

Interim Report
January-September

2022

Handelsbanken's Interim Report

January - September 2022

Q3 2022

- COMPARED WITH Q2 2022

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

JANUARY – SEPTEMBER 2022

- COMPARED WITH JANUARY – SEPTEMBER 2021

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

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

Key performance indicators

Earnings per share, SEK	2.89	2.11	7.85	7.22
Return on equity, total operations	13.2%	9.9%	12.2%	11.5%

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

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

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

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

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

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

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

Comments on Q3 2022 by the Group CEO



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

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

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

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

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

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

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

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

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

Carina Åkerström
President and Group Chief Executive Officer

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

Group – Overview

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

* As of 31 December 2021, volumes from the Denmark and Finland disposal groups are not included in the 'Loans to the public' and 'Deposits and borrowing from the public' rows. If these volumes are excluded from the previous periods, loans to the public increased by 8%, and deposits and borrowing from the public by 10%, compared with 30 September 2021.

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

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

Q3 2022 COMPARED WITH Q2 2022

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

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

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

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

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

Return on equity was 13.2% (9.9).

Earnings per share amounted to SEK 2.89 (2.11).

Non-recurring items and special items in operating profit

	Q3 SEK m	Q3 2022	Q2 2022
Special items			
Oktogenen: provision current year		-61	-50
Total special items		-61	-50
Total		-61	-50

Income

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

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

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

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

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

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

Expenses

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

Change after adjustment of foreign exchange effects and Oktogenen	-1%
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Development expenses

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

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

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

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

Credit losses

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

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

Risk tax and resolution fee

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

Taxes

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

The higher tax rate compared with the 20.6% corporate tax rate in Sweden is due to the fact that interest expenses on subordinated loans are not tax-deductible, which had an impact of 1.1 percentage points on the tax rate. A higher tax rate in the business outside Sweden had an equivalent impact of 1.0 percentage points compared with the corporate tax rate.

Discontinued operations

Profit/loss from discontinued operations consists of the external income and expenses in the operations in Denmark and Finland that are to be divested. An agreement regarding the sale of the Danish operations was signed in June, with the transfer expected to be completed during Q4.

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

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

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

Credit losses totalled SEK -20m (58).

JANUARY – SEPTEMBER 2022 COMPARED WITH JANUARY – SEPTEMBER 2021

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

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

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

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

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

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

Return on equity increased to 12.2% (11.5).

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

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

Non-recurring items and special items in operating profit

SEK m	Jan-Sep 2022	Jan-Sep 2021
Non-recurring items		
Capital gains from sales of properties	1,059	-
Total non-recurring items	1,059	-

Special items

Oktogonen: adjustment of allocation 2021	-53	21
Oktogonen: provision current year	-145	-5
Total special items	-198	16

Income

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

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

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

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

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

Risk result insurance totalled SEK 163m (150).

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

Expenses

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

Change after adjustment of foreign exchange effects and Oktogonen	2%
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Development expenses

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

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

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

Development expenses rose by 23% to SEK -2,479m (-2,010). Total development spend increased by 32% to SEK -2,458m (-1,861). The capitalisation rate was 18% (20%) and capitalisations amounted to SEK 437m (363). The capitalisation rate can vary over time, due to the nature of the projects to which the development relates. At present, the Bank is running a number of projects concerned with migration to cloud services, with a significant proportion of the expenses being recognised on a current basis.

Credit losses

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

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

Risk tax and resolution fee

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

Taxes

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

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

Discontinued operations

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

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

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

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

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

BUSINESS DEVELOPMENT

Q3 2022 compared with Q2 2022

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

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

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

January – September 2022 compared with January – September 2021

Loans to the public in the home markets (Sweden, Norway, the UK and the Netherlands) grew by 7%, and the average volume was SEK 2,203bn (2,050), an increase of SEK 153bn.

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

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

FUNDING AND LIQUIDITY

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

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

The Bank has large volumes of liquid funds, mortgage loans and other assets that are not encumbered and therefore represent protection for the Bank's senior lenders. The ratio of non-encumbered assets to all unsecured market funding amounted to 275% at the end of the quarter (268% at year-end 2021). At the end of the third quarter, cash funds and liquid assets deposited with central banks amounted to SEK 639bn (compared with SEK 439bn at year-end 2021). The volume of liquid bonds and other liquid assets totalled SEK 206bn (157 at year-end 2021). Thus, the Bank has further reinforced its resistance to future market disruptions during the period.

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

CAPITAL

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

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

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

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

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

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

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

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

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

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

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

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

Earnings raised the common equity tier 1 capital ratio by 0.9 percentage points, after a deduction for distributed and anticipated dividends. A dividend pay-out ratio of 56% was anticipated in the period, in line with regulatory practice. Increased exposure volumes reduced the common equity tier 1 ratio by 0.6 percentage points. The effect of differing credit qualities for inflows and outflows was neutral, while rating migrations had a negative effect in the amount of 0.1

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

Economic capital and available financial resources

The Bank's internal assessment of its need for capital is based on the Bank's capital requirement, stress tests, and the Bank's model for economic capital (EC). This is measured in relation to the Bank's available financial resources (AFR). The Board stipulates that the AFR/EC ratio for the Group must exceed 120%. At the end of the quarter, Group EC totalled SEK 58.5bn (56.7), while AFR was SEK 240.2bn (205.1). Thus, the ratio between AFR and EC was 411% (362). For the consolidated situation, EC totalled SEK 34.5bn (28.9), and AFR was SEK 230.3bn (199.1).

RATING

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

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

SUSTAINABILITY

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

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

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

Business volumes linked to the Bank's sustainability activities continued to grow. Compared with the corresponding period of the previous year, the volume of green loans in remaining operations increased by 120% to SEK 53.8bn (24.5); as part of this total, green mortgages grew by 208% to SEK 24.0bn (7.8). In addition, sustainability-linked loan facilities amounted to SEK 43.2bn (16.1).

The EU's Sustainable Finance Disclosures Regulation (SFDR) means that asset managers must be transparent in how their mutual funds are classified under the SFDR. At the end of the quarter, 17% of the total fund volume in the Group's mutual funds were invested in the highest category (article 9), i.e. funds that have sustainable investments or a reduction in carbon dioxide emissions as goals, and 77% in the second highest (article 8), i.e. funds that promote environmental or social aspects.

Handelsbanken Group - Business segments in continuing operations

January - September 2022		Home markets						Totalt Jan-sep 2022
SEK m		Sweden	UK	Norway	The Nether- lands	Capital Markets	Other	Adj. & elim.
Net interest income	16,218	5,222	3,173	944	196	227		25,980
Net fee and commission income	6,370	611	528	107	580	185		8,382
Net gains/losses on financial transactions	-31	178	59	18	842	-502		564
Risk result - insurance	141			22				163
Share of profit of associates						-11		-11
Other income	60	0	9	1	8	1,086		1,163
Total income	22,759	6,012	3,791	1,070	1,626	985		36,242
Staff costs	-3,021	-2,018	-762	-325	-868	-2,638	13	-9,620
Other expenses	-1,041	-559	-195	-67	-229	-2,499		-4,590
Internal purchased and sold services	-3,433	-796	-469	-170	-266	5,134		
Depreciation, amortisation and impairments of property, equipment and intangible assets	-315	-239	-68	-37	-111	-433	-23	-1,226
Total expenses	-7,810	-3,613	-1,494	-599	-1,474	-436	-10	-15,436
Profit before credit losses, risk tax and resolution fee	14,949	2,399	2,297	471	152	548	-10	20,806
Net credit losses	137	-4	-139	-3	-12	28		7
Gains/losses on disposal of property, equipment and intangible assets	6	10	4	-	-	4		24
Risk tax and resolution fee	-1,242	-	-269	-62	-25	-131		-1,729
Operating profit	13,850	2,405	1,894	406	114	449	-10	19,109
Profit allocation	276	34	51	0	-389	29		
Operating profit after profit allocation	14,126	2,439	1,946	405	-275	478	-10	19,109
Internal income	728	-280	-2,234	-374	88	2,072		
January - September 2021		Home markets						Totalt Jan-sep 2021
SEK m		Sweden	UK	Norway	The Nether- lands	Capital Markets	Other	Adj. & elim.
Net interest income	14,089	4,073	2,866	790	185	583		22,586
Net fee and commission income	6,405	561	481	106	538	204		8,295
Net gains/losses on financial transactions	331	135	37	20	890	-109		1,304
Risk result - insurance	143			7				150
Share of profit of associates						46		46
Other income	47	0	4	0	16	36		103
Total income	21,015	4,769	3,395	916	1,629	760		32,484
Staff costs	-3,064	-1,837	-667	-298	-927	-2,389	-125	-9,307
Other expenses	-882	-763	-126	-53	-285	-1,874		-3,983
Internal purchased and sold services	-3,185	-674	-381	-125	-219	4,584		
Depreciation, amortisation and impairments of property, equipment and intangible assets	-280	-238	-63	-38	-176	-532	-39	-1,366
Total expenses	-7,411	-3,512	-1,237	-514	-1,607	-211	-164	-14,656
Profit before credit losses, risk tax and resolution fee	13,604	1,257	2,158	402	22	549	-164	17,828
Net credit losses	27	80	-132	-1	12	-20		-34
Gains/losses on disposal of property, equipment and intangible assets	7	9	5	-	-10	-1		10
Risk tax and resolution fee	-522	-	-125	-23	-17	-11		-698
Operating profit	13,116	1,346	1,906	378	7	517	-164	17,106
Profit allocation	217	32	37	1	-316	29		
Operating profit after profit allocation	13,333	1,378	1,943	379	-309	546	-164	17,106
Internal income	-428	-721	-1,044	-300	-306	2,799		

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

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

Handelsbanken Sweden

INCOME STATEMENT

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

BUSINESS VOLUMES

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

* Excluding loans to the National Debt Office.

Q3 2022 COMPARED WITH Q2 2022

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

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

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

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

Other income items totalled SEK 76m (61).

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

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

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

JANUARY – SEPTEMBER 2022 COMPARED WITH JANUARY – SEPTEMBER 2021

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

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

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

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

Other income items totalled SEK 201m (190).

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

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

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

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

BUSINESS DEVELOPMENT

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

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

Q3 2022 compared with Q2 2022

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

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

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

January – September 2022 compared with January – September 2021

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

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

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

Handelsbanken UK

INCOME STATEMENT

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

INCOME STATEMENT IN LOCAL CURRENCY

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

BUSINESS VOLUMES

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

Q3 2022 COMPARED WITH Q2 2022

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

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

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

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

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

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

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

JANUARY – SEPTEMBER 2022 COMPARED WITH JANUARY – SEPTEMBER 2021

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

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

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

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

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

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

BUSINESS DEVELOPMENT

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

Q3 2022 compared with Q2 2022

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

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

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

January – September 2022 compared with January – September 2021

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

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

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

Handelsbanken Norway

INCOME STATEMENT

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

INCOME STATEMENT IN LOCAL CURRENCY

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

BUSINESS VOLUMES

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

Q3 2022 COMPARED WITH Q2 2022

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

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

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

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

Other income amounted to SEK 1m (7).

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

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

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

Credit losses consisted of net recoveries of SEK 27m (-8).

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

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

JANUARY – SEPTEMBER 2022 COMPARED WITH JANUARY – SEPTEMBER 2021

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

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

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

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

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

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

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

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

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

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

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

BUSINESS DEVELOPMENT

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

Q3 2022 compared with Q2 2022

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

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

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

January – September 2022 compared with January – September 2021

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

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

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

Handelsbanken the Netherlands

INCOME STATEMENT

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

INCOME STATEMENT IN LOCAL CURRENCY

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

BUSINESS VOLUMES

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

Q3 2022 COMPARED WITH Q2 2022

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

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

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

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

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

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

JANUARY – SEPTEMBER 2022 COMPARED WITH JANUARY – SEPTEMBER 2021

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

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

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

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

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

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

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

BUSINESS DEVELOPMENT

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

Q3 2022 compared with Q2 2022

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

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

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

January – September 2022 compared with January – September 2021

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

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

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

Handelsbanken Capital Markets

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

INCOME STATEMENT

SEK m	Q3 2022	Q2 2022		Q3 2021		Jan-Sep 2022	Jan-Sep 2021	Full year 2021
		Change		Change				
Net interest income	59	73	-19%	58	2%	196	185	6%
Net fee and commission income	148	173	-14%	153	-3%	580	538	8%
Net gains/losses on financial transactions	317	214	48%	284	12%	842	890	-5%
Other income	2	5	-60%	6	-67%	8	16	-50%
Total income	526	465	13%	501	5%	1,626	1,629	0%
Staff costs	-289	-282	2%	-308	-6%	-868	-927	-6%
Other expenses	-83	-72	15%	-92	-10%	-229	-285	-20%
Internal purchased and sold services	-68	-120	-43%	-44	55%	-266	-219	21%
Depreciation, amortisation and impairments of property, equipment and intangible assets	-36	-14	157%	-70	-49%	-111	-176	-37%
Total expenses	-476	-488	-2%	-514	-7%	-1,474	-1,607	-8%
Profit before credit losses, risk tax and resolution fee	50	-23		-13		152	22	103
Net credit losses	-7	-4	75%	28		-12	12	11
Gains/losses on disposal of property, equipment and intangible assets	-	0		0		-	-10	-10
Risk tax and resolution fee	-7	-7	0%	-6	17%	-25	-17	47%
Operating profit	35	-34		9	289%	114	7	82
Profit allocation	-128	-126	2%	-99	29%	-389	-316	23%
Operating profit after profit allocation	-93	-160	42%	-90	-3%	-275	-309	11%
Internal income	248	-39		-102		88	-306	-362
Cost/income ratio, %	119.6	144.0		127.9		119.2	122.4	118.5
Credit loss ratio, %	0.13	0.07		0.00		0.07	-0.01	-0.01
Allocated capital	2,249	2,374	-5%	2,503	-10%	2,249	2,503	-10%
Return on allocated capital, %	-13.1	-21.5		-11.5		-12.6	-14.3	-11.8
Average number of employees	591	574	3%	645	-8%	585	656	-11%
								647

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

Q3 2022 COMPARED WITH Q2 2022

Operating profit was SEK 35m (-34).

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

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

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

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

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

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

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

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

JANUARY – SEPTEMBER 2022 COMPARED WITH JANUARY – SEPTEMBER 2021

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

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

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

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

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

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

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

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

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

BUSINESS DEVELOPMENT

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

Other units not reported in the business segments

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

INCOME STATEMENT

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

Q3 2022 COMPARED WITH Q2 2022

Operating profit in other units not reported in the business segments amounted to SEK -242m (-42).

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

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

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

JANUARY – SEPTEMBER 2022 COMPARED WITH JANUARY – SEPTEMBER 2021

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

Income increased to SEK 985m (760).

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

Expenses totalled SEK -436m (-211).

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

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

Key metrics - Group

	Q3 2022	Q2 2022	Q3 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
Return on equity, total operations	13.2%	9.9%	12.4%	12.2%	11.5%	11.8%
C/I ratio, Continuing operations	39.7%	46.6%	41.5%	42.6%	45.1%	44.8%
Earnings per share, SEK	2.89	2.11	2.62	7.85	7.22	9.86
<i>of which continuing operations</i>	2.81	2.07	2.46	7.58	6.83	9.51
<i>of which Discontinued operations</i>	0.08	0.04	0.16	0.28	0.39	0.35
- after dilution	2.89	2.11	2.62	7.85	7.22	9.86
<i>of which continuing operations</i>	2.81	2.07	2.46	7.58	6.83	9.51
<i>of which Discontinued operations</i>	0.08	0.04	0.16	0.28	0.39	0.35
Ordinary dividend, SEK						5.00
Adjusted equity per share, SEK	96.52	93.67	90.98	96.52	90.98	90.87
Common equity tier 1 ratio, CRR	19.0%	18.7%	19.4%	19.0%	19.4%	19.4%
Total capital ratio, CRR	23.2%	23.4%	23.4%	23.2%	23.4%	23.3%
Average number of employees	11,105	10,791	11,085	10,880	11,116	11,039

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

THE HANDELSBANKEN SHARE

	Q3 2022	Q2 2022	Q3 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
Number of converted shares	-	-	-	-	-	-
Number of repurchased shares	-	-	-	-	-	-
Holding of own shares in trading book, end of period	-	-	-	-	-	-
Number of outstanding shares after repurchases and deduction for trading book, end of period	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494
Number of outstanding shares after dilution, end of period	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494
Average number of shares converted during the period	-	-	-	-	-	-
Average holdings of own shares (repurchased and holdings in trading book)	-	-	-	-	-	-
Average number of outstanding shares	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494
- after dilution	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494	1,980,028,494
Share price SHB class A, end of period, SEK	91.62	87.42	98.32	91.62	98.32	97.86
Share price SHB class B, end of period, SEK	109.00	100.60	107.60	109.00	107.60	107.80
Market capitalisation, end of period, SEK bn	181	173	195	181	195	194

Condensed set of financial statements - Group

INCOME STATEMENT - GROUP

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

EARNINGS PER SHARE - GROUP

	Q3 2022	Q2 2022	Change	Q3 2021	Change	Jan-Sep 2022	Jan-Sep 2021	Change	Full year 2021
Profit for the year, attributable to shareholders in Svenska Handelsbanken AB	5,723	4,175	37%	5,193	10%	15,548	14,304	9%	19,527
- of which interest expense on convertible subordinated loan after tax	-	-		-		-	-	-	-
Average number of outstanding shares, million	1,980.0	1,980.0		1,980.0		1,980.0	1,980.0		1,980.0
Average number of outstanding shares after dilution, million	1,980.0	1,980.0		1,980.0		1,980.0	1,980.0		1,980.0
Earnings per share, SEK	2.89	2.11	37%	2.62	10%	7.85	7.22	9%	9.86
- after dilution	2.89	2.11	37%	2.62	10%	7.85	7.22	9%	9.86
Earnings per share, continuing operations, SEK	2.81	2.07	36%	2.46	14%	7.58	6.83	11%	9.51
- after dilution	2.81	2.07	36%	2.46	14%	7.58	6.83	11%	9.51
Earnings per share, discontinued operations, SEK	0.08	0.04	100%	0.16	-50%	0.28	0.39	-28%	0.35
- after dilution	0.08	0.04	100%	0.16	-50%	0.28	0.39	-28%	0.35

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

STATEMENT OF COMPREHENSIVE INCOME – GROUP

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

QUARTERLY PERFORMANCE - GROUP

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

BALANCE SHEET - GROUP

SEK m		30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021
Assets						
Cash and balances with central banks		567,140	569,790	486,276	291,584	613,846
Other loans to central banks	Note 7	4,838	10,749	1,259	1,255	1,927
Interest-bearing securities eligible as collateral with central banks		130,097	114,338	121,996	100,538	95,694
Loans to other credit institutions	Note 7	30,940	27,385	35,510	21,745	31,035
Loans to the public	Note 7	2,275,414	2,249,615	2,209,362	2,163,135	2,361,498
Value change of interest-hedged item in portfolio hedge		-20,930	-15,158	-8,413	-1,900	-971
Bonds and other interest-bearing securities		43,849	38,954	43,779	33,317	30,291
Shares		19,465	20,179	19,167	19,471	20,966
Investments in associates		553	532	496	478	461
Assets where the customer bears the value change risk		202,105	205,044	221,993	235,761	235,313
Derivative instruments	Note 10,11	81,976	55,078	24,333	28,508	27,520
Intangible assets	Note 12	8,249	8,317	8,313	8,302	11,225
Property and equipment		4,624	4,766	5,016	5,272	5,935
Current tax assets		2,791	2,442	1,063	469	2,807
Deferred tax assets		1,323	1,133	986	845	673
Net pension assets		13,659	13,514	10,715	8,766	6,894
Assets held for sale	Note 9	354,435	354,426	343,217	421,417	591
Other assets		5,743	25,252	17,645	5,785	18,098
Prepaid expenses and accrued income		2,367	2,702	3,198	2,016	2,832
Total assets	Note 16	3,728,638	3,689,057	3,545,912	3,346,764	3,466,635
Liabilities and equity						
Due to credit institutions	Note 13	120,251	121,449	111,179	83,034	123,027
Deposits and borrowing from the public	Note 13	1,465,457	1,448,836	1,377,477	1,286,637	1,449,474
Liabilities where the customer bears the value change risk		202,105	205,044	221,993	235,761	235,313
Issued securities	Note 14	1,501,028	1,484,153	1,416,511	1,353,768	1,385,711
Derivative instruments	Note 10,11	26,934	21,782	19,819	13,784	12,697
Short positions		10,990	14,140	17,665	4,105	14,350
Insurance liabilities		408	451	511	532	527
Current tax liabilities		1,621	1,016	544	108	925
Deferred tax liabilities		6,655	6,209	5,622	5,276	5,304
Provisions		644	864	962	1,026	1,362
Liabilities held for sale	Note 9	139,691	139,326	135,788	133,922	-
Other liabilities		12,063	17,935	23,121	11,304	20,660
Accrued expenses and deferred income		3,729	3,658	4,634	3,519	3,423
Subordinated liabilities		45,059	38,516	31,434	32,257	31,579
Total liabilities	Note 16	3,536,636	3,503,378	3,367,258	3,165,033	3,284,352
Non-controlling interest		13	12	27	25	12
Share capital		3,069	3,069	3,069	3,069	3,069
Share premium		8,758	8,758	8,758	8,758	8,758
Reserves		19,817	19,375	17,017	15,845	13,134
Retained earnings		144,797	144,639	144,134	134,507	143,006
Profit for the period, attributable to shareholders in Svenska Handelsbanken AB		15,548	9,825	5,650	19,527	14,304
Total equity		192,002	185,679	178,655	181,731	182,283
Total liabilities and equity		3,728,638	3,689,057	3,545,912	3,346,764	3,466,635

STATEMENT OF CHANGES IN EQUITY – GROUP

January - September 2022	Share capital	Share premium	Defined benefit plans	Hedge reserve	Fair value reserve	Translation reserve	Retained earnings incl profit for the year	Non-controlling interest	Total
Opening equity 2022	3,069	8,758	11,313	1,789	158	2,585	154,034	25	181,731
Profit for the period							9,825	1	9,826
Other comprehensive income <i>of which reclassified within equity</i>			3,369	-1,582	-50	1,793		1	3,531
						-505			-505
Total comprehensive income for the period			3,369	-1,582	-50	1,793	9,825	2	13,357
Reclassified to retained earnings							505		505
Dividend							-9,900		-9,900
Change in non-controlling interest									-15
Closing equity	3,069	8,758	14,683	206	108	4,378	154,464	12	185,679
January – December 2021 SEK m	Share capital	Share premium	Defined benefit plans	Hedge reserve	Fair value reserve	Translation reserve	Retained earnings incl profit for the year	Non-controlling interest	Total
Opening equity 2021	3,069	8,758	5,891	3,353	94	-806	151,105	9	171,473
Profit for the period							19,527	16	19,543
Other comprehensive income <i>of which reclassified within equity</i>			5,422	-1,564	64	3,391		0	7,313
						-67			-67
Total comprehensive income for the period			5,422	-1,564	64	3,391	19,527	16	26,856
Reclassified to retained earnings							67		67
Dividend*							-16,666		-16,666
Share-based payments to employees of Handelsbanken Plc **							37		37
Repurchase own shares **							-36		-36
Change in non-controlling interest							-		-
Closing equity	3,069	8,758	11,313	1,789	158	2,585	154,034	25	181,731
January – September 2021 SEK m	Share capital	Share premium	Defined benefit plans	Hedge reserve	Fair value reserve	Translation reserve	Retained earnings incl profit for the year	Non-controlling interest	Total
Opening equity 2021	3,069	8,758	5,891	3,353	94	-806	151,105	9	171,473
Profit for the period							14,304	3	14,307
Other comprehensive income <i>of which reclassified within equity</i>			3,615	-1,230	62	2,155		0	4,602
						-18			-18
Total comprehensive income for the period			3,615	-1,230	62	2,155	14,304	3	18,909
Reclassified to retained earnings							18		18
Dividend							-8,118		-8,118
Share-based payments to employees of Handelsbanken Plc **							40		40
Change in non-controlling interest							-		0
Closing equity	3,069	8,758	9,506	2,123	156	1,349	157,310	12	182,283

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

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

CONDENSED STATEMENT OF CASH FLOWS – GROUP

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

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

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

Notes

Note 1 Accounting Policies

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

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

Changed accounting policies

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

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

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

Future regulatory changes

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts, which replaces IFRS 4 Insurance Contracts, has been published by the IASB and adopted by the EU.

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

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

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

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

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

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

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

Other changes in IFRS

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

Note 2 Net interest income

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

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

Note 3 Net fee and commission income

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

Net fee and commission income per segment

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

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

Note 4 Net gains/losses on financial transactions

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

Note 5 Other expenses

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

Note 6 Credit losses

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

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

* expert-based assessment of significant increase in credit risk

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

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

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

Loans to the public – Key metrics

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

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

Macroeconomic forecast in ECL calculations and sensitivity analysis

Sensitivity analysis macro-economic scenarios

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

Macroeconomic risk factor		Downturn scenario			Base case scenario			Upturn scenario		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
GDP growth, %	Sweden	2.12	-2.69	1.37	3.02	-0.13	1.57	3.52	2.37	2.27
	Great Britain	2.92	-2.78	1.08	3.70	0.40	1.28	4.01	2.88	1.98
	Norway	2.27	-1.53	1.05	2.87	0.67	1.25	3.38	3.17	1.95
	Denmark	1.55	-3.17	0.93	2.29	-0.67	1.13	2.80	2.03	1.83
	Finland	1.43	-2.84	0.78	2.32	-0.20	0.98	2.83	2.30	1.68
	Euro area	2.08	-3.20	1.32	3.08	-0.54	1.52	3.62	1.96	2.22
	United States	0.87	-2.49	1.09	1.85	0.18	1.29	2.79	2.78	1.99
Unemployment rate, %	Sweden	7.63	10.25	10.15	7.40	7.40	7.85	7.13	6.60	6.92
	Great Britain	5.04	8.93	7.39	4.50	5.33	4.89	4.24	3.93	3.69
	Norway	2.42	4.68	4.15	1.80	2.08	2.25	1.73	1.78	2.15
	Denmark	4.96	8.23	7.95	4.43	5.35	5.85	4.16	4.65	5.33
	Finland	7.13	9.90	9.10	6.70	7.00	6.90	6.43	6.20	6.40
	Euro area	7.22	10.33	9.50	6.78	7.43	7.50	6.51	6.43	6.30
	United States	4.17	6.69	6.54	3.63	3.99	4.59	3.57	3.39	4.09
Policy interest rate, %	Sweden	2.00	1.25	0.75	2.25	2.75	2.25	2.50	3.25	3.00
	Great Britain	2.50	1.75	1.50	3.00	3.00	2.75	3.00	3.50	3.50
	Norway	2.25	1.25	1.00	2.75	3.25	3.00	3.25	4.25	3.50
	Denmark	1.40	0.25	0.25	1.65	1.75	1.50	1.65	2.50	2.25
	Finland	1.75	0.25	0.25	2.00	2.00	1.50	2.00	2.75	2.25
	Euro area	1.75	0.25	0.25	2.00	2.00	1.50	2.00	2.75	2.25
	United States	3.18	2.63	2.13	3.88	4.13	3.38	3.88	4.63	4.08
Residential real estate, value change %	Sweden	0.50	-11.39	-4.51	0.50	-6.50	-0.10	0.50	4.69	2.00
	Great Britain	5.58	-5.28	1.78	5.58	0.71	1.52	5.58	4.67	0.73
	Norway	5.55	-4.84	1.74	5.55	-0.85	0.36	5.55	8.43	0.97
	Denmark	4.27	-18.55	-6.52	4.27	-12.02	-4.44	4.27	2.93	4.42
	Finland	2.05	-0.57	0.39	2.05	-1.04	1.01	2.05	1.11	2.19
	Euro area	3.56	2.95	2.35	2.63	2.40	2.00	2.14	2.10	1.70
	United States	3.56	2.95	2.35	2.63	2.40	2.00	2.14	2.10	1.70
Commercial real estate, value change %	Sweden	-1.25	-7.88	-10.82	-1.25	-8.48	-5.32	-1.25	-7.95	0.00
	Great Britain	-3.96	-14.79	-1.55	-3.70	-6.81	-3.08	-3.70	-2.05	-6.15
	Norway	-3.17	-6.37	-10.45	-3.17	-4.35	-4.98	-3.17	-1.96	0.28
	Denmark	-3.85	-5.28	-6.88	-3.85	-4.66	-1.81	-3.85	-4.19	2.31
	Finland	-3.21	-7.42	-7.90	-3.21	-5.75	-2.12	-3.21	-4.15	2.56
	Euro area	-5.48	-8.21	-8.11	-5.48	-5.85	-1.87	-5.48	-3.85	3.33
	United States	1.85	0.18	1.29	-5.10	-11.89	-1.46	1.85	0.18	1.29

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

%	30 September 2022		31 December 2021	
	Procentual increase in the provision in a negative scenario	Procentual decrease in the provision in a positive scenario	Procentual increase in the provision in a negative scenario	Procentual decrease in the provision in a positive scenario
Sweden	11.06	-6.98	18.30	-10.05
Great Britain	7.27	-4.94	11.31	-6.30
Norway	5.67	-5.51	12.31	-6.82
Denmark	11.13	-8.49	15.00	-8.07
Finland	-1.00	0.85	3.91	-1.95
The Netherlands	2.65	-1.62	3.48	-1.80
United States	21.29	-19.38	50.58	-32.07
Other countries	6.26	-2.59	5.88	-2.76
Total	7.36	-5.02	13.64	-7.46

Note 7 Loans

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Loans to the public – by sector

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

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

Specification of Loans to the public – Property management

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

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

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

30 September 2022

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

31 December 2021

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

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

30 September 2022

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

31 December 2021

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

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

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

30 September 2022

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

31 December 2021

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

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

Note 8 Credit risk exposure

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

*Refers to the sum total of positive market values.

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

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

Svenska Handelsbanken AB has reached an agreement with Jyske Bank A/S regarding the transfer of Handelsbanken's operations in Denmark. The divestment process for the Finnish operations is continuing according to plan. Assets and liabilities in the Bank's operations in Denmark and Finland constitute assets and liabilities held for sale, and are disposal groups in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The operations in Denmark and Finland also constitute discontinued operations.

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

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

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

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

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

Assets and liabilities held for sale

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

*An accumulated amount of SEK 57m (47) related to these assets has been recognised in Other comprehensive income and in the fair value reserve in equity.

Other assets held for sale amounting to SEK 307m (364) consist of finance leases in Handelsbanken Rahoitus Oy, which are recognised as loans on the balance sheet. The plan is to divest the lease agreements during 2022.

31 December 2021 SEK m	Denmark	Finland	Other assets held for sale	Total
Assets				
Cash and balances with central banks	28,282	120,098	-	148,380
Other loans to central banks	207	0	-	207
Interest-bearing securities eligible as collateral with central banks	24	0	-	24
Loans to other credit institutions	36	57	-	93
Loans to the public	111,380	139,314	302	250,996
<i>Of which households</i>	64,292	43,253	1	107,546
<i>Of which corporates</i>	47,088	96,061	301	143,450
Bonds and other interest-bearing securities	17	0	-	17
Shares *	462	1	-	463
Assets where the customer bears the value change risk	6,770	10,457	-	17,227
Intangible assets	2,628	113	-	2,741
Property and equipment	241	336	62	639
Other assets	313	317	-	630
Total assets	150,360	270,693	364	421,417
Liabilities				
Due to credit institutions	230	344	-	574
Deposits and borrowing from the public	54,135	59,984	-	114,119
<i>Of which households</i>	23,662	19,699	-	43,361
<i>Of which corporates</i>	30,473	40,285	-	70,757
Liabilities where the customer bears the value change risk	6,770	10,457	-	17,227
Provisions	57	78	-	135
Other liabilities	514	1,353	-	1,867
Total liabilities	61,706	72,216	-	133,922

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

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

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

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

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

Income, expenses and profits, discontinued operations in Denmark

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

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

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

Income, expenses and profits, discontinued operations in Finland

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

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

Total income	-44	47		170		165	426		594
Total expenses	-32	-34		-36		-103	-115		-137

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

Fee and commission income, discontinued operations in Denmark

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

Fee and commission income, discontinued operations in Finland

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

Cash flows, discontinued operations

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

Note 10 Derivatives

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

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

Note 11 Offsetting of financial instruments

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

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

The amount offset for derivative assets includes offset cash collateral of SEK 16,685m (3,315) derived from the balance sheet item Deposits and borrowing from the public. The amount offset for derivative liabilities includes offset cash collateral of SEK 12,795m (335), derived from the balance sheet item Loans to the public.

Note 12 Goodwill and other intangible assets

SEK m	Goodwill			Other intangible assets			Total		
	Jan-Sep 2022	Jan-Sep 2021	Full year 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
Opening residual value	4,357	6,822	6,822	3,945	4,508	4,508	8,302	11,330	11,330
Additional during the period	-	-	-	423	369	539	423	369	539
Reclassified as assets held for sale	-	-	-2,569	-	-	-172	-	-	-2,741
The period's amortisation	-	-	-	-491	-511	-669	-491	-511	-669
The period's impairments	-	-	-18	-17	-77	-313	-17	-77	-331
Foreign exchange effect	9	78	122	23	36	52	32	114	174
Closing residual value	4,366	6,900	4,357	3,883	4,325	3,945	8,249	11,225	8,302

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

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

Note 14 Issued securities

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

Note 15 Pledged assets, contingent liabilities and commitments

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

Note 16 Classification of financial assets and liabilities

30 September 2022		Fair value through profit or loss					
SEK m		Mandatory	Fair value option	Derivatives identified as hedge instruments	Fair value through other comprehensive income	Amortised cost	Total carrying amount
Assets							
Cash and balances with central banks					602,279		602,279
Other loans to central banks					40,181		40,181
Interest-bearing securities eligible as collateral with central banks	5,476	124,420		201	17	130,114	130,114
Loans to other credit institutions					31,042		31,042
Loans to the public					2,539,160		2,539,160
Value change of interest-hedged item in portfolio hedge					-20,930		-20,930
Bonds and other interest-bearing securities	13,801	20,471		9,593			43,865
Shares	18,942			1,091			20,033
Assets where the customer bears the value change risk	216,118				73		216,192
Derivative instruments	48,153		33,837				81,990
Other assets	77				6,713		6,790
Total	302,568	144,891	33,837	10,884	3,198,536	3,690,716	3,657,554
Investments in associates							553
Non-financial assets							37,368
Total assets							3,728,638
Liabilities							
Due to credit institutions					121,616		121,616
Deposits and borrowing from the public					1,586,306		1,586,306
Liabilities where the customer bears the value change risk	216,119				73		216,192
Issued securities	1,056				1,499,971		1,501,028
Derivative instruments	18,071		8,879				26,951
Short positions	10,990						10,990
Other liabilities	70				13,906		13,976
Subordinated liabilities					45,058		45,059
Total	30,188	216,119	8,879		3,266,930	3,522,118	3,466,055
Non-financial liabilities							14,520
Total liabilities							3,536,636

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

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

Note 17 Fair value measurement of financial instruments

30 September 2022 SEK m	Level 1	Level 2	Level 3	Total
Assets				
Interest-bearing securities eligible as collateral with central banks	127,285	2,812	-	130,097
Bonds and other interest-bearing securities	34,116	9,749	-	43,865
Shares	18,457	836	740	20,033
Assets where the customer bears the value change risk	215,020	581	517	216,118
Derivative instruments	123	81,829	38	81,990
Total	395,001	95,807	1,295	492,103

30 September 2022 SEK m	Level 1	Level 2	Level 3	Total
Liabilities				
Liabilities where the customer bears the value change risk	215,021	581	517	216,119
Issued securities	-	1,056	-	1,056
Derivative instruments	127	26,786	38	26,951
Short positions	10,789	201	-	10,990
Total	225,937	28,624	555	255,116

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

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

Valuation process

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

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

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

Valuation hierarchy

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

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

The categorisation is based on the valuation method used on the balance sheet date. If the category for a specific instrument has changed since the previous balance sheet date (31 December 2021), the instrument has been moved between the levels in the table. During January – September 2022, no volumes have been moved between level 1 and level 2 as a result of a new assessment of market activity on the asset side, whereas derivative liabilities worth SEK 17m were transferred on the liabilities side. A volume of bonds and other interest-bearing securities worth SEK 171m were transferred from level 2 to level 1. No transfers between levels took place during the period January – September 2022 due solely to Russia's invasion of Ukraine. Changes in level 3 holdings during the year are shown in a separate table below.

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

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

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

The models use input data in the form of market prices and other variables that are deemed to affect pricing. The models and input data which form the basis of the valuations are regularly validated to ensure that they are consistent with market practice and established financial theory. In cases where there are positive differences between the value calculated with the help of a valuation model at initial recognition and the transaction price (day 1 gains/losses), the difference is accrued over the life of the financial instrument. Such differences occur when the

applied valuation model does not fully capture all the components which affect the value of the instrument. Day 1 gains/losses are comprised of the Bank's profit margin and remuneration for, for example, capital costs and administrative costs. During the period January – September 2022, an accrual effect of SEK 124m (117) was recognised under Net gains/losses on financial transactions. At the end of the period, non-recognised day 1 gains/losses totalled SEK 448m; at year-end 2021, the corresponding figure was SEK 489m.

Changes in level 3 holdings

January - September 2022 SEK m	Shares	Derivative assets	Derivative liabilities	Assets where the customer bears the	Liabilities where the customer bears the
				value change risk	value change risk
Carrying amount at beginning of year	639	43	-43	484	-484
Acquisitions	77	17	-12	-	-
Repurchases/sales	-1	-	-	-	-
Matured during the period	-	-	-	-	-
Unrealised value change in income statement	25	-56	50	29	-29
Unrealised value change in other comprehensive income	-	-	-	-	-
Transfer from level 1 or 2	-	28	-28	4	-4
Transfer to level 1 or 2	-	6	-5	-	-
Carrying amount at end of period	740	38	-38	517	-517
January - December 2021 SEK m	Shares	Derivative assets	Derivative liabilities	Assets where the customer bears the	Liabilities where the customer bears the
				value change risk	value change risk
Carrying amount at beginning of year	550	80	-80	474	-474
Acquisitions	33	1	-2	-	-
Repurchases/sales	-3	9	-7	-	-
Matured during the period	-	-	-	-	-
Unrealised value change in income statement	51	-131	130	10	-10
Unrealised value change in other comprehensive income	8	-	-	-	-
Transfer from level 1 or 2	-	10	-10	-	-
Transfer to level 1 or 2	-	74	-74	-	-
Carrying amount at end of period	639	43	-43	484	-484

Note 18 Assets and liabilities by currency

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

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

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

Note 19 Own funds and capital requirements in the consolidated situation

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

Key metrics

	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021
Available own funds					
Common equity tier 1 (CET1) capital	157,550	155,434	152,665	149,709	147,628
Tier 1 capital	174,119	170,775	166,578	163,222	160,704
Total capital	192,695	194,039	183,956	180,458	177,819
Risk-weighted exposure amounts					
Total risk-weighted exposure amount	829,860	830,705	816,394	773,158	759,375
Capital ratios (as a percentage of risk-weighted exposure amount)					
Common equity tier 1 ratio (%)	19.0%	18.7%	18.7%	19.4%	19.4%
Tier 1 ratio (%)	21.0%	20.6%	20.4%	21.1%	21.2%
Total capital ratio (%)	23.2%	23.4%	22.5%	23.3%	23.4%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.1%	1.9%	1.9%	1.9%	1.9%
of which: to be made up of CET1 capital (percentage points)	1.3%	1.2%	1.2%	1.2%	1.2%
of which: to be made up of Tier 1 capital (percentage points)	1.6%	1.5%	1.5%	1.5%	1.5%
Total SREP own funds requirements (%)	10.1%	9.9%	9.9%	9.9%	9.9%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
Capital conservation buffer (%)	2.5%	2.5%	2.5%	2.5%	2.5%
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)					
Institution specific countercyclical capital buffer (%)	0.8%	0.2%	0.1%	0.1%	0.1%
Systemic risk buffer (%)	3.0%	3.0%	3.0%	3.0%	3.0%
Global Systemically Important Institution buffer (%)					
Other Systemically Important Institution buffer	1.0%	1.0%	1.0%	1.0%	1.0%
Combined buffer requirement (%)	7.3%	6.7%	6.6%	6.6%	6.6%
Overall capital requirements (%)	17.4%	16.6%	16.6%	16.5%	16.5%
CET1 available after meeting the total SREP own funds requirements (%)	13.2%	13.0%	12.6%	13.9%	13.9%
Leverage ratio					
Leverage ratio total exposure measure	3,604,416	3,589,683	3,441,379	3,232,291	3,374,819
Leverage ratio	4.8%	4.8%	4.8%	5.0%	4.8%
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)	3.0%	3.0%	3.0%	3.0%	3.0%
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)	860,570	815,978	784,150	778,654	751,877
Cash outflows - Total weighted value	634,114	600,174	591,031	595,289	567,668
Cash inflows - Total weighted value	73,621	72,202	69,965	68,295	67,079
Total net cash outflows (adjusted value)	560,493	527,972	521,066	526,994	500,589
Liquidity coverage ratio	154%	156%	151%	149%	151%
Net stable funding ratio (NSFR)					
Total available stable funding	2,138,889	2,125,152	2,059,478	2,026,413	1,993,554
Total required stable funding	1,845,855	1,836,823	1,803,072	1,774,542	1,732,605
NSFR ratio	116%	116%	114%	114%	115%

Overview of risk-weighted exposure amounts

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

Capital requirement credit risk

The capital requirement for credit risk is calculated according to the standardised approach and the IRB approach in accordance with CRR. There are two different IRB approaches: the IRB approach without own estimates of LGD and CCF, and the IRB approach with own estimates of LGD and CCF. In the IRB approach without own estimates of LGD and CCF, the Bank uses its own method to determine the probability of the customer defaulting within one year (PD), while the other parameters are set out in CRR rules. In the IRB approach with own estimates of LGD and CCF, the Bank uses its own methods to calculate the loss given default (LGD) and the exposure amount.

Handelsbanken uses the IRB approach without own estimates of LGD and CCF for exposures to sovereigns and institutions, for certain product and collateral and counterparty types for corporate exposures in the whole of the branch operations, and in the following subsidiaries: Stadshypotek AB, Handelsbanken Finans AB and Ecster AB. Exposures in Handelsbanken plc are reported according to the standardised approach.

The IRB approach with own estimates of LGD and CCF is applied to the majority of exposures to large corporates, medium-sized companies, property companies and housing co-operative associations in branch operations (excluding the Netherlands), Handelsbanken Capital Markets, Stadshypotek AB and Handelsbanken Finans AB, Ecster AB, and retail exposures in Sweden, Norway, Finland and Denmark, as well as in the subsidiaries Stadshypotek AB, Handelsbanken Finans AB and Ecster AB. Risk weight floors are applied for mortgages in Sweden and Norway, for both mortgage loans and corporate exposures secured by real estate. At the end of the quarter, the IRB approach was applied to 74% of the total risk-weighted exposure amount for credit risk, including the effect

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

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

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

Capital requirement market risk

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

Capital requirement operational risk

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

Note 20 Risk and liquidity

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

Risk and uncertainty factors

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

rates and inflation in the wake of the new uncertainty factors in the European and global economies brought about partly by Russia's invasion of Ukraine. Handelsbanken has no direct exposures to Russia, Ukraine or Belarus. Nonetheless, geopolitical developments may entail indirect risks for the Bank. Given this situation, Handelsbanken is maintaining its strict view of credit risks and the normal credit process established at the Bank. Russia's invasion of Ukraine also heightens the risk of different types of cyberattack. The Bank's security department is monitoring developments and assesses the risk of various scenarios on an ongoing basis. Thus far, no attacks have affected the Bank's customers.

Liquidity and funding

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

To ensure sufficient liquidity to support its core operations in stressed financial conditions, the Bank holds large liquidity reserves in all currencies of relevance to the Bank. The liquidity reserve comprises several different parts. Cash, balances and other lending to central banks are components which can provide the Bank with immediate liquidity. The reserve also comprises liquid securities, such as government bonds, covered bonds and other securities of very high credit quality. These can also provide the Bank with immediate liquidity. These parts of the liquidity reserve are illustrated in the table and amounted to SEK 845bn at 30 September 2022. The remainder of the liquidity reserve comprises an unutilised issue amount for covered bonds and other liquidity-creating measures.

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

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

30 September 2022

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

Maturities for financial assets and liabilities

30 September 2022 SEK m	Up to 30 days	31 days - 6 mths	6 - 12 mths	1 - 2 yrs	2 - 5 yrs	5 yrs -	Unspec. maturity	Total
Assets								
Cash and balances with central banks	642,460	-	-	-	-	-	-	642,460
Interest-bearing securities eligible as collateral with central banks *	130,114	-	-	-	-	-	-	130,114
Bonds and other interest-bearing securities *	43,865	-	-	-	-	-	-	43,865
Loans to credit institutions	27,009	98	98	98	98	98	98	27,599
<i>of which reverse repos</i>	17,984	-	-	-	-	-	-	17,984
Loans to the public	70,020	298,196	298,196	298,196	298,196	298,196	298,196	1,859,199
<i>of which reverse repos</i>	18,297	-	-	-	-	-	-	18,297
Other **	25,970	-	-	-	-	-	-	25,970
<i>of which shares and participating interests</i>	20,033	-	-	-	-	-	-	20,033
<i>of which claims on investment banking settlements</i>	5,937	-	-	-	-	-	-	5,937
Total	939,438	298,295	298,295	298,295	298,295	298,295	298,295	2,729,207
Other liabilities								
Due to credit institutions ***	72,555	40,752	27	520	78	448	7,235	121,615
<i>of which repos</i>	-	-	-	-	-	-	-	-
<i>of which deposits from central banks</i>	13,127	38,787	-	-	-	-	296	52,210
Deposits and borrowing from the public ***	132,256	71,188	18,659	5,344	1,022	5,974	1,351,863	1,586,306
<i>of which repos</i>	12,182	-	-	-	-	-	-	12,182
Issued securities	119,491	429,893	255,264	123,415	435,015	137,950	-	1,501,028
<i>of which covered bonds</i>	-	21,259	73,481	77,247	356,349	85,351	-	613,687
<i>of which bank certificates (CDs) with original maturity of less than one year</i>	53,270	146,068	84,703	-	-	-	-	284,041
<i>of which corporate certificates (CPs) with original maturity of less than one year</i>	64,641	232,775	62,110	-	-	-	-	359,526
<i>of which bank certificates (CDs) and corporate certificates (CPs) with original maturity above one year</i>	564	7,093	9,435	-	-	-	-	17,092
<i>of which Senior Non-Preferred Bonds</i>	-	-	-	-	19,183	28,674	-	47,857
<i>of which senior bonds and other securities with original maturity of more than one year</i>	1,017	22,700	25,535	46,168	59,483	23,925	-	178,828
Subordinated liabilities	-	11,128	-	13,071	10,491	10,369	-	45,059
Other **	16,204	-	-	-	-	-	458,426	474,630
<i>of which short positions</i>	10,990	-	-	-	-	-	-	10,990
<i>of which investment banking settlement debts</i>	5,214	-	-	-	-	-	-	5,214
Total	340,506	552,961	273,950	142,350	446,606	154,741	1,817,524	3,728,638

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

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

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

Liquidity coverage ratio (LCR)

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

Net stable funding ratio (NSFR)

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

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

At the end of the quarter, the Group's aggregated LCR was 162%, which shows that the Bank has substantial resistance to short-term disruptions in the funding markets. At the same date, the Group's NSFR amounted to 116%.

Stress test with liquidity-creating measures

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

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

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

Non-encumbered assets, NEA

30 September 2022

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

31 December 2021

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

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

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

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

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

Note 21 Related-party transactions

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

Note 22 Segment reporting

Information about the Bank's segment reporting is provided on pages 10-19.

Note 23 Events after the balance sheet date

No significant events occurred after the balance sheet date.

Condensed set of financial statements - Parent company

INCOME STATEMENT – PARENT COMPANY

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

STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

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

Comment on results – Parent company JANUARY – SEPTEMBER 2022 compared with JANUARY – SEPTEMBER 2021

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

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

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

BALANCE SHEET – PARENT COMPANY

SEK m	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021
Assets					
Cash and balances with central banks					
Cash and balances with central banks	496,932	540,690	458,039	338,768	526,001
Interest-bearing securities eligible as collateral with central banks	130,097	114,338	121,996	100,538	95,676
Loans to credit institutions	1,105,903	1,049,080	1,012,434	986,897	987,255
Loans to the public	678,884	662,966	643,007	611,852	584,229
Value change of interest hedged item in portfolio hedge	-20,923	-15,153	-8,413	-1,904	-977
Bonds and other interest-bearing securities	46,795	40,785	44,963	34,323	30,578
Shares	14,312	14,819	13,470	13,481	14,239
Shares in subsidiaries and investments in associates	72,770	72,757	72,537	71,967	73,123
Assets where the customer bears the value change risk	7,546	7,838	8,338	8,952	8,388
Derivative instruments	97,421	65,757	31,222	30,946	29,693
Intangible assets	3,046	3,098	3,110	3,129	3,313
Property, equipment and leasing assets	6,710	6,818	6,956	7,043	7,268
Current tax assets	2,965	2,491	1,143	0	2,675
Deferred tax assets	664	659	726	668	424
Other assets	5,457	19,609	16,262	22,287	16,751
Prepaid expenses and accrued income	1,437	1,625	1,970	1,187	1,784
Total assets	2,650,016	2,588,176	2,427,762	2,230,134	2,380,420
Liabilities and equity					
Due to credit institutions	201,904	203,503	191,834	153,490	211,792
Deposits and borrowing from the public	1,344,912	1,326,625	1,266,050	1,173,172	1,230,745
Liabilities where the customer bears the value change risk	7,546	7,838	8,338	8,952	8,388
Issued securities	849,526	811,445	725,832	679,808	702,738
Derivative instruments	33,793	27,772	25,131	21,033	21,463
Short positions	10,990	14,140	17,665	4,105	14,350
Current tax liabilities	-	-	0	264	-
Deferred tax liabilities	1,122	709	678	436	210
Provisions	997	1,102	984	1,011	1,204
Other liabilities	9,413	15,100	19,448	7,631	15,689
Accrued expenses and deferred income	3,567	3,263	3,438	3,049	2,520
Subordinated liabilities	45,058	38,516	31,434	32,257	31,579
Total liabilities	2,508,826	2,450,012	2,290,832	2,085,208	2,240,678
Untaxed reserves	687	706	706	706	902
Share capital	3,069	3,069	3,069	3,069	3,069
Share premium	8,758	8,758	8,758	8,758	8,758
Other funds	11,987	10,215	9,132	7,651	7,431
Retained earnings	115,471	115,344	114,844	108,054	116,386
Profit for the period	1,219	72	421	16,688	3,196
Total equity	140,503	137,458	136,224	144,220	138,840
Total liabilities and equity	2,650,016	2,588,176	2,427,762	2,230,134	2,380,420

CHANGE IN EQUITY – PARENT COMPANY

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

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

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

* Included in fair value fund.

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

CONDENSED STATEMENT OF CASH FLOWS – PARENT COMPANY

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

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

OWN FUNDS AND CAPITAL REQUIREMENTS – PARENT COMPANY

Key metrics

	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021
Available own funds					
Common equity tier 1 (CET1) capital	130,995	130,214	129,805	129,054	123,915
Tier 1 capital	147,564	145,555	143,718	142,567	136,991
Total capital	166,140	168,819	161,096	159,803	154,106
Risk-weighted exposure amounts					
Total risk-weighted exposure amount	460,099	471,791	464,799	426,749	423,452
Capital ratios (as a percentage of risk-weighted exposure amount)					
Common equity tier 1 ratio (%)	28.5%	27.6%	27.9%	30.2%	29.3%
Tier 1 ratio (%)	32.1%	30.9%	30.9%	33.4%	32.4%
Total capital ratio (%)	36.1%	35.8%	34.7%	37.4%	36.4%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
leverage (%)	1.7%	1.6%	1.6%	1.6%	1.6%
of which: to be made up of CET1 capital (percentage points)	1.0%	0.9%	0.9%	0.9%	0.9%
of which: to be made up of Tier 1 capital (percentage points)	1.3%	1.2%	1.2%	1.2%	1.2%
Total SREP own funds requirements (%)	9.7%	9.6%	9.6%	9.6%	9.6%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
Capital conservation buffer (%)	2.5%	2.5%	2.5%	2.5%	2.5%
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)					
Institution specific countercyclical capital buffer (%)	0.8%	0.3%	0.2%	0.2%	0.2%
Systemic risk buffer (%)					
Global Systemically Important Institution buffer (%)					
Other Systemically Important Institution buffer					
Combined buffer requirement (%)	3.3%	2.8%	2.7%	2.7%	2.7%
Overall capital requirements (%)	13.0%	12.3%	12.3%	12.2%	12.2%
CET1 available after meeting the total SREP own funds requirements (%)	26.4%	22.2%	25.1%	23.8%	23.8%
Leverage ratio					
Leverage ratio total exposure measure	1,806,127	1,805,514	1,696,968	1,500,320	1,695,039
Leverage ratio	8.2%	8.1%	8.5%	9.5%	8.1%
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)	762,242	721,374	690,055	682,980	656,441
Cash outflows - Total weighted value	622,625	599,300	592,160	593,559	566,475
Cash inflows - Total weighted value	136,185	131,736	122,643	118,459	115,295
Total net cash outflows (adjusted value)	486,440	467,564	469,517	475,100	451,180
Liquidity coverage ratio	158%	156%	148%	144%	146%
Net stable funding ratio (NSFR)					
Total available stable funding	1,392,059	1,382,736	1,318,109	1,271,284	1,258,863
Total required stable funding	1,295,231	1,328,763	1,274,734	1,293,235	1,228,027
NSFR ratio	107%	104%	103%	98%	103%

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

Overview of risk-weighted exposure amounts

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

SUBMISSION OF REPORT

I hereby submit this interim report.

Stockholm, 19 October 2022

Carina Åkerström
President and Group Chief Executive
Officer

Information regarding the Press Conference and Telephone Conference

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

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

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

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Review report by the auditors

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

INTRODUCTION

We have reviewed the condensed interim financial information (interim report) for Svenska Handelsbanken AB as at 30 September 2022 and for the nine-month period ending as at this date. The Board of Directors and the Chief Executive are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

FOCUS AND SCOPE OF THE REVIEW

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

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

CONCLUSION

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

Stockholm, 19 October 2022

PricewaterhouseCoopers AB
Johan Rippe
Authorised Public Accountant

Ernst & Young AB
Åsa Lundvall
Authorised Public Accountant

Share price performance and other information

The Swedish stock market (OMX Stockholm 30 index) went down by 24% during the first nine months of the year. The Stockholm stock exchange's bank index was down 16%. Handelsbanken's class A shares closed at SEK 91.62, a decline of 6%. Including the distributed dividend of SEK 5.00 per share, the total return was -1%.

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

SHARE PRICE PERFORMANCE PREVIOUS 5 YEARS

Index 100 = September 29, 2017



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