansieringskvot (NSFR)	123%	120%	117%	118%	115%

* Högkvalitativa likvida tillgångar och kassaflöden avser medelvärdet av observationer vid varje månadsslut under de senaste 12 månaderna. Kvoten är beräknad utifrån dessa medelvärdet.

Overview of risk exposure amounts

	RWEA		Own funds requirements	
	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023
Credit risk (excluding CCR)	734,404	726,276	58,752	58,102
Of which standardised approach	194,219	183,549	15,538	14,684
Of which foundation IRB (FIRB) approach	57,709	53,702	4,617	4,296
Of which slotting approach				
Of which equities under simple risk-weighted approach	2,389	2,240	191	179
Of which advanced IRB (AIRB) approach	273,911	278,625	21,913	22,290
Of which risk weight floors	206,176	208,160	16,494	16,653
Counterparty credit risk - CCR	12,853	11,827	1,028	946
Of which standardised approach	9,166	8,507	733	681
Of which internal model method (IMM)				
Of which exposures to a CCP	246	268	20	21
Of which credit valuation adjustment - CVA	2,769	2,463	222	197
Of which other CCR	672	589	54	47
Settlement risk				
Securitisation exposures in the non-trading book (after the cap)				
Of which SEC-IRBA approach				
Of which SEC-ERBA (including IAA)				
Of which SEC-SA approach				
Of which 1,250%/ deduction				
Position, foreign exchange and commodities risks (market risk)	30,536	23,471	2,443	1,878
Of which standardised approach	30,536	23,471	2,443	1,878
Of which IMA				
Large exposures				
Operational risk	85,517	75,216	6,841	6,017
Of which basic indicator approach				
Of which standardised approach	85,517	75,216	6,841	6,017
Of which advanced measurement approach				
Amounts below the thresholds for deduction (subject to 250% risk weight)				
Total	863,310	836,790	69,065	66,943

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 types for corporate exposures in the parent company, and in the subsidiaries Stadshypotek AB and Handelsbanken Finans AB. Exposures in Handelsbanken plc and Ecster AB 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 the parent company (excluding the Netherlands), as well as in the subsidiaries Stadshypotek AB and Handelsbanken Finans AB. The IRB approach with own estimates of LGD and CCF is also applied to retail exposures in the parent company in Sweden, Norway and Finland, and in the subsidiary Stadshypotek AB. Risk weight floors are applied in Sweden and Norway for mortgage loans and corporate exposures secured by real estate.

At the end of the quarter, the IRB approach was applied to 74% of the total risk-weighted exposure amount for credit risk, including the effect of the risk weight floor. For the remaining credit risk exposures, the capital requirements are calculated using the standardised approach.

Of Handelsbanken's corporate exposures, 96% 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. The risk weights, excluding regulatory risk weight floors, applied when calculating risk-weighted exposure amounts reflect Handelsbanken's credit loss history. The risk assessment includes 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. Russia's invasion of Ukraine has given rise to a heightened level of 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. The rise in geopolitical instability has heightened the risk of different types of attacks on critical infrastructure in society. The Bank is monitoring developments and assesses the risk of various scenarios on an ongoing basis.

The changes in the interest rate environment seen over the past few years have affected cash flows for the Bank's customers to varying degrees. The Bank continuously monitors the development of customers' financial conditions in its ordinary risk assessment.

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 900bn at 31 March 2024. 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

	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
Market value, SEK m					
Level 1 assets	896,425	762,149	821,079	876,924	759,830
Cash and balances with central banks	601,880	504,940	512,134	539,119	484,816
Securities issued or guaranteed by sovereigns, central banks, MDBs and international organisations	222,176	192,929	225,592	263,340	226,417
Securities issued by municipalities and PSEs	1,371	209	1,997	421	329
Extremely high quality covered bonds	70,997	64,071	81,357	74,044	48,269
Level 2 assets	3,693	1,110	3,445	3,004	1,137
Level 2A assets	3,477	1,050	3,223	2,843	4,630
<i>Securities issued or guaranteed by sovereigns, central banks, municipalities and PSEs</i>	2,939	36	1,946	1,126	3,604
<i>High quality covered bonds</i>	538	1,014	1,277	1,718	1,030
<i>Corporate debt securities (lowest rating AA-)</i>					
Level 2B assets	216	60	222	161	202
<i>Asset-backed securities</i>					
<i>High quality covered bonds</i>					
<i>Corporate debt securities (rated A+ to BBB-)</i>	216	60	222	161	202
<i>Shares (major stock index)</i>					
Total liquid assets	900,118	763,260	824,525	879,928	676,376
<i>of which in SEK</i>	293,929	282,920	286,055	330,392	278,473
<i>of which in EUR</i>	178,948	162,765	176,389	192,609	175,457
<i>of which in USD</i>	247,041	166,329	202,638	200,591	190,849
<i>of which in other currencies</i>	180,200	151,246	159,442	156,336	136,666

31 March 2024					
Market value, SEK m	SEK	EUR	USD	Other	Total
Level 1 assets	293,671	178,516	247,041	177,197	896,425
Cash and balances with central banks	49,351	173,019	243,204	136,306	601,880
Securities issued or guaranteed by sovereigns, central banks, MDBs and international organisations	209,700	5,497	3,837	3,142	222,176
Securities issued by municipalities and PSEs	977			394	1,371
Extremely high quality covered bonds	33,642			37,355	70,997
Level 2 assets	258	432		3,003	3,693
Level 2A assets	244	230		3,003	3,477
<i>Securities issued or guaranteed by sovereigns, central banks, municipalities and PSEs</i>				2,939	2,939
<i>High quality covered bonds</i>	244	230		64	538
<i>Corporate debt securities (lowest rating AA-)</i>					
Level 2B assets	14	202			216
<i>Asset-backed securities</i>					
<i>High quality covered bonds</i>					
<i>Corporate debt securities (rated A+ to BBB-)</i>	14	202			216
<i>Shares (major stock index)</i>					
Total liquid assets	293,929	178,948	247,041	180,200	900,118

Maturities for financial assets and liabilities

31 March 2024 SEK m	Up to 30 days	31 days - 6 mths	6 - 12 mths	1 - 2 yrs	2 - 5 yrs	5 yrs -	Unspec. maturity	Total
Assets								
Cash and balances with central banks	604 625							604 625
Interest-bearing securities eligible as collateral with central banks *	230 519							230 519
Bonds and other interest-bearing securities *	54 358							54 358
Loans to credit institutions	25 203	266	85	179	909	703		27 344
<i>of which reverse repos</i>	16 463							16 463
Loans to the public	88 140	270 988	239 460	214 545	426 212	1 200 662		2 440 007
<i>of which reverse repos</i>	19 088							19 088
Other **	47 894						351 541	399 435
<i>of which shares and participating interests</i>	33 238							33 238
<i>of which claims on investment banking settlements</i>	14 656							14 656
Total	1 050 739	271 254	239 544	214 724	427 121	1 201 364	351 541	3 756 288
Liabilities								
Due to credit institutions ***	47 029	33 249	6 978	52	176	838	11 458	99 781
<i>of which repos</i>								
<i>of which deposits from central banks</i>	6 779	15 126					1	21 906
Deposits and borrowing from the public ***	202 308	191 890	31 488	3 351	1 347	160	1 041 687	1 472 231
<i>of which repos</i>								
Issued securities	99 065	374 974	305 783	165 987	550 826	115 213		1 611 848
<i>of which covered bonds</i>			69 756	133 482	391 062	83 924		678 224
<i>of which bank certificates (CDs) with original maturity of less than one year</i>	53 144	93 031	101 947					248 122
<i>of which corporate certificates (CPs) with original maturity of less than one year</i>	39 302	250 160	126 065					415 527
<i>of which bank certificates (CDs) and corporate certificates (CPs) with original maturity above one year</i>	6 335	5 279	4 162					15 776
<i>of which Senior Non-Preferred Bonds</i>					46 754	21 649		68 403
<i>of which senior bonds and other securities with original maturity of more than one year</i>	7	25 454	3 461	32 928	114 069	9 877		185 796
Subordinated liabilities					16 803	13 343		30 146
Other **	24 224						518 059	542 283
<i>of which short positions</i>	15 013							15 013
<i>of which investment banking settlement debts</i>	9 211							9 211
Total	372 626	600 113	344 249	169 390	569 152	129 554	1 571 204	3 756 288

* 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)

Liquidity coverage ratio (LCR) - sub components SEK m	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
High quality liquidity assets	894,518	758,587	818,235	874,237	760,493
Cash outflows					
Retail deposits and deposits from small business customers	55,608	55,996	56,125	57,445	57,720
Unsecured wholesale funding	377,412	255,923	357,613	351,101	407,876
Secured wholesale funding	3,722	4,266	3,169	8,476	7,330
Other cash outflows	104,019	108,646	115,567	112,288	115,562
Total cash outflows	540,761	424,831	532,474	529,310	588,488
Cash inflows					
Inflows from fully performing exposures	41,692	40,108	37,989	26,458	27,603
Other cash inflows	24,744	23,341	41,511	37,658	56,694
Total cash inflows	66,436	63,449	79,500	64,116	84,297
Liquidity coverage ratio (LCR)	189%	210%	181%	188%	151%

Net stable funding ratio (NSFR)

Net stable funding ratio (NSFR) - sub components SEK m	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
Available stable funding (ASF)					
Capital items and instruments	216,900	208,436	223,511	212,166	203,660
Retail deposits	712,489	709,447	720,534	735,085	715,995
Wholesale funding	1,285,183	1,179,688	1,189,378	1,211,435	1,127,120
Other liabilities	4,148	3,931	6,700	6,478	6,081
Total Available stable funding (ASF)	2,218,720	2,101,502	2,140,123	2,165,162	2,052,856
Required stable funding (RSF)					
Total high-quality liquid assets (HQLA)	14,198	6,063	11,597	9,932	8,768
Assets encumbered for more than 12 months in cover pool					
Performing loans and securities	529,243	487,444	530,545	493,384	452,064
Other assets	1,157,185	1,178,603	1,193,259	1,237,569	1,244,819
Off-balance sheet items	82,053	63,915	67,793	62,996	57,342
	22,171	22,040	23,228	23,296	22,905
Total Required stable funding (RSF)	1,804,849	1,758,065	1,826,421	1,827,179	1,785,897
Net stable funding ratio (NSFR)	123%	120%	117%	118%	115%

The liquidity coverage ratio (LCR) has been a binding requirement for banks in the EU since the European Commission introduced its Delegated Regulation. The figure states the ratio between the Bank's liquidity buffer and net cash flows in a very stressed scenario during a 30-day period. The requirement applies to LCR at aggregate level and the ratio must be at least 100%. 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 189%, 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 123%.

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 5-20% 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 2024		
SEK bn	NEA	Accumulated coverage ratio in % of unsecured funding*
Holdings with central banks and securities in the liquidity portfolio	900	87%
Mortgage loans	799	165%
Other household lending	147	179%
Property company lending lowest risk class (1-3)	256	204%
Other corporate lending lowest risk class (1-3)	99	213%
Loans to credit institutions lowest risk class (1-3)	3	214%
Other corporate lending	363	249%
Other assets	50	253%
Total non-encumbered assets (NEA)	2,617	253%
Encumbered assets without underlying liabilities**	69	
Encumbered assets with underlying liabilities	1,071	
Total assets, Group	3,756	

31 December 2023		
SEK bn	NEA	Accumulated coverage ratio in % of unsecured funding*
Holdings with central banks and securities in the liquidity portfolio	763	83%
Mortgage loans	780	167%
Other household lending	141	182%
Property company lending lowest risk class (1-3)	250	210%
Other corporate lending lowest risk class (1-3)	100	220%
Loans to credit institutions lowest risk class (1-3)	3	221%
Other corporate lending	364	260%
Other assets	6	261%
Total non-encumbered assets (NEA)	2,407	261%
Encumbered assets without underlying liabilities**	70	
Encumbered assets with underlying liabilities	1,062	
Total assets, Group	3,538	

* 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.

Information in this section relates to Handelsbanken's material risks and risk management at the time that this year-end 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 9-18.

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 2024	Q4 2023	Change	Q1 2023	Change	Jan-mar 2024	Jan-mar 2023	Change	Full year 2023
Net interest income	6,314	7,018	-10%	5,952	6%	6,314	5,952	6%	25,946
Dividends received	8,758	11,644	-25%	3,650	140%	8,758	3,650	140%	15,957
Net fee and commission income	1,093	1,153	-5%	1,149	-5%	1,093	1,149	-5%	4,573
Net gains/losses on financial transactions	661	508	30%	55		661	55		1,745
Other income	988	1,356	-27%	901	10%	988	901	10%	4,230
Total income	17,814	21,681	-18%	11,707	52%	17,814	11,707	52%	52,452
Staff costs	-3,463	-2,476	40%	-3,137	10%	-3,463	-3,137	10%	-11,456
Other administrative expenses	-2,036	-2,070	-2%	-1,836	11%	-2,036	-1,836	11%	-7,453
Depreciation, amortisation and impairment of property, equipment and intangible assets	-610	-528	16%	-606	1%	-610	-606	1%	-2,334
Total expenses before credit losses	-6,109	-5,074	20%	-5,579	9%	-6,109	-5,579	9%	-21,243
Profit before credit losses, risk tax and resolution fee	11,705	16,606	-30%	6,128	91%	11,705	6,128	91%	31,208
Net credit losses	41	-36		11	273%	41	11	273%	58
Impairment of financial assets		-1,397	-100%						-1,524
Risk tax and resolution fee	-472	-359	31%	-469	1%	-472	-469	1%	-1,633
Operating profit	11,274	14,815	-24%	5,671	99%	11,274	5,671	99%	28,110
Appropriations									
Profit before tax	11,274	14,815	-24%	5,671	99%	11,274	5,671	99%	28,110
Taxes	-699	-3,416	-80%	-505	38%	-699	-505	38%	-5,747
Profit for the period	10,575	11,399	-7%	5,165	105%	10,575	5,165	105%	22,363

STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

SEK m	Q1 2024	Q4 2023	Change	Q1 2023	Change	Jan-mar 2024	Jan-mar 2023	Change	Full year 2023
Profit for the period	10,575	11,399	-7%	5,165	105%	10,575	5,165	105%	22,363
Other comprehensive income									
Items that will not be reclassified to the income statement									
Instruments measured at fair value through other comprehensive income - equity instruments	44	5		31		44	31		63
Tax on items that will not be reclassified to income statement	-9	-2		-4		-9	-4		-11
<i>of which equity instruments measured at fair value through other comprehensive income</i>	-9	-2		-4		-9	-4		-11
Total items that will not be reclassified to the income statement	35	3		27		35	27		52
Items that may subsequently be reclassified to the income statement									
Cash flow hedges	137	-1,100		-158		137	-158		-1,571
Instruments measured at fair value through other comprehensive income - debt instruments	12	9	33%	-2		12	-2		25
Translation differences for the period	548	-1,131		-760		548	-760		-1,289
<i>of which hedging net investment in foreign operations</i>				5	-100%		5	-100%	5
Tax on items that may subsequently be reclassified to the income statement	-145	445		182		-145	182		522
<i>of which cash flow hedges</i>	-28	227		33		-28	33		324
<i>of which debt instruments measured at fair value through other comprehensive income</i>	-3	-2	-50%			-3			-5
<i>of which hedging net investment in foreign operations</i>				-1	-100%		-1	-100%	-1
<i>of which tax on translation difference</i>	-114	220		150		-114	150		204
Total items that may subsequently be reclassified to the income statement	552	-1,777		-737		552	-737		-2,313
Total other comprehensive income for the period	586	-1,774		-711		586	-711		-2,262
Total comprehensive income for the period	11,161	9,624	16%	4,454	151%	11,161	4,454	151%	20,100

Comment on results – Parent company January – March 2024 compared with January – March 2023

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

For further information on the divestment of the operations in Finland, refer to the introduction to Note 10.

The parent company's operating profit increased by SEK 5,603m to SEK 11,274m (5,671) compared with the previous year, mainly due to higher dividends received. The SEK 5,108m increase in dividends received to SEK 8,758m (3,650) is primarily attributable to the parent company receiving dividends of approximately SEK 8,200m from its subsidiary, Handelsbanken plc. In addition, there was a significant rise in net gains/losses on financial transactions. The main explanation behind the SEK 606m increase in net gains/losses on financial transactions to SEK 661m (55) is the positive effects of decreased spreads in the market on the Bank's holdings of subordinated loans issued by the subsidiary Stadshypotek, which are valued at fair value on the balance sheet and income statement. Net interest income increased by 6% to SEK 6,314m (5,952). Net fee and commission income declined by 5% to SEK 1,093m (1,149). Profit for the period increased by SEK 5,410m to SEK 10,575m (5,165). Since year-end 2023, the parent company's equity has decreased to SEK 143,851m (158,431).

BALANCE SHEET – PARENT COMPANY

SEK m	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
Assets					
Cash and balances with central banks	443,543	362,536	373,681	398,811	349,209
Interest-bearing securities eligible as collateral with central banks	230,519	199,128	231,839	265,238	233,751
Loans to credit institutions	1,058,155	1,007,992	1,057,541	1,098,040	1,082,040
Loans to the public	592,997	600,997	630,946	633,301	624,712
Value change of interest hedged item in portfolio hedge	-9,690	-9,657	-14,836	-16,042	-15,035
Bonds and other interest-bearing securities	55,379	50,791	63,846	59,185	45,177
Shares	27,095	6,170	18,955	16,206	15,103
Shares in subsidiaries and investments in associates	69,398	68,986	70,591	70,855	70,625
Assets where the customer bears the value change risk	1,994	1,948	2,475	2,475	2,344
Derivative instruments	49,357	39,019	62,065	73,212	53,928
Intangible assets	3,191	3,211	3,180	3,196	3,168
Property, equipment and leasing assets	6,417	6,673	6,532	6,480	6,287
Current tax assets	842		1,140	1,055	1,186
Deferred tax assets	381	374	662	648	651
Other assets	27,080	20,789	22,546	8,025	28,283
Prepaid expenses and accrued income	2,272	1,386	1,503	1,702	2,010
Total assets	2,558,930	2,360,344	2,532,668	2,622,388	2,503,439
Liabilities and equity					
Due to credit institutions	188,315	176,143	232,856	245,534	196,634
Deposits and borrowing from the public	1,224,533	1,109,471	1,176,047	1,236,513	1,247,521
Liabilities where the customer bears the value change risk	1,994	1,948	2,475	2,475	2,344
Issued securities	904,585	806,167	868,137	892,268	810,790
Derivative instruments	31,523	46,269	29,794	34,406	32,847
Short positions	15,013	2,364	12,558	13,459	11,544
Current tax liabilities		831			
Deferred tax liabilities	355	336	1,175	1,324	1,190
Provisions	633	624	606	623	617
Other liabilities	14,052	11,374	12,995	11,817	19,497
Accrued expenses and deferred income	3,062	2,399	2,728	1,764	3,316
Subordinated liabilities	30,146	43,117	43,598	35,085	33,771
Total liabilities	2,414,212	2,201,046	2,382,968	2,475,267	2,360,071
Untaxed reserves	867	867	867	867	867
Share capital	3,069	3,069	3,069	3,069	3,069
Share premium	8,758	8,758	8,758	8,758	8,758
Other funds	9,646	9,063	10,791	11,740	10,525
Retained earnings	111,803	115,178	115,251	114,938	114,983
Profit for the period	10,575	22,363	10,964	7,749	5,165
Total equity	143,851	158,431	148,832	146,253	142,501
Total liabilities and equity	2,558,930	2,360,344	2,532,668	2,622,388	2,503,439

STATEMENT OF CHANGES IN EQUITY – PARENT COMPANY

January - March 2024 SEK m	Restricted equity			Unrestricted equity				Retained earnings incl. profit for the year	Total
	Share capital	Statutory reserve	Fund for internally developed software	Share premium	Hedge reserve *	Fair value reserve *	Translation reserve *		
Opening equity 2024	3,069	2,682	3,140	8,758	2,284	197	761	137,541	158,431
Profit for the period								10,575	10,575
Other comprehensive income					-1,247	71	-1,086		-2,262
Total comprehensive income for the period					109	44	433	10,575	11,161
Dividend								-25,740	-25,740
Fund for internally developed software			-3					3	
Closing equity	3,069	2,682	3,136	8,758	2,393	241	1,194	122,378	143,851

January – December 2023 SEK m	Restricted equity			Unrestricted equity				Retained earnings incl. profit for the year	Total
	Share capital	Statutory reserve	Fund for internally developed software	Share premium	Hedge reserve *	Fair value reserve *	Translation reserve *		
Opening equity 2023	3,069	2,682	3,010	8,758	3,531	126	1,847	130,864	153,887
Profit for the period								22,363	22,363
Other comprehensive income <i>of which reclassified within equity</i>					-1,247	71	-1,086		-2,262
							-284		-284
Total comprehensive income for the period					-1,247	71	-1,086	22,363	20,100
Reclassified to retained earnings								284	284
Dividend*								-15,840	-15,840
Fund for internally developed software			129					-129	
Closing equity	3,069	2,682	3,140	8,758	2,284	197	761	137,541	158,431

January - March 2023 SEK m	Restricted equity			Unrestricted equity				Retained earnings incl. profit for the year	Total
	Share capital	Statutory reserve	Fund for internally developed software	Share premium	Hedge reserve *	Fair value reserve *	Translation reserve *		
Opening equity 2023	3,069	2,682	3,010	8,758	3,531	126	1,847	130,864	153,887
Profit for the period								5,165	5,165
Other comprehensive income					-125	25	-611		-711
Total comprehensive income for the period					-125	25	-611	5,165	4,454
Dividend								-15,840	-15,840
Fund for internally developed software			40					-40	
Closing equity	3,069	2,682	3,050	8,758	3,406	151	1,236	120,148	142,501

* Included in fair value fund.

CONDENSED STATEMENT OF CASH FLOWS – PARENT COMPANY

SEK m	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Operating profit	11,274	5,671	28,110
Adjustment from Operating profit to investment activities			-335
Adjustment for non-cash items in profit/loss	408	-320	-8,076
Paid income tax	-2,388	-1,669	-5,188
Changes in the assets and liabilities of operating activities	82,953	-21,511	-19,128
Cash flow from operating activities	92,247	-17,830	-4,615
Liquidation of subsidiaries			336
Change in shares		-50	-53
Change in property and equipment	-167	-302	-1,956
Change in intangible assets	-127	-201	-682
Cash flow from investing activities	-293	-553	-2,355
Repayment of subordinated loans	-13,371	-8,351	-8,351
Issued subordinated loans			8,635
Dividend paid	-25,740	-15,840	-15,840
Received Group contributions	11,338	16,249	16,249
Cash flow from financing activities	-27,774	-7,943	692
Cash and cash equivalents at beginning of the period*	362,536	376,010	376,010
Cash flow for the period	64,180	-26,326	-6,278
Exchange rate difference on cash and cash equivalents	16,827	-475	-7,196
Cash and cash equivalents at end of the period*	443,543	349,209	362,536

* Cash and cash equivalents are defined as Cash and balances with central banks.

OWN FUNDS AND CAPITAL REQUIREMENTS – PARENT COMPANY

Key metrics

	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
Available own funds					
Common equity tier 1 (CET1) capital	134,088	125,618	135,100	133,640	131,789
Tier 1 capital	144,715	140,644	151,391	149,759	147,244
Total capital	164,667	168,123	179,928	170,192	166,604
Risk-weighted exposure amounts					
Total risk-weighted exposure amount	431,592	421,681	463,350	447,494	449,408
Capital ratios (as a percentage of risk-weighted exposure amount)					
Common equity tier 1 ratio (%)	31.1%	29.8%	29.2%	29.9%	29.3%
Tier 1 ratio (%)	33.5%	33.4%	32.7%	33.5%	32.8%
Total capital ratio (%)	38.2%	39.9%	38.8%	38.0%	37.1%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
leverage (%)	1.2%	1.2%	1.2%	1.7%	1.7%
of which: to be made up of CET1 capital (percentage points)	0.7%	0.7%	0.7%	1.0%	1.0%
of which: to be made up of Tier 1 capital (percentage points)	0.9%	0.9%	0.9%	1.3%	1.3%
Total SREP own funds requirements (%)	9.2%	9.2%	9.2%	9.7%	9.7%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
Capital conservation buffer (%)	2.5%	2.5%	2.5%	2.5%	2.5%
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)					
Institution specific countercyclical capital buffer (%)	1.9%	1.9%	1.8%	1.7%	1.1%
Systemic risk buffer (%)					
Global Systemically Important Institution buffer (%)					
Other Systemically Important Institution buffer					
Combined buffer requirement (%)	4.4%	4.4%	4.3%	4.2%	3.6%
Overall capital requirements (%)	13.6%	13.6%	13.6%	13.9%	13.3%
CET1 available after meeting the total SREP own funds requirements (%)	25.8%	24.6%	23.9%	24.3%	23.8%
Leverage ratio					
Leverage ratio total exposure measure	1,818,244	1,609,855	1,760,618	1,812,374	1,687,857
Leverage ratio	8.0%	8.7%	8.6%	8.3%	8.7%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
Additional own funds requirements to address the risk of excessive leverage (%)					
of which: to be made up of CET1 capital (percentage points)					
Total SREP leverage ratio requirements (%)	3.0%	3.0%	3.0%	3.0%	3.0%
Liquidity coverage ratio (LCR)*					
Total high-quality liquid assets (HQLA) (Weighted value-average)	815,105	790,916	781,574	787,647	787,825
Cash outflows - Total weighted value	583,264	595,524	607,454	622,915	636,476
Cash inflows - Total weighted value	169,789	174,788	178,459	170,646	169,290
Total net cash outflows (adjusted value)	413,475	420,736	428,995	452,269	467,186
Liquidity coverage ratio	200%	192%	184%	176%	171%
Net stable funding ratio (NSFR)					
Total available stable funding	1,396,356	1,320,193	1,349,621	1,372,825	1,321,153
Total required stable funding	1,244,630	1,211,510	1,192,901	1,204,214	1,219,697
NSFR ratio	112%	109%	113%	114%	108%

* 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 exposure amounts

	RWEA		Own funds requirements	
	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023
Credit risk (excluding CCR)	359,950	359,282	28,796	28,743
Of which standardised approach	151,735	148,672	12,139	11,894
Of which foundation IRB (FIRB) approach	50,256	47,163	4,020	3,773
Of which slotting approach				
Of which equities under simple risk-weighted approach	2,339	2,182	187	175
Of which advanced IRB (AIRB) approach	133,763	139,864	10,701	11,189
Of which risk weight floors	21,857	21,401	1,749	1,712
Counterparty credit risk - CCR	12,838	11,827	1,027	946
Of which standardised approach	9,150	8,507	732	681
Of which internal model method (IMM)				
Of which exposures to a CCP	246	268	20	21
Of which credit valuation adjustment - CVA	2,769	2,463	222	197
Of which other CCR	673	589	54	47
Settlement risk	0	0	0	
Securitisation exposures in the non-trading book (after the cap)				
Of which SEC-IRBA approach				
Of which SEC-ERBA (including IAA)				
Of which SEC-SA approach				
Of which 1,250%/ deduction				
Position, foreign exchange and commodities risks (market risk)	12,227	11,003	978	880
Of which standardised approach	12,227	11,003	978	880
Of which IMA				
Large exposures				
Operational risk	46,577	39,569	3,726	3,166
Of which basic indicator approach				
Of which standardised approach	46,577	39,569	3,726	3,166
Of which advanced measurement approach				
Amounts below the thresholds for deduction (subject to 250% risk weight)				
Total	431,592	421,681	34,527	33,734

SUBMISSION OF REPORT

I hereby submit this report.

Stockholm, 24 April 2024

Michael Green
President and Chief Executive Officer

Information regarding the press conference and telephone conference

A digital press conference will be held on 24 April 2024 at 08:00 a.m. (CET).

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

The interim report for January – June 2024 will be published on 17 July 2024.

For further information, please contact:

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Auditors' 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 2024 and for the three-month period ending as at this date. The Board of Directors and the Chief Executive are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

FOCUS AND SCOPE OF THE REVIEW

We have conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review differs from and is substantially less in

scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

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

Stockholm, 24 April 2024

PricewaterhouseCoopers AB

Magnus Svensson Henryson
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 5% during the first quarter of the year. The Stockholm stock exchange's bank index increased by 2%. Handelsbanken's class A shares closed at SEK 108.25, a decline of 1% compared to the closing price of SEK 109.45 at year-end. Including the distributed dividend of SEK 13.00 per share, the total return was 11%.

Over the last five years, the Swedish stock market (OMX Stockholm 30) has gone up by 61%, while the bank index (OMX Stockholm Banks PI) has gone up by 46%. During the same period, the price of Handelsbanken's class A share has risen by 9%.

SHARE PRICE PERFORMANCE PREVIOUS 5 YEARS

Index 100 = March 28, 2019



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