

Fact book  
2014

Q3

## Contents

■ This is Handelsbanken	3
■ Income statement	
○ Income statement – Handelsbanken Group	4
○ EPS - Earnings Per Share	4
○ Key figures	5
○ Consolidated statement of comprehensive income	5
○ One-offs and special items	6
○ Fees for the Stabilisation Fund, etc.	6
○ Exchange rates	7
○ Notes	
■ Net interest income	8
■ Net fee and commission income	8
■ Net gains/losses on financial transactions	9
■ Other administrative expenses	9
■ Loan losses	10
■ Impaired loans	10
■ Segment information	11
■ Branch operations in Sweden	12
■ Branch operations in Great Britain	13
■ Branch operations in Denmark	14
■ Branch operations in Finland	15
■ Branch operations in Norway	16
■ Branch operations in the Netherlands	17
■ Handelsbanken International	18
■ Handelsbanken Capital Markets	19
■ Other	20
■ Balance sheet	21
■ Business volumes	
○ Lending to the public	
■ By sector	22
■ Credit risk exposure	23
■ By country, end of period	24
○ Savings and deposits	
■ Assets under management	25
■ Deposits from the public by country	25
■ Capital base and capital requirement	27
■ Funding	31
■ Liquidity	35
■ Share and shareholders	38
■ Contacts and Financial calendar	40

## This is Handelsbanken

*Founded in 1871, Handelsbanken is one of the leading banks in the Nordic region, with more than 800 branches in 24 countries. The Bank regards Sweden, Denmark, Finland, Norway, Great Britain and the Netherlands as its domestic markets.*

### HANDELSBANKEN'S GOAL

Handelsbanken's financial goal is to have higher profitability than the average of its competitors through having more satisfied customers and lower costs (including loan losses) than its competitors. This goal has been reached every year since 1972, or for 42 consecutive years.

### BUSINESS PHILOSOPHY

#### **Decentralisation – the branch is the bank**

The branches are fully responsible for all customer relationships, both corporate and private and regardless of size. For a credit to be granted it always has to be approved at the branch level. The branch manager is fully responsible for all business transactions with the customer.

Depending on the size of a credit, additional approvals may be required at regional and central level.

#### **Focus on customers, not on products**

The focus is always on the need of the individual customer and not on the sale of specific products. As a consequence, the bank does not perform any central marketing campaigns. The branch has the best knowledge of the local customer and marketing activities are therefore decided locally.

#### **Not a mass market bank**

Handelsbanken targets corporate and private customers with a better cash flow than average.

#### **No sales targets**

The business focus is always on profitability and never on volumes. As a consequence, the bank has no sales targets or market share goals.

#### **No bonuses**

Handelsbanken believes bonuses should be avoided in risk-taking operations, mainly because they risk providing the wrong incentives. Consequently, the bank has no bonus programme for any members of management or for any staff in the branch office operations, who all work on fixed salaries.

Fixed salaries, without bonuses, apply to all employees in the group except for a limited number of staff in the investment banking and asset management operations.

#### **No budgets**

The bank abolished budgets in 1972. In banking, where the ability to manage and minimize the risk is central, budgets or other longer term plans risks creating unwanted incentives and behaviour. Instead, the bank's decentralised organisation is focused on being flexible and quick in adapting to changes in the business environment.

#### **Credit policy**

The bank's credit policy is centralised and non-negotiable. It is the same in all markets and it remains unchanged over the business cycle.

Credit decisions should always be made based on the cash flow and repayment capacity of the customer. A weak or uncertain repayment capacity can never be offset by a high margin or by collateral. (*For more information, please see the bank's Pillar III report available at [www.handelsbanken.se/ireng](http://www.handelsbanken.se/ireng).*)

#### **Low risk tolerance**

The bank has a low risk tolerance and the business model is focused on underwriting and managing ultimate credit default risk at branch level. The aim is to minimise market risks and all other risks. Position taking is only accepted in client-driven transactions and within strictly defined limits.

The bank also aims at reducing macro risks in order to have a business model that is as independent as possible from the shifts in the business cycle.

#### **Follow-up and business control**

The need for follow-up and control increases with the degree of decentralisation. Consequently, the business control system is centralised and monitors profitability and business activity at individual branch office level.

Regional banks and other business segments are evaluated on return on equity. Branch offices are monitored on the cost/income ratio, including risk-weighted cost of capital, the true funding cost and actual loan losses.

## ADJUSTED COMPARISON FIGURES

As of 2013, the revised IAS 19 (Employee benefits) applies. All comparison figures (income statement, balance sheet, key ratios and capital measurements) have been restated as if the regulations had applied in 2012.

# Income statement

### Income statement - Svenska Handelsbanken Group

SEK m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Interest income	12,591	12,926	12,870	13,573	13,569	13,544	13,777	14,428
Interest expense	-5,587	-6,222	-6,217	-6,801	-6,886	-6,871	-7,236	-7,944
<b>Net interest income</b>	<b>7,004</b>	<b>6,704</b>	<b>6,653</b>	<b>6,772</b>	<b>6,683</b>	<b>6,673</b>	<b>6,541</b>	<b>6,484</b>
Net fee and commission income	2,133	2,135	2,060	2,107	1,896	1,924	1,877	1,910
Net gains/losses on financial transactions	389	466	658	304	354	440	259	366
Risk result - insurance	46	43	42	35	30	26	51	88
Other dividend income	0	245	4	1	4	155	1	1
Share of profit of associates	2	5	-11	7	5	2	-5	7
Other income	56	49	75	52	37	20	76	35
<b>Total income</b>	<b>9,630</b>	<b>9,647</b>	<b>9,481</b>	<b>9,278</b>	<b>9,009</b>	<b>9,240</b>	<b>8,800</b>	<b>8,891</b>
Staff costs	-2,943	-2,910	-2,887	-2,980	-2,845	-2,796	-2,783	-2,923
Other administrative expenses	-1,166	-1,267	-1,248	-1,411	-1,187	-1,304	-1,279	-1,511
Depreciation, amortisation and impairments of property, equipment and intangible assets	-121	-122	-111	-116	-125	-115	-120	-112
<b>Total expenses</b>	<b>-4,230</b>	<b>-4,299</b>	<b>-4,246</b>	<b>-4,507</b>	<b>-4,157</b>	<b>-4,215</b>	<b>-4,182</b>	<b>-4,546</b>
<b>Profit before loan losses</b>	<b>5,400</b>	<b>5,348</b>	<b>5,235</b>	<b>4,771</b>	<b>4,852</b>	<b>5,025</b>	<b>4,618</b>	<b>4,345</b>
Net loan losses	-497	-272	-315	-322	-284	-306	-283	-395
Gains/losses on disposal of property, equipment and intangible assets	1	1	0	9	3	4	1	-2
<b>Operating profit</b>	<b>4,904</b>	<b>5,077</b>	<b>4,920</b>	<b>4,458</b>	<b>4,571</b>	<b>4,723</b>	<b>4,336</b>	<b>3,948</b>
Taxes	-1,022	-1,074	-1,038	-966	-997	-1,067	-885	400
<b>Profit for the period from continuing operations</b>	<b>3,882</b>	<b>4,003</b>	<b>3,882</b>	<b>3,492</b>	<b>3,574</b>	<b>3,656</b>	<b>3,451</b>	<b>4,348</b>
Profit for the period pertaining to discontinued operations, after tax	17	31	27	35	33	39	15	-64
<b>Profit for the period</b>	<b>3,899</b>	<b>4,034</b>	<b>3,909</b>	<b>3,527</b>	<b>3,607</b>	<b>3,695</b>	<b>3,466</b>	<b>4,284</b>
Attributable to								
Shareholders in Svenska Handelsbanken AB	3,899	4,033	3,909	3,527	3,607	3,695	3,466	4,283
Minority interest	0	1	0	0	0	0	0	1

### Earnings per share

	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Profit for the year, attributable to shareholders in Svenska Handelsbanken AB	3,899	4,033	3,909	3,527	3,607	3,695	3,466	4,283
- of which interest expense on convertible subordinated loan after tax	-49	-32	-27	-28	-27	-29	-35	-35
Average number of outstanding shares, million	635.7	635.5	635.6	635.6	635.4	634.9	633.1	632.1
Average number of outstanding shares after dilution, million	657.6	649.8	647.5	647.6	647.7	647.6	647.3	647.8
Earnings per share, continuing operations, SEK	6.10	6.30	6.11	5.50	5.63	5.76	5.45	6.88
- after dilution	5.97	6.21	6.04	5.44	5.56	5.69	5.39	6.77
Earnings per share, discontinued operations, SEK	0.03	0.05	0.04	0.05	0.05	0.06	0.02	-0.10
- after dilution	0.03	0.05	0.04	0.05	0.05	0.06	0.02	-0.10
Earnings per share, total operations, SEK	6.13	6.35	6.15	5.55	5.68	5.82	5.47	6.78
- after dilution	6.00	6.26	6.08	5.49	5.61	5.75	5.41	6.67

**Handelsbanken Group - Key figures**

SEK m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Return on equity, total operations *	13.8%	15.1%	14.1%	13.3%	14.2%	15.1%	13.8%	17.5%
Return on equity, continuing operations*	13.7%	15.0%	14.0%	13.2%	14.0%	14.9%	13.7%	17.8%
C/I ratio, continuing operations	43.9%	44.6%	44.8%	48.6%	46.1%	45.6%	47.5%	51.1%
C/I ratio, continuing operations, incl. loan losses	49.1%	47.4%	48.1%	52.0%	49.3%	48.9%	50.7%	55.6%
Adjusted equity per share, SEK	186.37	182.69	170.64	177.71	169.01	162.81	157.20	162.63
Common equity tier 1 ratio, CRD IV	20.7%	20.1%	19.5%	18.9%	18.8%	17.8%	17.5%	
Total capital ratio, CRD IV	25.6%	25.0%	24.5%	21.6%	21.6%	21.1%	21.0%	
Capital base in relation to capital requirement according to Basel I floor	141%	143%	141%	124%	125%	123%	126%	125%
Average number of employees, continuing operations	11,924	11,626	11,633	11,585	11,825	11,361	11,242	11,156
Number of branches in Sweden	462	462	462	462	461	461	461	461
Number of branches in Great Britain	173	170	166	161	151	147	138	133
Number of branches in Denmark	57	57	57	56	55	55	55	54
Number of branches in Finland	46	46	45	45	45	45	45	45
Number of branches in Norway	51	50	49	49	49	49	49	49
Number of branches in Netherlands	20	18	18	18	16	15	15	13
Number of branches in Germany	7	7	7	7	7	7	7	7
Number of branches in other countries	12	12	12	12	12	12	12	12
<b>Total number of branches</b>	<b>828</b>	<b>822</b>	<b>816</b>	<b>810</b>	<b>796</b>	<b>791</b>	<b>782</b>	<b>774</b>

\* When calculating return on equity, equity is adjusted for the impact of unrealised changes in the value of financial assets classified as "Available for Sale" and for cash flow hedges and revaluation effects on defined-benefit pension plans.

**Consolidated statement of other comprehensive income**

SEK m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<b>Profit for the period</b>	<b>3,899</b>	<b>4,034</b>	<b>3,909</b>	<b>3,527</b>	<b>3,607</b>	<b>3,695</b>	<b>3,466</b>	<b>4,284</b>
<b>Other comprehensive income</b>								
<b>Items that cannot be reclassified into profit or loss</b>								
Defined-benefit plans	-2,962	286	417	341	851	-933	1,143	1,320
Taxes on items that cannot be reclassified into profit or loss	651	-63	-92	-72	-188	204	-251	-236
<b>Total items that cannot be reclassified into profit or loss</b>	<b>-2,311</b>	<b>223</b>	<b>325</b>	<b>269</b>	<b>663</b>	<b>-729</b>	<b>892</b>	<b>1,084</b>
<b>Items that can be reclassified into profit or loss</b>								
Cash flow hedges	1,399	2,596	1,309	-1,045	173	-2,192	-346	691
Available-for-sale instruments	-250	-58	148	175	308	-268	320	370
Translation differences for the period	1,218	2,421	1,888	1,942	-496	695	-1,378	294
<i>of which hedging net investment in foreign operations</i>	334	1,210	1,378	1,266	238	-628	-109	-166
Taxes on items that can be reclassified into profit or loss	-328	-819	-614	-72	-149	681	54	-135
<i>of which cash flow hedges</i>	-308	-571	-282	224	-38	482	76	-118
<i>of which available-for-sale instruments</i>	54	18	-29	-17	-58	60	-46	-88
<i>of which hedging net investment in foreign operations</i>	-74	-266	-303	-279	-53	139	24	71
<b>Total items that can be reclassified into profit or loss</b>	<b>2,039</b>	<b>4,140</b>	<b>2,731</b>	<b>1,000</b>	<b>-164</b>	<b>-1,084</b>	<b>-1,350</b>	<b>1,220</b>
<b>Total other comprehensive income for the period</b>	<b>-272</b>	<b>4,363</b>	<b>3,056</b>	<b>1,269</b>	<b>499</b>	<b>-1,813</b>	<b>-458</b>	<b>2,304</b>
<b>Total comprehensive income for the period</b>	<b>3,627</b>	<b>8,397</b>	<b>6,965</b>	<b>4,796</b>	<b>4,106</b>	<b>1,882</b>	<b>3,008</b>	<b>6,588</b>
Attributable to								
Shareholders in Svenska Handelsbanken AB	3,627	8,396	6,965	4,796	4,106	1,882	3,008	6,587
Minority interest	0	1	0	0	0	0	0	1

**One-offs and special items**

SEK m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Benchmark effect in Stadshypotek	33	-35	-10	32	-26	-11	24	-16
Oktagonen (The Bank's profit-sharing system)	-183	-183	-183	-328	-256	-256	-256	-333
Performance-related remuneration	-31	-30	-33	-36	-32	-40	-28	-41
Non-recurring costs relating to terminated rental contracts								-91
Recalculation of the Bank's pension liability				46				
Other non-recurring staff cost				-24				-77
Reallocations of the Bank's shareholdings (NFT)			306					
<b>Total</b>	<b>-181</b>	<b>-248</b>	<b>80</b>	<b>-310</b>	<b>-314</b>	<b>-307</b>	<b>-260</b>	<b>-558</b>

**Fees for the Stabilisation Fund etc.**

SEK m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<b>Swedish Stabilisation Fund</b>								
Branch operations in Sweden (net interest income)	-100	-115	-105	-106	-117	-87	-104	-94
Branch operations outside Sweden (net interest income)	-54	-56	-53	-49	-51	-44	-50	-43
of which UK	-14	-13	-13	-11	-11	-9	-10	-9
of which Denmark	-7	-7	-7	-6	-7	-6	-6	-5
of which Finland	-10	-10	-9	-9	-9	-8	-9	-7
of which Norway	-19	-20	-19	-18	-19	-17	-20	-17
of which the Netherlands	-1	-2	-2	-1	-1	-1	-1	-
of which Handelsbanken International	-3	-4	-3	-4	-4	-3	-4	-5
Other (net interest income)	-62	-61	-56	-54	-45	-50	-56	-49
<b>Total fees for the Swedish Stabilisation Fund</b>	<b>-216</b>	<b>-232</b>	<b>-214</b>	<b>-209</b>	<b>-213</b>	<b>-181</b>	<b>-210</b>	<b>-186</b>
<b>Swedish deposit guarantee</b>								
Branch operations in Sweden (net interest income)	-57	-58	-58	-55	-55	-55	-55	-55
Branch operations outside Sweden (net interest income)	-14	-14	-14	-13	-13	-13	-13	-11
<b>Total fees for Swedish deposit guarantee</b>	<b>-71</b>	<b>-72</b>	<b>-72</b>	<b>-68</b>	<b>-68</b>	<b>-68</b>	<b>-68</b>	<b>-66</b>
<b>Danish deposit guarantee</b>								
Branch operations in Denmark (net interest income)	-3	-2	-3	-2	-2	-2	-2	-2
Branch operations in Denmark (expenses)	-	-	-	-	-	-	-	-
<b>Total fees to Danish deposit guarantee</b>	<b>-3</b>	<b>-2</b>	<b>-3</b>	<b>-2</b>	<b>-2</b>	<b>-2</b>	<b>-2</b>	<b>-2</b>
<b>Norwegian deposit guarantee</b>								
Branch operations in Norway (net interest income)	-1	-2	-1	-1	-1	-1	-1	-
Handelsbanken International, (net interest income)	-	-	-	-1	-1	-1	-1	-1
<b>Total</b>	<b>-291</b>	<b>-308</b>	<b>-290</b>	<b>-281</b>	<b>-285</b>	<b>-253</b>	<b>-282</b>	<b>-255</b>

## Exchange rates

SEK, End of period (Balance sheet)	30 Sep 2014	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	Change y/y	Change q/q
DKK	1.2249	1.2279	1.1995	1.1937	1.1624	5%	0%
EUR	9.1183	9.1548	8.9552	8.9058	8.6691	5%	0%
GBP	11.7190	11.4332	10.8011	10.6623	10.3499	13%	2%
NOK	1.1256	1.0903	1.0844	1.0583	1.0654	6%	3%
USD	7.2278	6.7020	6.4888	6.4704	6.4086	13%	8%

SEK, Average as from 1 Jan (Income statement)	30 Sep 2014	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	Change y/y	Change q/q
DKK	1.2119	1.1994	1.1868	1.1598	1.1507	5%	1%
EUR	9.0397	8.9506	8.8565	8.6496	8.5814	5%	1%
GBP	11.1443	10.8978	10.6992	10.1854	10.0721	11%	2%
NOK	1.0921	1.0813	1.0610	1.1090	1.1202	-3%	1%
USD	6.6767	6.5296	6.4639	6.5146	6.5166	2%	2%

## The effect of exchange rate movements - Branch office operations outside Sweden

## Jan - Sep 2014 vs. same period last year

SEK m	GB	DK	FI	NO	NL	HI	Total
Net interest income	200	58	45	-62	8	13	262
Net fee and commission income	15	12	14	-7	1	7	42
Net result of financial transactions	7	2	1	-1	0	1	10
Other income	1	1	0	0	0	1	3
<b>Total income</b>	<b>223</b>	<b>73</b>	<b>60</b>	<b>-70</b>	<b>9</b>	<b>22</b>	<b>317</b>
Staff costs	-82	-23	-14	12	-4	-12	-123
Other administrative expenses	-37	-14	-13	9	-3	-9	-67
Depreciation and amortisation	-3	-1	0	0	0	0	-4
<b>Total expenses</b>	<b>-122</b>	<b>-38</b>	<b>-27</b>	<b>21</b>	<b>-7</b>	<b>-21</b>	<b>-194</b>
Net loan losses	-25	-5	-8	3	0	-1	-36
<b>Operating profit</b>	<b>76</b>	<b>30</b>	<b>25</b>	<b>-46</b>	<b>2</b>	<b>0</b>	<b>87</b>

## Q3 2014 vs. previous quarter

SEK m	GB	DK	FI	NO	NL	HI	Total
Net interest income	37	7	6	7	1	3	61
Net fee and commission income	4	2	2	1	0	2	11
Net result of financial transactions	2	0	0	0	0	0	2
Other income	0	0	0	0	0	1	1
<b>Total income</b>	<b>43</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>1</b>	<b>6</b>	<b>75</b>
Staff costs	-15	-3	-2	-2	-1	-3	-26
Other administrative expenses	-7	-2	-1	-1	0	-2	-13
Depreciation and amortisation	0	0	0	0	0	0	0
<b>Total expenses</b>	<b>-22</b>	<b>-5</b>	<b>-3</b>	<b>-3</b>	<b>-1</b>	<b>-5</b>	<b>-39</b>
Net loan losses	-2	0	-2	0	0	2	-2
<b>Operating profit</b>	<b>19</b>	<b>4</b>	<b>3</b>	<b>5</b>	<b>0</b>	<b>3</b>	<b>34</b>

**Net interest income**

SEK m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<b>Interest income</b>								
Loans to credit institutions and central banks	399	447	407	402	424	375	374	502
Loans to the public	12,370	12,623	12,592	13,102	13,114	13,205	13,193	13,819
Interest-bearing securities eligible as collateral with central banks	160	208	162	241	259	972	634	114
Interest-bearing securities	240	292	262	289	451	646	512	-788
Derivative instruments	-779	-771	-774	-594	-689	-719	-554	-584
Other interest income	358	353	381	349	376	351	383	483
<b>Total interest income</b>	<b>12,748</b>	<b>13,152</b>	<b>13,030</b>	<b>13,789</b>	<b>13,935</b>	<b>14,830</b>	<b>14,542</b>	<b>13,546</b>
gains/losses on financial transactions	157	226	160	216	366	1,286	765	-882
<b>Interest income according to income statement</b>	<b>12,591</b>	<b>12,926</b>	<b>12,870</b>	<b>13,573</b>	<b>13,569</b>	<b>13,544</b>	<b>13,777</b>	<b>14,428</b>
<b>Interest expense</b>								
Due to credit institutions and central banks	-282	-264	-227	-260	-284	-358	-385	-418
Deposits and borrowing from the general public	-856	-1,082	-1,030	-1,169	-1,113	-1,094	-1,232	-1,398
Issued securities	-5,170	-5,447	-5,559	-5,851	-5,735	-5,864	-5,687	-6,174
Derivative instruments	1,332	1,177	1,211	1,002	924	997	668	561
Subordinated liabilities	-318	-293	-331	-273	-292	-331	-318	-341
Other interest expense	-350	-394	-368	-368	-627	-1,314	-985	869
<b>Total interest expense</b>	<b>-5,644</b>	<b>-6,303</b>	<b>-6,304</b>	<b>-6,919</b>	<b>-7,127</b>	<b>-7,964</b>	<b>-7,939</b>	<b>-6,901</b>
Of which interest expense reported in Net gains/losses on financial transactions	-57	-81	-87	-118	-241	-1,093	-703	1,043
<b>Interest expense according to income statement</b>	<b>-5,587</b>	<b>-6,222</b>	<b>-6,217</b>	<b>-6,801</b>	<b>-6,886</b>	<b>-6,871</b>	<b>-7,236</b>	<b>-7,944</b>
<b>Net interest income</b>	<b>7,004</b>	<b>6,704</b>	<b>6,653</b>	<b>6,772</b>	<b>6,683</b>	<b>6,673</b>	<b>6,541</b>	<b>6,484</b>

**Net fee and commission income**

SEK m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Brokerage and other securities commissions	222	293	328	312	250	321	306	273
Mutual funds	649	605	554	537	513	493	465	438
Custody and other asset management fees	136	130	135	124	111	108	84	92
Advisory services	51	62	49	68	35	71	104	51
Insurance	161	163	158	148	142	140	141	137
Payments	813	784	708	776	738	680	619	709
Loans and deposits	272	289	279	284	272	286	282	305
Guarantees	109	101	108	108	115	107	108	115
Other	117	113	106	127	108	110	101	157
<b>Commission income</b>	<b>2,530</b>	<b>2,540</b>	<b>2,425</b>	<b>2,484</b>	<b>2,284</b>	<b>2,316</b>	<b>2,210</b>	<b>2,277</b>
Securities	-47	-60	-69	-47	-63	-60	-58	-54
Payments	-331	-323	-279	-310	-304	-308	-253	-291
Other	-19	-22	-17	-20	-21	-24	-22	-22
<b>Commission expense</b>	<b>-397</b>	<b>-405</b>	<b>-365</b>	<b>-377</b>	<b>-388</b>	<b>-392</b>	<b>-333</b>	<b>-367</b>
<b>Net fee and commission income</b>	<b>2,133</b>	<b>2,135</b>	<b>2,060</b>	<b>2,107</b>	<b>1,896</b>	<b>1,924</b>	<b>1,877</b>	<b>1,910</b>



**Net gains/losses on financial transactions**

SEK m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Trading, derivatives, FX effect etc	-230	-302	-157	33	441	941	634	171
Other financial instruments at fair value in profit/loss	529	627	533	184	-101	-494	-374	115
of which interest-bearing securities	534	638	536	177	-93	-472	-319	87
of which loans	-5	-11	-3	7	-8	-22	-55	28
Financial instruments at amortised cost	50	159	16	85	32	27	-18	78
of which loans	149	209	95	156	97	101	62	128
of which liabilities	-99	-50	-79	-71	-65	-74	-80	-50
Financial instruments available for sale	60	-3	313	17	9	13	-15	4
Hedge accounting	-19	-16	-45	-18	-11	-21	52	11
of which net gains/losses on fair value hedges	-21	-21	-37	-24	-23	6	15	17
of which hedge ineffectiveness	2	5	-8	6	12	-27	37	-6
Gains/losses on unbundled insurance contracts	-1	1	-2	3	-16	-26	-20	-13
<b>Net gains/losses on financial transactions</b>	<b>389</b>	<b>466</b>	<b>658</b>	<b>304</b>	<b>354</b>	<b>440</b>	<b>259</b>	<b>366</b>

**Other administrative expenses**

SEK m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Property and premises	-291	-299	-287	-288	-268	-281	-281	-400
External IT costs	-376	-398	-410	-467	-394	-421	-422	-460
Communication	-83	-82	-97	-95	-85	-90	-99	-82
Travel and marketing	-65	-91	-78	-108	-75	-113	-82	-128
Purchased services	-218	-247	-238	-277	-227	-266	-261	-290
Supplies	-52	-39	-53	-58	-47	-51	-46	-55
Other expenses	-81	-111	-85	-118	-91	-82	-88	-96
<b>Other administrative expenses</b>	<b>-1,166</b>	<b>-1,267</b>	<b>-1,248</b>	<b>-1,411</b>	<b>-1,187</b>	<b>-1,304</b>	<b>-1,279</b>	<b>-1,511</b>

**Loan losses**

SEK m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<b>Specific provision for individually valued loan receivables</b>								
Provision for the period	-556	-238	-569	-412	-272	-291	-312	-514
Reversal of previous provisions	53	-34	236	115	68	69	37	151
<b>Total</b>	<b>-503</b>	<b>-272</b>	<b>-333</b>	<b>-297</b>	<b>-204</b>	<b>-222</b>	<b>-275</b>	<b>-363</b>
<b>Collective provisions</b>								
Net provision for the period for individually valued receivables	26	-4	1	-10	2	-57	5	27
Net provision for the period for homogeneous loan receivables	0	1	4	4	8	3	0	6
<b>Total</b>	<b>26</b>	<b>-3</b>	<b>5</b>	<b>-6</b>	<b>10</b>	<b>-54</b>	<b>5</b>	<b>33</b>
<b>Other provisions</b>								
Losses on off-balance sheet items	6	0	-6	-9	-	-	-	-
Reversal of losses on off-balance-sheet items	0	0	1	-	-	-	0	-
Change in collective provision for off-balance-sheet items	1	7	8	-7	-2	0	-1	-2
<b>Total</b>	<b>7</b>	<b>7</b>	<b>3</b>	<b>-16</b>	<b>-2</b>	<b>0</b>	<b>-1</b>	<b>-2</b>
<b>Write-offs</b>								
Actual loan losses for the period	-203	-709	-482	-352	-376	-311	-464	-519
Utilised share of previous provisions	131	662	438	290	236	231	417	407
Recoveries	45	43	54	59	52	50	35	49
<b>Total</b>	<b>-27</b>	<b>-4</b>	<b>10</b>	<b>-3</b>	<b>-88</b>	<b>-30</b>	<b>-12</b>	<b>-63</b>
<b>Net loan losses</b>	<b>-497</b>	<b>-272</b>	<b>-315</b>	<b>-322</b>	<b>-284</b>	<b>-306</b>	<b>-283</b>	<b>-395</b>

**Impaired loans**

Impaired loans include all receivables for which not all the contracted cash flows will probably be fulfilled. The full amount of all receivables which give rise to a specific provision is included in impaired loans, including amounts which are covered by collateral. This means that the impaired loan reserve ratio is stated without taking into account collateral received. Thus this key figure can vary substantially between the quarters even though the accounting policies are unchanged.

SEK m	30 Sep 2014	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012
Impaired loans	7,156	5,824	6,763	6,944	6,799	7,266	7,006	7,325
Specific provision for individually assessed loans	-3,405	-2,980	-3,347	-3,454	-3,467	-3,589	-3,522	-3,725
Provision for collectively assessed homogeneous groups of loans with limited value	-88	-88	-88	-92	-94	-103	-113	-115
Collective provisions	-339	-364	-357	-357	-347	-350	-280	-288
<b>Impaired loans, net</b>	<b>3,324</b>	<b>2,392</b>	<b>2,971</b>	<b>3,041</b>	<b>2,891</b>	<b>3,224</b>	<b>3,091</b>	<b>3,197</b>
Total impaired loans reserve ratio	53.5%	58.9%	56.1%	56.2%	57.5%	55.6%	55.9%	56.4%
Proportion of impaired loans, %	0.18%	0.13%	0.17%	0.18%	0.17%	0.19%	0.18%	0.18%
Impaired loans reserve ratio excl. collective provisions	48.8%	52.7%	50.8%	51.1%	52.4%	50.8%	51.9%	52.4%
Loan loss ratio as a % of loans, quarterly	0.11%	0.06%	0.07%	0.07%	0.06%	0.07%	0.06%	0.09%
Loans past due > 60 days	6,024	5,665	5,596	6,185	6,661	6,834	6,396	6,988
Loans past due > 60 days, which are not impaired	2,058	1,675	1,838	2,150	2,478	2,382	2,136	2,563

# Segment information

## Operating profit per segment, quarterly

SEK m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Branch operations in Sweden	3,069	3,078	2,825	3,101	3,216	3,154	3,018	3,067
Branch operations in UK	442	373	381	351	288	271	233	230
Branch operations in Denmark	146	229	258	199	242	194	177	115
Branch operations in Finland	296	190	232	151	176	188	168	134
Branch operations in Norway	656	598	628	641	704	672	575	571
Branch operations in the Netherlands	23	21	27	17	23	15	18	10
Handelsbanken International	37	75	61	17	20	45	51	110
Capital Markets	402	535	375	274	207	352	268	197
Other	-168	-22	133	-316	-284	-168	-161	-463
Eliminations	1	-	0	23	-21	0	-11	-23
<b>Operating profit, Group</b>	<b>4,904</b>	<b>5,077</b>	<b>4,920</b>	<b>4,458</b>	<b>4,571</b>	<b>4,723</b>	<b>4,336</b>	<b>3,948</b>

## Total income per segment

SEK m	Q3 2014	Q2 2013	Change	Q3 2013	Change	Jan-Sep 2014	Jan-Sep 2013	Change	Full year 2013
Branch operations in Sweden	5,113	5,204	-2%	5,089	0%	15,156	15,336	-1%	20,441
Branch operations in UK	1,075	700	54%	780	38%	2,915	2,123	37%	2,970
Branch operations in Denmark	576	474	22%	510	13%	1,594	1,434	11%	1,963
Branch operations in Finland	489	408	20%	428	14%	1,431	1,219	17%	1,676
Branch operations in Norway	1,022	1,018	0%	1,041	-2%	2,969	3,016	-2%	4,033
Branch operations in the Netherlands	81	59	37%	67	21%	235	182	29%	254
Handelsbanken International	240	268	-10%	267	-10%	751	788	-5%	1,053
<b>Branch office operations</b>	<b>8,596</b>	<b>8,131</b>	<b>6%</b>	<b>8,182</b>	<b>5%</b>	<b>25,051</b>	<b>24,098</b>	<b>4%</b>	<b>32,390</b>
Handelsbanken Capital Markets	1,032	1,067	-3%	877	18%	3,329	2,913	14%	3,938
Other	-13	52		-38	66%	388	71	446%	44
Eliminations	15	-10		-12		-10	-33	70%	-45
<b>Total income</b>	<b>9,630</b>	<b>9,240</b>	<b>4%</b>	<b>9,009</b>	<b>7%</b>	<b>28,758</b>	<b>27,049</b>	<b>6%</b>	<b>36,327</b>

## Total expenses per segment

SEK m	Q3 2014	Q2 2013	Change	Q3 2013	Change	Jan-Sep 2014	Jan-Sep 2013	Change	Full year 2013
Branch operations in Sweden	-1,823	-1,918	-5%	-1,832	0%	-5,627	-5,673	-1%	-7,604
Branch operations in UK	-567	-379	50%	-428	32%	-1,603	-1,162	38%	-1,660
Branch operations in Denmark	-259	-243	7%	-239	8%	-769	-725	6%	-990
Branch operations in Finland	-183	-186	-2%	-175	5%	-549	-540	2%	-725
Branch operations in Norway	-334	-308	8%	-312	7%	-987	-939	5%	-1,272
Branch operations in the Netherlands	-58	-43	35%	-44	32%	-163	-125	30%	-174
Handelsbanken International	-207	-212	-2%	-203	2%	-626	-621	1%	-855
<b>Branch office operations</b>	<b>-3,431</b>	<b>-3,289</b>	<b>4%</b>	<b>-3,233</b>	<b>6%</b>	<b>-10,324</b>	<b>-9,785</b>	<b>6%</b>	<b>-13,280</b>
Handelsbanken Capital Markets	-630	-715	-12%	-670	-6%	-2,017	-2,086	-3%	-2,837
Other	-155	-221	-30%	-245	-37%	-445	-684	-35%	-980
Eliminations	-14	10		-9	-56%	11	1		36
<b>Total expenses</b>	<b>-4,230</b>	<b>-4,215</b>	<b>0%</b>	<b>-4,157</b>	<b>2%</b>	<b>-12,775</b>	<b>-12,554</b>	<b>2%</b>	<b>-17,061</b>

## Operating profit per segment

SEK m	Q3 2014	Q2 2013	Change	Q3 2013	Change	Jan-Sep 2014	Jan-Sep 2013	Change	Full year 2013
Branch operations in Sweden	3,069	3,154	-3%	3,216	-5%	8,972	9,388	-4%	12,489
Branch operations in UK	442	271	63%	288	53%	1,196	792	51%	1,143
Branch operations in Denmark	146	194	-25%	242	-40%	633	613	3%	812
Branch operations in Finland	296	188	57%	176	68%	718	532	35%	683
Branch operations in Norway	656	672	-2%	704	-7%	1,882	1,951	-4%	2,592
Branch operations in the Netherlands	23	15	53%	23	0%	71	56	27%	73
Handelsbanken International	37	45	-18%	20	85%	173	116	49%	133
<b>Branch office operations</b>	<b>4,669</b>	<b>4,539</b>	<b>3%</b>	<b>4,669</b>	<b>0%</b>	<b>13,645</b>	<b>13,448</b>	<b>1%</b>	<b>17,925</b>
Handelsbanken Capital Markets	402	352	14%	207	94%	1,312	827	59%	1,101
Other	-168	-168	0%	-284	41%	-57	-613	91%	-929
Eliminations	1	0		-21		1	-32		-9
<b>Operating profit</b>	<b>4,904</b>	<b>4,723</b>	<b>4%</b>	<b>4,571</b>	<b>7%</b>	<b>14,901</b>	<b>13,630</b>	<b>9%</b>	<b>18,088</b>

## Branch operations in Sweden

SEK m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Net interest income	4,025	3,947	3,937	4,066	4,091	4,173	4,094	4,148
Net fee and commission income	975	969	920	978	886	838	826	847
Net gains/losses on financial transactions	82	152	86	52	104	190	116	151
Other income	31	13	19	9	8	3	7	7
<b>Total income</b>	<b>5,113</b>	<b>5,081</b>	<b>4,962</b>	<b>5,105</b>	<b>5,089</b>	<b>5,204</b>	<b>5,043</b>	<b>5,153</b>
Staff costs	-904	-837	-840	-814	-831	-822	-833	-782
Other administrative expenses	-315	-290	-266	-326	-261	-301	-302	-358
Internal purchased and sold services	-577	-769	-764	-770	-719	-770	-768	-766
Depreciation, amortisation and impairments of property, equipment and intangible assets	-27	-19	-19	-21	-21	-25	-20	-25
<b>Total expenses</b>	<b>-1,823</b>	<b>-1,915</b>	<b>-1,889</b>	<b>-1,931</b>	<b>-1,832</b>	<b>-1,918</b>	<b>-1,923</b>	<b>-1,931</b>
<b>Profit before loan losses</b>	<b>3,290</b>	<b>3,166</b>	<b>3,073</b>	<b>3,174</b>	<b>3,257</b>	<b>3,286</b>	<b>3,120</b>	<b>3,222</b>
Net loan losses	-221	-88	-248	-75	-44	-135	-103	-155
Gains/losses on disposal of property, equipment and intangible assets	0	-	-	2	3	3	1	0
<b>Operating profit</b>	<b>3,069</b>	<b>3,078</b>	<b>2,825</b>	<b>3,101</b>	<b>3,216</b>	<b>3,154</b>	<b>3,018</b>	<b>3,067</b>
Profit allocation	262	248	209	361	182	197	162	197
<b>Operating profit after profit allocation</b>	<b>3,331</b>	<b>3,326</b>	<b>3,034</b>	<b>3,462</b>	<b>3,398</b>	<b>3,351</b>	<b>3,180</b>	<b>3,264</b>
Cost/income ratio, %	33.9	35.9	36.5	35.3	34.8	35.5	36.9	36.1
Loan loss ratio, %	0.08	0.03	0.09	0.03	0.02	0.05	0.04	0.06
Allocated capital	65,853	62,698	65,504	61,805	58,388	55,842	60,084	57,244
Return on allocated capital, %	15.8	16.5	14.5	17.5	18.2	18.7	16.5	16.8
Average number of employees	4,545	4,316	4,350	4,357	4,632	4,342	4,350	4,342
Number of branches	462	462	462	462	461	461	461	461

### Business volumes, Branch operations in Sweden

Average volumes, SEK bn	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Loans to the public*								
Household	651	639	631	625	617	610	602	595
of which mortgage loans	597	588	580	572	564	556	548	542
Corporate	482	487	486	489	493	496	482	480
of which mortgage loans	270	267	260	255	251	246	239	232
<b>Total</b>	<b>1,133</b>	<b>1,126</b>	<b>1,117</b>	<b>1,114</b>	<b>1,110</b>	<b>1,106</b>	<b>1,084</b>	<b>1,075</b>
Deposits and borrowing from the public								
Household	241	236	231	227	222	217	213	212
Corporate	160	163	168	170	162	163	168	165
<b>Total</b>	<b>401</b>	<b>399</b>	<b>399</b>	<b>397</b>	<b>384</b>	<b>380</b>	<b>381</b>	<b>377</b>

\* Excluding loans to the National Debt Office.

## Branch operations in Great Britain

SEK m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Net interest income	933	834	767	719	682	631	592	602
Net fee and commission income	89	83	76	73	73	42	25	21
Net gains/losses on financial transactions	45	37	36	51	25	21	23	24
Other income	8	4	3	4	0	6	3	3
<b>Total income</b>	<b>1,075</b>	<b>958</b>	<b>882</b>	<b>847</b>	<b>780</b>	<b>700</b>	<b>643</b>	<b>650</b>
Staff costs	-393	-348	-329	-327	-271	-241	-220	-210
Other administrative expenses	-78	-79	-71	-75	-59	-53	-56	-49
Internal purchased and sold services	-94	-102	-96	-82	-82	-81	-72	-56
Depreciation, amortisation and impairments of property, equipment and intangible assets	-2	-6	-5	-14	-16	-4	-7	-3
<b>Total expenses</b>	<b>-567</b>	<b>-535</b>	<b>-501</b>	<b>-498</b>	<b>-428</b>	<b>-379</b>	<b>-355</b>	<b>-318</b>
<b>Profit before loan losses</b>	<b>508</b>	<b>423</b>	<b>381</b>	<b>349</b>	<b>352</b>	<b>321</b>	<b>288</b>	<b>332</b>
Net loan losses	-66	-51	0	2	-65	-50	-55	-101
Gains/losses on disposal of property, equipment and intangible assets	0	1	0	0	1	0	0	-1
<b>Operating profit</b>	<b>442</b>	<b>373</b>	<b>381</b>	<b>351</b>	<b>288</b>	<b>271</b>	<b>233</b>	<b>230</b>
Profit allocation	6	8	9	15	6	5	4	6
<b>Operating profit after profit allocation</b>	<b>448</b>	<b>381</b>	<b>390</b>	<b>366</b>	<b>294</b>	<b>276</b>	<b>237</b>	<b>236</b>
Cost/income ratio, %	52.5	55.4	56.2	57.8	54.5	53.8	54.9	48.5
Loan loss ratio, %	0.19	0.15	0.00	-0.01	0.22	0.17	0.19	0.43
Allocated capital	8,600	7,732	8,186	7,644	7,010	6,477	6,500	5,878
Return on allocated capital, %	16.2	15.4	14.9	15.0	13.1	13.3	11.4	11.8
Average number of employees	1,608	1,547	1,476	1,405	1,332	1,201	1,102	1,022
Number of branches	173	170	166	161	151	147	138	133

### Branch office operations in Great Britain, in local currency

GBP m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Net interest income	80.4	75.2	71.7	68.5	67.0	62.8	59.3	56.3
Net fee and commission income	7.7	7.4	7.1	7.1	7.2	4.1	2.5	2.0
Net gains/losses on financial transactions	3.9	3.4	3.4	4.8	2.5	2.2	2.3	2.2
Other income	0.6	0.4	0.3	0.4	0.1	0.5	0.3	0.4
<b>Total income</b>	<b>92.6</b>	<b>86.4</b>	<b>82.5</b>	<b>80.8</b>	<b>76.8</b>	<b>69.6</b>	<b>64.4</b>	<b>60.9</b>
Staff costs	-33.9	-31.4	-30.7	-31.2	-26.6	-24.0	-22.1	-19.7
Other administrative expenses	-6.6	-7.2	-6.6	-7.1	-5.7	-5.4	-5.6	-4.6
Internal purchased and sold services	-8.0	-9.2	-9.0	-7.7	-8.2	-8.0	-7.2	-5.3
Depreciation, amortisation and impairments of property, equipment and intangible assets	-0.3	-0.5	-0.5	-1.5	-1.6	-0.3	-0.7	-0.2
<b>Total expenses</b>	<b>-48.8</b>	<b>-48.3</b>	<b>-46.8</b>	<b>-47.5</b>	<b>-42.1</b>	<b>-37.7</b>	<b>-35.6</b>	<b>-29.8</b>
<b>Profit before loan losses</b>	<b>43.8</b>	<b>38.1</b>	<b>35.7</b>	<b>33.3</b>	<b>34.7</b>	<b>31.9</b>	<b>28.8</b>	<b>31.1</b>
Net loan losses	-5.8	-4.7	0.0	0.4	-6.4	-5.0	-5.5	-9.4
<b>Operating profit</b>	<b>38.1</b>	<b>33.4</b>	<b>35.7</b>	<b>33.7</b>	<b>28.3</b>	<b>27.0</b>	<b>23.3</b>	<b>21.6</b>
Profit allocation	0.5	0.7	0.8	1.4	0.6	0.5	0.4	0.5
<b>Operating profit after profit allocation</b>	<b>38.6</b>	<b>34.1</b>	<b>36.5</b>	<b>35.1</b>	<b>28.9</b>	<b>27.5</b>	<b>23.7</b>	<b>22.1</b>

### Business volumes, UK

Average volumes, GBP m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Loans to the public								
Household	4,138	3,921	3,763	3,580	3,344	3,122	2,963	2,780
Corporate	9,144	8,924	8,782	8,677	8,509	8,317	8,021	7,703
<b>Total</b>	<b>13,282</b>	<b>12,845</b>	<b>12,545</b>	<b>12,257</b>	<b>11,853</b>	<b>11,439</b>	<b>10,984</b>	<b>10,483</b>
Deposits and borrowing from the public								
Household	1,335	1,222	1,032	821	779	605	548	508
Corporate	6,466	6,431	5,366	4,132	3,093	2,438	2,288	2,586
<b>Total</b>	<b>7,801</b>	<b>7,653</b>	<b>6,398</b>	<b>4,953</b>	<b>3,872</b>	<b>3,043</b>	<b>2,836</b>	<b>3,094</b>

## Branch operations in Denmark

SEK m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Net interest income	420	389	380	397	403	363	356	360
Net fee and commission income	84	107	95	92	74	82	81	73
Net gains/losses on financial transactions	68	8	25	35	29	25	8	14
Other income	4	8	6	5	4	4	5	5
<b>Total income</b>	<b>576</b>	<b>512</b>	<b>506</b>	<b>529</b>	<b>510</b>	<b>474</b>	<b>450</b>	<b>452</b>
Staff costs	-148	-147	-140	-142	-137	-137	-130	-137
Other administrative expenses	-41	-44	-43	-49	-37	-43	-46	-50
Internal purchased and sold services	-65	-64	-63	-69	-61	-59	-63	-59
Depreciation, amortisation and impairments of property, equipment and intangible assets	-5	-5	-4	-5	-4	-4	-4	-4
<b>Total expenses</b>	<b>-259</b>	<b>-260</b>	<b>-250</b>	<b>-265</b>	<b>-239</b>	<b>-243</b>	<b>-243</b>	<b>-250</b>
<b>Profit before loan losses</b>	<b>317</b>	<b>252</b>	<b>256</b>	<b>264</b>	<b>271</b>	<b>231</b>	<b>207</b>	<b>202</b>
Net loan losses	-172	-23	2	-65	-29	-37	-30	-87
Gains/losses on disposal of property, equipment and intangible assets	1	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>146</b>	<b>229</b>	<b>258</b>	<b>199</b>	<b>242</b>	<b>194</b>	<b>177</b>	<b>115</b>
Profit allocation	17	14	13	17	12	10	8	10
<b>Operating profit after profit allocation</b>	<b>163</b>	<b>243</b>	<b>271</b>	<b>216</b>	<b>254</b>	<b>204</b>	<b>185</b>	<b>125</b>
Cost/income ratio, %	43.7	49.4	48.2	48.5	45.8	50.2	53.1	54.1
Loan loss ratio, %	0.95	0.13	-0.01	0.40	0.18	0.22	0.19	0.58
Allocated capital	5,648	5,172	5,564	5,348	5,447	4,985	5,268	4,926
Return on allocated capital, %	9.0	14.7	15.2	12.6	14.6	12.7	10.9	7.4
Average number of employees	632	635	633	625	625	626	619	618
Number of branches	57	57	57	56	55	55	55	54

### Branch office operations in Denmark, in local currency

DKK m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Net interest income	340	321	320	335	346	317	312	311
Net fee and commission income	67	89	80	77	64	71	71	62
Net gains/losses on financial transactions	56	7	21	30	25	22	7	12
Other income	3	6	5	4	3	4	4	4
<b>Total income</b>	<b>466</b>	<b>423</b>	<b>426</b>	<b>446</b>	<b>438</b>	<b>414</b>	<b>394</b>	<b>389</b>
Staff costs	-120	-121	-118	-119	-117	-120	-114	-119
Other administrative expenses	-33	-36	-36	-42	-31	-38	-40	-43
Internal purchased and sold services	-53	-53	-53	-58	-52	-52	-55	-51
Depreciation, amortisation and impairments of property, equipment and intangible assets	-4	-4	-4	-5	-4	-3	-3	-3
<b>Total expenses</b>	<b>-210</b>	<b>-214</b>	<b>-211</b>	<b>-224</b>	<b>-204</b>	<b>-213</b>	<b>-212</b>	<b>-216</b>
<b>Profit before loan losses</b>	<b>256</b>	<b>209</b>	<b>215</b>	<b>222</b>	<b>234</b>	<b>201</b>	<b>182</b>	<b>173</b>
Net loan losses	-142	-20	2	-54	-26	-32	-27	-75
Gains/losses on disposal of property, equipment and intangible assets	1	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>115</b>	<b>189</b>	<b>217</b>	<b>168</b>	<b>208</b>	<b>169</b>	<b>155</b>	<b>98</b>
Profit allocation	13	11	11	15	11	8	7	8
<b>Operating profit after profit allocation</b>	<b>128</b>	<b>200</b>	<b>228</b>	<b>183</b>	<b>219</b>	<b>177</b>	<b>162</b>	<b>106</b>

### Business volumes, Branch operations in Denmark

	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Average volumes, DKK bn								
Loans to the public								
Household	33.3	32.4	31.4	30.6	29.4	28.7	27.9	26.6
Corporate	28.2	28.2	28.0	27.9	29.8	31.5	30.7	27.7
<b>Total</b>	<b>61.5</b>	<b>60.6</b>	<b>59.4</b>	<b>58.5</b>	<b>59.2</b>	<b>60.2</b>	<b>58.6</b>	<b>54.3</b>
Deposits and borrowing from the public								
Household	10.1	10.0	9.4	9.3	9.2	9.2	8.9	8.8
Corporate	13.4	12.2	15.2	14.6	12.3	12.6	14.8	14.9
<b>Total</b>	<b>23.5</b>	<b>22.2</b>	<b>24.6</b>	<b>23.9</b>	<b>21.5</b>	<b>21.8</b>	<b>23.7</b>	<b>23.7</b>

## Branch operations in Finland

SEK m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Net interest income	357	340	344	337	315	294	273	277
Net fee and commission income	113	109	108	107	106	100	99	107
Net gains/losses on financial transactions	18	28	9	12	6	13	9	7
Other income	1	2	2	1	1	1	2	0
<b>Total income</b>	<b>489</b>	<b>479</b>	<b>463</b>	<b>457</b>	<b>428</b>	<b>408</b>	<b>383</b>	<b>391</b>
Staff costs	-86	-83	-85	-85	-79	-84	-83	-86
Other administrative expenses	-39	-38	-35	-36	-35	-40	-34	-43
Internal purchased and sold services	-56	-60	-61	-62	-59	-60	-58	-65
Depreciation, amortisation and impairments of property, equipment and intangible assets	-2	-2	-2	-2	-2	-2	-4	-5
<b>Total expenses</b>	<b>-183</b>	<b>-183</b>	<b>-183</b>	<b>-185</b>	<b>-175</b>	<b>-186</b>	<b>-179</b>	<b>-199</b>
<b>Profit before loan losses</b>	<b>306</b>	<b>296</b>	<b>280</b>	<b>272</b>	<b>253</b>	<b>222</b>	<b>204</b>	<b>192</b>
Net loan losses	-10	-106	-48	-121	-77	-34	-36	-58
Gains/losses on disposal of property, equipment and intangible assets	-	-	0	0	-	-	-	0
<b>Operating profit</b>	<b>296</b>	<b>190</b>	<b>232</b>	<b>151</b>	<b>176</b>	<b>188</b>	<b>168</b>	<b>134</b>
Profit allocation	19	19	21	27	17	15	11	18
<b>Operating profit after profit allocation</b>	<b>315</b>	<b>209</b>	<b>253</b>	<b>178</b>	<b>193</b>	<b>203</b>	<b>179</b>	<b>152</b>
Cost/income ratio, %	36.0	36.7	37.8	38.2	39.3	44.0	45.4	48.7
Loan loss ratio, %	0.04	0.42	0.19	0.54	0.34	0.16	0.16	0.28
Allocated capital	6,033	5,717	6,204	6,121	6,288	5,371	5,854	5,427
Return on allocated capital, %	16.3	11.4	12.7	9.0	9.6	11.8	9.5	8.3
Average number of employees	506	500	486	485	502	496	477	472
Number of branches	46	46	45	45	45	45	45	45

### Branch office operations in Finland, in local currency

EUR m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Net interest income	38.6	37.6	38.9	38.1	36.3	34.3	32.2	32.0
Net fee and commission income	12.3	11.9	12.2	12.1	12.1	11.8	11.6	12.3
Net gains/losses on financial transactions	2.0	3.1	1.0	1.3	0.8	1.4	1.1	0.9
Other income	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.1
<b>Total income</b>	<b>53.1</b>	<b>52.8</b>	<b>52.3</b>	<b>51.6</b>	<b>49.3</b>	<b>47.7</b>	<b>45.1</b>	<b>45.3</b>
Staff costs	-9.2	-9.1	-9.6	-9.6	-9.2	-9.7	-9.8	-10.0
Other administrative expenses	-4.2	-4.2	-4.0	-3.9	-4.1	-4.7	-4.0	-4.9
Internal purchased and sold services	-6.2	-6.6	-6.9	-7.2	-6.7	-7.0	-6.8	-7.4
Depreciation, amortisation and impairments of property, equipment and intangible assets	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	-0.5	-0.5
<b>Total expenses</b>	<b>-19.9</b>	<b>-20.1</b>	<b>-20.7</b>	<b>-20.9</b>	<b>-20.2</b>	<b>-21.6</b>	<b>-21.1</b>	<b>-22.8</b>
<b>Profit before loan losses</b>	<b>33.2</b>	<b>32.7</b>	<b>31.6</b>	<b>30.7</b>	<b>29.1</b>	<b>26.1</b>	<b>24.0</b>	<b>22.5</b>
Net loan losses	-0.9	-11.7	-5.5	-13.9	-8.8	-4.1	-4.2	-6.8
<b>Operating profit</b>	<b>32.3</b>	<b>21.0</b>	<b>26.1</b>	<b>16.8</b>	<b>20.3</b>	<b>22.0</b>	<b>19.8</b>	<b>15.7</b>
Profit allocation	2.0	2.1	2.3	3.2	1.9	1.8	1.3	2.1
<b>Operating profit after profit allocation</b>	<b>34.3</b>	<b>23.1</b>	<b>28.4</b>	<b>20.0</b>	<b>22.2</b>	<b>23.8</b>	<b>21.1</b>	<b>17.8</b>

### Business volumes, Branch operations in Finland

Average volumes, EUR m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Loans to the public								
Household	3,790	3,811	3,787	3,773	3,736	3,667	3,598	3,534
Corporate	8,590	8,369	8,207	8,166	7,990	7,955	7,807	7,524
<b>Total</b>	<b>12,380</b>	<b>12,180</b>	<b>11,994</b>	<b>11,939</b>	<b>11,726</b>	<b>11,622</b>	<b>11,405</b>	<b>11,058</b>
Deposits and borrowing from the public								
Household	1,240	1,235	1,249	1,273	1,248	1,256	1,271	1,277
Corporate	3,426	3,119	3,043	2,457	1,597	1,457	1,546	1,949
<b>Total</b>	<b>4,666</b>	<b>4,354</b>	<b>4,292</b>	<b>3,730</b>	<b>2,845</b>	<b>2,713</b>	<b>2,817</b>	<b>3,226</b>

## Branch operations in Norway

SEK m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Net interest income	886	859	843	902	918	905	849	865
Net fee and commission income	99	97	97	90	100	88	86	95
Net gains/losses on financial transactions	34	23	17	22	19	23	19	21
Other income	3	5	6	3	4	2	3	-5
<b>Total income</b>	<b>1,022</b>	<b>984</b>	<b>963</b>	<b>1,017</b>	<b>1,041</b>	<b>1,018</b>	<b>957</b>	<b>976</b>
Staff costs	-185	-174	-169	-161	-171	-159	-171	-182
Other administrative expenses	-45	-63	-53	-66	-53	-54	-59	-63
Internal purchased and sold services	-101	-99	-90	-104	-85	-93	-86	-98
Depreciation, amortisation and impairments of property, equipment and intangible assets	-3	-3	-2	-2	-3	-2	-3	-3
<b>Total expenses</b>	<b>-334</b>	<b>-339</b>	<b>-314</b>	<b>-333</b>	<b>-312</b>	<b>-308</b>	<b>-319</b>	<b>-346</b>
<b>Profit before loan losses</b>	<b>688</b>	<b>645</b>	<b>649</b>	<b>684</b>	<b>729</b>	<b>710</b>	<b>638</b>	<b>630</b>
Net loan losses	-32	-47	-21	-43	-25	-38	-63	-59
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	0	0	0	-	0
<b>Operating profit</b>	<b>656</b>	<b>598</b>	<b>628</b>	<b>641</b>	<b>704</b>	<b>672</b>	<b>575</b>	<b>571</b>
Profit allocation	16	14	11	22	7	8	6	12
<b>Operating profit after profit allocation</b>	<b>672</b>	<b>612</b>	<b>639</b>	<b>663</b>	<b>711</b>	<b>680</b>	<b>581</b>	<b>583</b>
Cost/income ratio, %	32.2	34.0	32.2	32.1	29.8	30.0	33.1	35.0
Loan loss ratio, %	0.06	0.10	0.04	0.08	0.05	0.07	0.12	0.13
Allocated capital	12,421	11,532	12,761	12,123	11,900	11,583	12,689	11,873
Return on allocated capital, %	16.9	16.5	15.6	17.1	18.6	18.3	14.3	14.5
Average number of employees	689	663	663	655	654	648	644	640
Number of branches	51	50	49	49	49	49	49	49

### Branch office operations in Norway, in local currency

NOK m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Net interest income	796	780	794	837	839	804	743	740
Net fee and commission income	89	88	92	83	92	78	75	82
Net gains/losses on financial transactions	31	21	16	21	18	20	16	18
Other income	3	5	6	3	3	2	3	-4
<b>Total income</b>	<b>919</b>	<b>894</b>	<b>908</b>	<b>944</b>	<b>952</b>	<b>904</b>	<b>837</b>	<b>836</b>
Staff costs	-165	-159	-159	-150	-157	-141	-150	-156
Other administrative expenses	-40	-57	-50	-61	-49	-48	-51	-54
Internal purchased and sold services	-93	-90	-85	-95	-78	-83	-76	-84
Depreciation, amortisation and impairments of property, equipment and intangible assets	-2	-3	-2	-3	-2	-2	-2	-3
<b>Total expenses</b>	<b>-300</b>	<b>-309</b>	<b>-296</b>	<b>-309</b>	<b>-286</b>	<b>-274</b>	<b>-279</b>	<b>-297</b>
<b>Profit before loan losses</b>	<b>619</b>	<b>585</b>	<b>612</b>	<b>635</b>	<b>666</b>	<b>630</b>	<b>558</b>	<b>539</b>
Net loan losses	-28	-44	-20	-39	-24	-34	-55	-51
<b>Operating profit</b>	<b>591</b>	<b>541</b>	<b>592</b>	<b>596</b>	<b>642</b>	<b>596</b>	<b>503</b>	<b>488</b>
Profit allocation	14	12	11	21	6	7	5	11
<b>Operating profit after profit allocation</b>	<b>605</b>	<b>553</b>	<b>603</b>	<b>617</b>	<b>648</b>	<b>603</b>	<b>508</b>	<b>499</b>

### Business volumes, Branch operations in Norway

Average volumes, NOK bn	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Loans to the public								
Household	76.6	75.8	75.0	74.2	72.4	71.2	70.3	69.3
Corporate	112.9	113.3	113.4	112.0	111.5	109.7	109.9	109.6
<b>Total</b>	<b>189.5</b>	<b>189.1</b>	<b>188.4</b>	<b>186.2</b>	<b>183.9</b>	<b>180.9</b>	<b>180.2</b>	<b>178.9</b>
Deposits and borrowing from the public								
Household	15.9	15.0	14.6	14.3	14.3	13.7	13.5	13.2
Corporate	49.8	45.1	43.7	39.5	31.7	32.4	38.7	38.7
<b>Total</b>	<b>65.7</b>	<b>60.1</b>	<b>58.3</b>	<b>53.8</b>	<b>46.0</b>	<b>46.1</b>	<b>52.2</b>	<b>51.9</b>



## Branch operations in the Netherlands

SEK m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Net interest income	73	67	70	66	61	53	50	48
Net fee and commission income	7	7	5	6	6	5	6	6
Net gains/losses on financial transactions	1	3	2	0	0	1	0	1
Other income	-	-	-	-	-	-	-	-
<b>Total income</b>	<b>81</b>	<b>77</b>	<b>77</b>	<b>72</b>	<b>67</b>	<b>59</b>	<b>56</b>	<b>55</b>
Staff costs	-34	-32	-29	-26	-25	-23	-22	-21
Other administrative expenses	-7	-6	-6	-6	-5	-5	-5	-6
Internal purchased and sold services	-17	-15	-16	-17	-13	-15	-11	-12
Depreciation, amortisation and impairments of property, equipment and intangible assets	-	-1	0	0	-1	0	0	-6
<b>Total expenses</b>	<b>-58</b>	<b>-54</b>	<b>-51</b>	<b>-49</b>	<b>-44</b>	<b>-43</b>	<b>-38</b>	<b>-45</b>
<b>Profit before loan losses</b>	<b>23</b>	<b>23</b>	<b>26</b>	<b>23</b>	<b>23</b>	<b>16</b>	<b>18</b>	<b>10</b>
Net loan losses	-	-2	1	-6	0	-1	-	-
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>23</b>	<b>21</b>	<b>27</b>	<b>17</b>	<b>23</b>	<b>15</b>	<b>18</b>	<b>10</b>
Profit allocation	1	1	5	1	0	1	2	0
<b>Operating profit after profit allocation</b>	<b>24</b>	<b>22</b>	<b>32</b>	<b>18</b>	<b>23</b>	<b>16</b>	<b>20</b>	<b>10</b>
Cost/income ratio, %	70.7	69.2	62.2	67.1	65.7	71.7	65.5	81.8
Loan loss ratio, %	-	0.04	-0.02	0.17	0.01	0.02	-	-
Allocated capital	859	742	865	818	805	739	745	540
Return on allocated capital, %	8.4	9.7	11.4	6.9	8.9	6.6	8.5	6.5
Average number of employees	135	128	120	110	103	100	95	91
Number of branches	20	18	18	18	16	15	15	13

### Branch office operations in the Netherlands, in local currency

Euro m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Net interest income	7.9	7.4	7.9	7.6	6.9	6.2	5.9	5.6
Net fee and commission income	0.8	0.8	0.5	0.6	0.8	0.6	0.6	0.7
Net gains/losses on financial transactions	-	0.3	0.3	0.2	0.0	0.0	0.0	0.1
Other income	0.1	-	-	-	-	-	-	-
<b>Total income</b>	<b>8.8</b>	<b>8.5</b>	<b>8.7</b>	<b>8.4</b>	<b>7.7</b>	<b>6.8</b>	<b>6.5</b>	<b>6.4</b>
Staff costs	-3.7	-3.5	-3.3	-2.9	-2.9	-2.7	-2.6	-2.4
Other administrative expenses	-0.7	-0.7	-0.7	-0.7	-0.7	-0.5	-0.5	-0.7
Internal purchased and sold services	-1.9	-1.7	-1.7	-1.9	-1.5	-1.8	-1.3	-1.4
Depreciation, amortisation and impairments of property, equipment and intangible assets	-	-0.1	-	-0.1	0.0	0.0	0.0	-0.7
<b>Total expenses</b>	<b>-6.3</b>	<b>-6.0</b>	<b>-5.7</b>	<b>-5.6</b>	<b>-5.1</b>	<b>-5.0</b>	<b>-4.4</b>	<b>-5.2</b>
<b>Profit before loan losses</b>	<b>2.5</b>	<b>2.5</b>	<b>3.0</b>	<b>2.8</b>	<b>2.6</b>	<b>1.8</b>	<b>2.1</b>	<b>1.2</b>
Net loan losses	-	-0.2	0.1	-0.7	0.0	-0.1	-	-
<b>Operating profit</b>	<b>2.5</b>	<b>2.3</b>	<b>3.1</b>	<b>2.1</b>	<b>2.6</b>	<b>1.7</b>	<b>2.1</b>	<b>1.2</b>
Profit allocation	-	0.2	0.5	0.0	0.0	0.1	0.3	0.0
<b>Operating profit after profit allocation</b>	<b>2.5</b>	<b>2.5</b>	<b>3.6</b>	<b>2.1</b>	<b>2.6</b>	<b>1.8</b>	<b>2.4</b>	<b>1.2</b>

### Business volumes, Branch operations in the Netherlands

Average volumes, EUR m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Loans to the public								
Household	760	682	625	567	515	442	389	313
Corporate	1,121	1,145	1,460	1,264	1,256	1,255	1,226	1,325
<b>Total</b>	<b>1,881</b>	<b>1,827</b>	<b>2,085</b>	<b>1,831</b>	<b>1,771</b>	<b>1,697</b>	<b>1,615</b>	<b>1,638</b>
Deposits and borrowing from the public								
Household	34	29	27	27	26	26	24	22
Corporate	1,099	1,067	960	1,264	836	935	639	499
<b>Total</b>	<b>1,133</b>	<b>1,096</b>	<b>987</b>	<b>1,291</b>	<b>862</b>	<b>961</b>	<b>663</b>	<b>521</b>

## Handelsbanken International

SEK m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Net interest income	154	153	174	176	170	161	153	166
Net fee and commission income	69	72	62	73	75	79	81	81
Net gains/losses on financial transactions	14	15	29	14	22	27	16	18
Other income	3	4	2	2	0	1	3	-1
<b>Total income</b>	<b>240</b>	<b>244</b>	<b>267</b>	<b>265</b>	<b>267</b>	<b>268</b>	<b>253</b>	<b>264</b>
Staff costs	-134	-132	-126	-126	-125	-129	-130	-140
Other administrative expenses	-46	-45	-41	-58	-42	-43	-38	-50
Internal purchased and sold services	-24	-35	-35	-47	-34	-37	-35	-26
Depreciation, amortisation and impairments of property, equipment and intangible assets	-3	-2	-3	-3	-2	-3	-3	-2
<b>Total expenses</b>	<b>-207</b>	<b>-214</b>	<b>-205</b>	<b>-234</b>	<b>-203</b>	<b>-212</b>	<b>-206</b>	<b>-218</b>
<b>Profit before loan losses</b>	<b>33</b>	<b>30</b>	<b>62</b>	<b>31</b>	<b>64</b>	<b>56</b>	<b>47</b>	<b>46</b>
Net loan losses	4	45	-1	-14	-44	-11	4	65
Gains/losses on disposal of property, equipment and intangible assets	-	0	0	0	0	0	0	-1
<b>Operating profit</b>	<b>37</b>	<b>75</b>	<b>61</b>	<b>17</b>	<b>20</b>	<b>45</b>	<b>51</b>	<b>110</b>
Profit allocation	2	6	13	18	9	3	8	9
<b>Operating profit after profit allocation</b>	<b>39</b>	<b>81</b>	<b>74</b>	<b>35</b>	<b>29</b>	<b>48</b>	<b>59</b>	<b>119</b>
Cost/income ratio, %	85.5	85.6	73.2	82.7	73.6	78.2	78.9	79.9
Loan loss ratio, %	-0.05	-0.67	0.02	0.18	0.58	0.15	-0.05	-0.70
Allocated capital	2,847	3,711	4,024	4,221	4,507	4,202	4,269	4,001
Return on allocated capital, %	4.4	6.8	5.7	2.5	2.0	3.6	4.3	8.6
Average number of employees	499	502	503	498	511	517	519	533
Number of branches	19	19	19	19	19	19	19	19

## Business volumes, Handelsbanken International

Average volumes, SEK bn	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Loans to the public								
Household	4.0	3.9	3.8	3.7	3.4	3.4	3.4	3.5
Corporate	28.4	28.2	28.5	29.3	29.7	30.0	29.9	31.4
<b>Total</b>	<b>32.4</b>	<b>32.1</b>	<b>32.3</b>	<b>33.0</b>	<b>33.1</b>	<b>33.4</b>	<b>33.3</b>	<b>34.9</b>
Deposits and borrowing from the public								
Household	3.1	2.4	2.3	2.4	2.3	2.4	2.4	2.8
Corporate	45.8	32.1	28.7	34.7	25.1	21.7	23.6	22.4
<b>Total</b>	<b>48.9</b>	<b>34.5</b>	<b>31.0</b>	<b>37.1</b>	<b>27.4</b>	<b>24.1</b>	<b>26.0</b>	<b>25.2</b>

## Handelsbanken Capital Markets

### Handelsbanken Capital Markets

SEK m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Net interest income	21	31	28	28	34	46	43	44
Net fee and commission income	672	699	702	707	588	703	660	637
Net gains/losses on financial transactions	291	424	326	253	215	298	211	242
Risk result - insurance	46	43	42	35	30	26	51	88
Other income	2	4	-2	2	10	-6	4	3
<b>Total income</b>	<b>1,032</b>	<b>1,201</b>	<b>1,096</b>	<b>1,025</b>	<b>877</b>	<b>1,067</b>	<b>969</b>	<b>1,014</b>
Staff costs	-489	-496	-524	-512	-505	-509	-507	-583
Other administrative expenses	-146	-170	-178	-228	-164	-208	-185	-189
Internal purchased and sold services	22	23	-10	0	13	13	5	-31
Depreciation, amortisation and impairments of property, equipment and intangible assets	-17	-23	-9	-11	-14	-11	-14	-14
<b>Total expenses</b>	<b>-630</b>	<b>-666</b>	<b>-721</b>	<b>-751</b>	<b>-670</b>	<b>-715</b>	<b>-701</b>	<b>-817</b>
<b>Profit before loan losses</b>	<b>402</b>	<b>535</b>	<b>375</b>	<b>274</b>	<b>207</b>	<b>352</b>	<b>268</b>	<b>197</b>
Net loan losses								
<b>Operating profit</b>	<b>402</b>	<b>535</b>	<b>375</b>	<b>274</b>	<b>207</b>	<b>352</b>	<b>268</b>	<b>197</b>
Profit allocation	-322	-310	-281	-461	-233	-239	-201	-252
<b>Operating profit after profit allocation</b>	<b>80</b>	<b>225</b>	<b>94</b>	<b>-187</b>	<b>-26</b>	<b>113</b>	<b>67</b>	<b>-55</b>
Internal income	-372	-355	-284	-412	-290	-340	-372	-297
Cost/income ratio, %	88.7	74.7	88.5	133.2	104.0	86.4	91.3	107.2
Allocated capital	3,610	3,073	2,934	3,061	3,241	3,926	3,954	4,187
Return on allocated capital, %	6.9	22.9	10.0	-	-	9.0	5.3	-
Average number of employees	1,379	1,388	1,427	1,448	1,486	1,458	1,463	1,481

### Handelsbanken Liv

SEK m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Administration result	47	51	39	43	45	30	28	20
Risk result	46	43	42	35	30	26	51	88
Financial result	8	12	5	1	-17	-28	-21	-20
<i>of which deferred capital contribution</i>	-1	1	-2	3	-16	-26	-20	-13
Other	2	7	9	13	19	27	28	20
<b>Operating profit</b>	<b>103</b>	<b>113</b>	<b>95</b>	<b>92</b>	<b>77</b>	<b>55</b>	<b>86</b>	<b>108</b>
AUM, SEK bn, end of period	97	96	90	88	84	80	79	75
<i>of which unit-linked</i>	69	67	62	60	57	53	52	49
<i>of which portfolio bond</i>	18	18	17	17	16	16	16	15
Solvency ratio, end of period	7.5	7.6	7.7	7.9	7.6	7.3	6.5	5.9
Premiums paid, SEK m	2,587	3,284	2,521	2,485	2,127	3,312	2,448	2,062
<i>of which portfolio bond</i>	645	615	643	596	470	631	556	359
<i>of which unit-linked</i>	1,769	2,500	1,712	1,705	1,475	2,500	1,654	1,510
<i>of which occupational pensions</i>	557	588	461	412	404	402	343	313
New sales mutual funds & custody, Sweden, SEK m	322	453	471	377	293	494	396	282

**Other**

SEK m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Net interest income	120	97	122	93	21	57	142	-17
Net fee and commission income	25	-8	-5	-19	-12	-13	13	43
Net gains/losses on financial transactions	-164	-224	128	-135	-66	-158	-143	-112
Share of profit of associates	2	5	-11	7	5	2	-5	7
Other income	4	254	43	27	14	164	50	24
<b>Total income</b>	<b>-13</b>	<b>124</b>	<b>277</b>	<b>-27</b>	<b>-38</b>	<b>52</b>	<b>57</b>	<b>-55</b>
Staff costs	-571	-661	-645	-810	-680	-692	-676	-759
Other administrative expenses	-449	-532	-555	-567	-531	-557	-554	-703
Internal purchased and sold services	927	1,108	1,123	1,139	1,028			
Depreciation, amortisation and impairments of property, equipment and intangible assets	-62	-61	-67	-58	-62	-64	-65	-50
<b>Total expenses</b>	<b>-155</b>	<b>-146</b>	<b>-144</b>	<b>-296</b>	<b>-245</b>	<b>-221</b>	<b>-218</b>	<b>-408</b>
<b>Profit before loan losses</b>	<b>-168</b>	<b>-22</b>	<b>133</b>	<b>-323</b>	<b>-283</b>	<b>-169</b>	<b>-161</b>	<b>-463</b>
Net loan losses								
Gains/losses on disposal of property, equipment and intangible assets	0	-	0	7	-1	1	0	0
<b>Operating profit</b>	<b>-168</b>	<b>-22</b>	<b>133</b>	<b>-316</b>	<b>-284</b>	<b>-168</b>	<b>-161</b>	<b>-463</b>
Profit allocation	-1	-	0	0	0	0	0	0
<b>Operating profit after profit allocation</b>	<b>-169</b>	<b>-22</b>	<b>133</b>	<b>-316</b>	<b>-284</b>	<b>-168</b>	<b>-161</b>	<b>-463</b>
Internal income	2,079	1,969	2,033	2,110	1,985	2,037	2,206	2,122
Average number of employees	1,931	1,947	1,975	2,002	1,980	1,973	1,973	1,957

**Eliminations**

SEK m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Net interest income	15	-13	-12	-12	-12	-10	-11	-9
Net fee and commission income	-	-	-	-	-	-	-	-
Net gains/losses on financial transactions	-	-	-	-	-	-	-	-
Risk result - insurance	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-
<b>Total income</b>	<b>15</b>	<b>-13</b>	<b>-12</b>	<b>-12</b>	<b>-12</b>	<b>-10</b>	<b>-11</b>	<b>-9</b>
Staff costs	1	-	0	23	-21	0	-11	-23
Other administrative expenses	-	-	-	-	-	-	-	-
Depreciation, amortisation and impairments of property, equipment and intangible assets	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>-14</b>	<b>13</b>	<b>12</b>	<b>35</b>	<b>-9</b>	<b>10</b>	<b>-</b>	<b>-14</b>
<b>Profit before loan losses</b>	<b>1</b>	<b>-</b>	<b>0</b>	<b>23</b>	<b>-21</b>	<b>0</b>	<b>-11</b>	<b>-23</b>
Net loan losses	-	-	-	-	-	-	-	-
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>23</b>	<b>-21</b>	<b>0</b>	<b>-11</b>	<b>-23</b>

# Balance sheet

## Balance sheet - Svenska Handelsbanken Group

SEK m	30 Sep 2014	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012
<b>Assets</b>								
Cash and balances with central banks	399,457	417,306	367,464	334,794	345,109	211,274	219,746	236,545
Other loans to central banks	37,394	59,780	42,941	35,160	34,403	34,327	40,312	12,370
Interest-bearing securities eligible as collateral with central banks	74,287	56,610	61,782	57,451	63,245	54,996	56,866	48,906
Loans to other credit institutions	70,959	76,519	58,295	62,898	72,984	71,693	87,206	89,511
Loans to the public	1,781,421	1,765,160	1,727,011	1,696,339	1,682,552	1,685,665	1,655,041	1,680,479
Value change of interest-hedged item in portfolio hedge	82	90	95	96	2,143	2,396	2,702	5,271
Bonds and other interest-bearing securities	63,563	53,057	59,175	64,125	63,947	65,575	72,049	68,354
Shares	37,655	41,870	48,345	48,595	41,929	38,698	35,488	30,146
Investments in associates	268	263	267	272	278	277	219	203
Assets where the customer bears the value change risk	90,569	88,879	83,246	80,930	77,496	73,199	71,552	69,590
Derivative instruments	94,379	78,068	68,435	69,961	74,627	90,141	101,865	110,850
Reinsurance assets	4	4	4	4	1	1	1	1
Intangible assets	8,001	7,968	7,890	7,835	7,716	7,747	7,162	7,206
Property and equipment	2,208	2,266	2,187	2,205	2,114	2,183	2,156	2,209
Current tax assets	1,316	692	360	405	785	387	365	129
Deferred tax assets	330	309	243	269	407	480	362	350
Net pension assets	-	2,385	2,134	1,733	1,907	1,043	1,964	766
Assets held for sale	1,238	1,166	1,294	1,247	1,159	1,084	985	854
Other assets	31,381	21,800	37,892	13,262	32,460	37,144	21,044	12,812
Prepaid expenses and accrued income	6,299	6,099	6,780	7,140	6,705	7,013	8,250	7,399
<b>Total assets</b>	<b>2,700,811</b>	<b>2,680,291</b>	<b>2,575,840</b>	<b>2,484,721</b>	<b>2,511,967</b>	<b>2,385,323</b>	<b>2,385,335</b>	<b>2,383,951</b>
<b>Liabilities and equity</b>								
Due to credit institutions	201,737	205,649	173,675	171,624	169,761	197,223	213,004	183,945
Deposits and borrowing from the public	933,952	943,151	867,225	825,205	807,630	636,776	642,314	682,223
Liabilities where the customer bears the value change risk	90,611	88,942	83,294	80,977	77,559	73,228	71,572	69,638
Issued securities	1,183,993	1,174,512	1,173,702	1,150,641	1,180,015	1,209,644	1,158,140	1,151,426
Derivative instruments	61,171	52,253	61,555	61,529	71,564	73,086	92,369	106,044
Short positions	16,854	19,644	21,001	22,845	18,371	20,098	29,040	16,201
Insurance liabilities	656	646	1,304	622	632	672	679	666
Current tax liabilities	1,005	648	343	831	1,069	928	1,389	497
Deferred tax liabilities	8,822	8,903	7,999	7,413	7,568	7,363	8,027	8,713
Provisions	64	112	117	141	123	110	111	120
Net pension liabilities	595	-	-	-	-	-	-	-
Liabilities related to assets held for sale	567	589	575	539	537	549	442	349
Other liabilities	28,262	18,710	29,977	13,189	31,303	24,139	24,725	17,848
Accrued expenses and deferred income	22,729	20,143	20,730	21,861	23,412	19,977	23,184	21,264
Subordinated liabilities	29,544	29,575	26,523	15,965	15,911	19,139	19,973	21,167
<b>Total liabilities</b>	<b>2,580,562</b>	<b>2,563,477</b>	<b>2,468,020</b>	<b>2,373,382</b>	<b>2,405,455</b>	<b>2,282,932</b>	<b>2,284,969</b>	<b>2,280,101</b>
Minority interest	3	3	2	2	2	2	2	2
Share capital	2,956	2,956	2,956	2,956	2,955	2,955	2,951	2,943
Share premium	3,203	3,444	2,847	2,843	2,813	2,798	2,659	2,337
Reserves	8,984	9,256	4,893	1,837	568	69	1,882	2,340
Retained earnings	93,262	93,213	93,213	89,406	89,406	89,406	89,406	82,191
Profit for the period, attributable to shareholders in Svenska Handelsbanken AB	11,841	7,942	3,909	14,295	10,768	7,161	3,466	14,037
<b>Total equity</b>	<b>120,249</b>	<b>116,814</b>	<b>107,820</b>	<b>111,339</b>	<b>106,512</b>	<b>102,391</b>	<b>100,366</b>	<b>103,850</b>
<b>Total liabilities and equity</b>	<b>2,700,811</b>	<b>2,680,291</b>	<b>2,575,840</b>	<b>2,484,721</b>	<b>2,511,967</b>	<b>2,385,323</b>	<b>2,385,335</b>	<b>2,383,951</b>

## Business volumes – Lending to the public

### CREDIT POLICY

#### Credit process

- The credit process always starts at the branch with customer responsibility.
- In the case of large credits, decisions are made at regional and central level (the Board).
- All credits must be recommended by the branch with customer responsibility.
- The local branch's regular contact with its customers enables the branch to quickly identify any problems and take action.
- If necessary, the branch receives support from the regional head office and central units.

#### Basic guidelines

- The assessment starts with the borrower's repayment capacity
- Weak repayment capacity can never be offset by collateral or high margins
- Quality requirements must never be neglected in favour of large volume
- Credits must normally be adequately secured

#### Loans to the public by sector

Loans net	30 Sep 2014	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012
SEK m, end of period								
Private individuals	837,066	821,614	800,648	787,705	771,159	762,461	744,776	742,602
<i>of which mortgage loans in Stadshypotek</i>	<i>673,764</i>	<i>663,995</i>	<i>651,777</i>	<i>642,405</i>	<i>631,153</i>	<i>624,732</i>	<i>612,349</i>	<i>607,119</i>
<i>of which other mortgage loans</i>	<i>89,251</i>	<i>85,048</i>	<i>80,075</i>	<i>77,350</i>	<i>73,246</i>	<i>71,214</i>	<i>66,525</i>	<i>66,916</i>
<i>of which other loans to private individuals</i>	<i>74,050</i>	<i>72,570</i>	<i>68,795</i>	<i>67,950</i>	<i>66,760</i>	<i>66,515</i>	<i>65,902</i>	<i>68,567</i>
Housing co-operative associations	149,813	147,355	143,213	140,287	136,935	135,420	131,788	129,114
<i>of which mortgage loans in Stadshypotek</i>	<i>134,963</i>	<i>133,281</i>	<i>130,894</i>	<i>128,515</i>	<i>125,020</i>	<i>123,521</i>	<i>119,955</i>	<i>105,417</i>
Property management, Note 1	484,745	472,707	463,410	461,332	447,619	445,340	432,559	436,329
Manufacturing	40,440	41,697	42,319	38,534	40,100	42,888	42,953	44,697
Retail	28,937	27,778	29,701	31,208	32,516	33,754	32,964	33,205
Hotels and restaurants	7,501	7,760	7,728	7,372	7,470	7,871	7,885	8,198
Shipping, passenger & goods transport by sea	13,976	14,010	13,855	14,310	14,925	16,528	17,049	17,433
Other transport and communication	19,786	30,366	28,762	26,892	27,672	29,129	29,717	32,224
Construction	15,819	14,657	14,042	12,179	13,331	13,653	13,475	13,289
Electricity, gas, water	23,381	23,075	23,081	23,576	23,181	22,586	23,633	23,940
Agriculture, hunting and forestry	10,542	9,994	9,442	8,340	9,261	9,397	9,020	8,902
Other service industry	20,512	21,477	19,562	22,895	24,474	25,182	24,646	25,345
Holding companies, insurance companies, funds etc.	66,325	56,145	58,939	72,703	84,680	88,045	92,138	88,618
State & municipalities	26,764	32,624	28,664	20,935	20,743	18,311	21,502	36,711
Other corporate lending	36,153	44,265	44,002	28,428	28,833	35,450	31,216	40,160
<b>Total loans to the public, before taking into account collective provisions</b>	<b>1,781,760</b>	<b>1,765,524</b>	<b>1,727,368</b>	<b>1,696,696</b>	<b>1,682,899</b>	<b>1,686,015</b>	<b>1,655,321</b>	<b>1,680,767</b>
Collective provisions	-339	-364	-357	-357	-347	-350	-280	-288
<b>Total loans to the public</b>	<b>1,781,421</b>	<b>1,765,160</b>	<b>1,727,011</b>	<b>1,696,339</b>	<b>1,682,552</b>	<b>1,685,665</b>	<b>1,655,041</b>	<b>1,680,479</b>

**Specification of Loans to the public after deduction of provisions - Property management**

SEK m, end of period	30 Sep 2014	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012
<b>Lending in Sweden</b>								
State-owned property companies	7,373	7,373	7,673	7,798	8,448	7,800	8,063	9,213
Municipal-owned property companies	16,529	15,983	16,269	15,430	15,747	15,428	14,729	14,468
Residential property companies	86,746	86,851	85,577	73,556	74,834	73,499	74,248	72,881
<i>of which mortgage loans in Stadshypotek</i>	<i>69,617</i>	<i>69,970</i>	<i>69,141</i>	<i>57,725</i>	<i>58,076</i>	<i>56,708</i>	<i>55,759</i>	<i>52,756</i>
Other property companies	140,320	138,255	140,223	151,300	145,173	147,122	146,276	144,937
<i>of which mortgage loans in Stadshypotek</i>	<i>71,415</i>	<i>70,929</i>	<i>67,403</i>	<i>75,966</i>	<i>65,120</i>	<i>64,711</i>	<i>63,105</i>	<i>61,092</i>
<b>Total lending in Sweden</b>	<b>250,968</b>	<b>248,462</b>	<b>249,742</b>	<b>248,084</b>	<b>244,202</b>	<b>243,849</b>	<b>243,316</b>	<b>241,499</b>
<b>Lending outside Sweden</b>								
Denmark	13,209	12,294	11,824	11,991	11,496	11,658	10,623	10,527
Finland	24,431	24,336	23,067	23,612	22,303	21,510	19,340	19,471
Norway	81,224	79,381	78,479	76,397	76,517	78,706	75,662	80,475
Great Britain	96,882	90,817	82,783	81,060	77,170	73,830	68,811	69,679
The Netherlands	10,376	9,809	9,916					
Other countries	7,655	7,608	7,599	7,555	7,250	7,447	14,807	14,678
<b>Total lending outside Sweden</b>	<b>233,777</b>	<b>224,245</b>	<b>213,668</b>	<b>213,248</b>	<b>203,417</b>	<b>201,491</b>	<b>189,243</b>	<b>194,830</b>
<b>Total lending - Property management</b>	<b>484,745</b>	<b>472,707</b>	<b>463,410</b>	<b>461,332</b>	<b>447,619</b>	<b>445,340</b>	<b>432,559</b>	<b>436,329</b>

**Credit risk exposure**

SEK m	30 Sep 2014	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012
Loans to the public	1,781,421	1,765,160	1,727,011	1,696,339	1,682,552	1,685,665	1,655,041	1,680,479
<i>of which reverse repos</i>	<i>14,372</i>	<i>19,418</i>	<i>18,539</i>	<i>15,711</i>	<i>22,932</i>	<i>24,284</i>	<i>16,056</i>	<i>33,799</i>
Loans to other credit institutions	70,959	76,519	58,295	62,898	72,984	71,693	87,206	89,511
<i>of which reverse repos</i>	<i>42,019</i>	<i>37,497</i>	<i>30,436</i>	<i>33,874</i>	<i>38,562</i>	<i>42,463</i>	<i>53,826</i>	<i>59,241</i>
Unutilised part of granted overdraft facilities *	106,122	91,754	91,538	99,660	98,937	98,862	99,885	108,368
Committed loan offers	263,807	263,690	258,152	246,518	247,486	247,482	240,965	239,774
Other commitments	6,761	11,696	9,552	9,046	16,248	10,637	21,851	20,779
Guarantees, credits	9,733	9,472	8,390	8,371	9,002	10,145	10,364	10,723
Guarantees, other	59,882	60,754	58,838	58,568	58,623	59,186	56,416	39,913
Documentary credits	5,453	5,260	5,702	7,190	7,559	8,187	9,609	30,164
Derivative instruments **	94,379	78,068	68,435	69,961	74,627	90,141	101,865	110,850
Treasury bills and other eligible bills	74,287	56,610	61,782	57,451	63,245	54,996	56,866	48,906
Bonds and other interest-bearing securities	63,563	53,057	59,175	64,125	63,947	65,575	72,049	68,354
<b>Total</b>	<b>2,536,367</b>	<b>2,472,040</b>	<b>2,406,870</b>	<b>2,380,127</b>	<b>2,395,210</b>	<b>2,402,569</b>	<b>2,412,117</b>	<b>2,447,821</b>

\* As of 2014, unutilised overdraft facilities which the counterparty does not have at its disposal at the time of recognition are not included and therefore do not give rise to a capital requirement. The comparative figures have been restated.

\*\* Refers to the total of positive market values.

**Credit risk exposure by country**

SEK m	30 Sep 2014	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012
Sweden	1,640,845	1,614,833	1,586,526	1,598,668	1,629,561	1,646,730	1,675,137	1,710,767
Great Britain	198,636	185,162	170,951	164,682	155,575	148,134	137,072	140,238
Denmark	111,050	105,936	102,175	100,369	97,296	96,771	87,469	87,164
Finland	137,223	141,458	132,741	128,894	123,121	125,073	116,793	116,516
Norway	270,723	263,983	261,489	253,563	252,522	257,074	252,375	252,411
Germany	13,395	13,452	13,450	13,539	15,489	16,415	17,123	18,050
The Netherlands	24,421	25,312	22,903	22,860	21,476	21,340	19,420	19,521
Poland	3,634	3,609	3,546	3,495	3,368	3,429	3,189	3,569
Other	136,440	122,096	113,091	116,969	119,598	108,844	124,040	123,751
<b>Total</b>	<b>2,536,367</b>	<b>2,475,841</b>	<b>2,406,870</b>	<b>2,403,039</b>	<b>2,418,006</b>	<b>2,423,810</b>	<b>2,432,618</b>	<b>2,471,987</b>

**Loans to the public - by country\***

SEK bn, end of period	30 Sep 2014	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012
Branch operations in Sweden	1,137	1,130	1,119	1,111	1,110	1,107	1,101	1,078
Branch operations in UK	161	149	137	132	125	119	110	113
Branch operations in Denmark	79	76	74	72	70	73	68	67
Branch operations in Finland	111	115	108	107	103	103	96	97
Branch operations in Norway	214	208	204	198	197	202	200	209
Branch operations in the Netherlands	17	17	15	18	15	15	14	14
Handelsbanken International	32	32	32	32	32	34	33	34
Other	23	26	26	21	29	31	25	52
<b>Total</b>	<b>1,774</b>	<b>1,753</b>	<b>1,715</b>	<b>1,691</b>	<b>1,681</b>	<b>1,683</b>	<b>1,647</b>	<b>1,664</b>

\* Excluding loans to the National Debt Office.

**Loans to households - by country**

SEK bn, end of period	30 Sep 2014	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012
Branch operations in Sweden	656	648	635	627	620	614	604	597
Branch operations in UK	50	46	42	39	36	33	30	30
Branch operations in Denmark	42	41	38	38	35	34	32	32
Branch operations in Finland	34	35	34	34	33	33	30	31
Branch operations in Norway	88	85	83	81	79	81	80	83
Branch operations in the Netherlands	7	6	6	5	5	4	4	3
Handelsbanken International	4	4	4	4	3	4	4	3
Other	-	-	0	-	0	1	1	0
<b>Total</b>	<b>883</b>	<b>865</b>	<b>842</b>	<b>827</b>	<b>811</b>	<b>803</b>	<b>785</b>	<b>779</b>

**Corporate lending - by country\***

SEK bn, end of period	30 Sep 2014	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012
Branch operations in Sweden	481	482	484	485	489	493	497	482
Branch operations in UK	111	103	95	92	89	86	81	83
Branch operations in Denmark	37	35	35	34	35	38	37	35
Branch operations in Finland	77	80	74	74	70	71	66	66
Branch operations in Norway	126	123	121	117	117	121	119	127
Branch operations in the Netherlands	10	11	9	13	10	11	10	11
Handelsbanken International	27	28	28	28	29	30	29	30
Other	22	26	27	21	31	30	24	52
<b>Total</b>	<b>891</b>	<b>888</b>	<b>873</b>	<b>864</b>	<b>870</b>	<b>880</b>	<b>862</b>	<b>885</b>

\* Excluding loans to the National Debt Office.



## Business volumes – Savings and deposits

### Assets under management, Handelsbanken Group

SEK bn, end of period	30 Sep 2014	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012
Mutual funds, excl. PPM and Unit-linked	236	230	213	199	185	177	177	166
PPM	16	16	15	14	12	12	12	11
Unit-linked insurance	69	67	62	60	57	53	52	49
<i>of which external mutual funds</i>	-2	-2	-2	-2	-2	-1	-2	-2
<b>Total mutual funds</b>	<b>319</b>	<b>311</b>	<b>288</b>	<b>271</b>	<b>252</b>	<b>241</b>	<b>239</b>	<b>224</b>
Structured products	23	22	24	25	25	26	27	28
Portfolio bond insurance	18	18	17	17	16	16	16	15
<i>of which in mutual funds and structured products</i>	-7	-6	-5	-5	-5	-4	-4	-4
Traditional insurance	10	10	10	11	11	11	11	12
<i>of which in mutual funds and structured products</i>	-1	-1	-	-	0	0	0	0
Institutional *	176	172	154	140	124	119	105	100
<i>of which in mutual funds and structured products</i>	-77	-76	-67	-59	-53	-53	-54	-51
Handelsbanken's pensions foundations	58	59	58	58	54	52	53	49
<i>of which in mutual funds and structured products</i>	-7	-8	-6	-6	-6	-6	-5	-5
<b>Total assets under management, excl. securities in custody</b>	<b>512</b>	<b>501</b>	<b>473</b>	<b>452</b>	<b>418</b>	<b>402</b>	<b>388</b>	<b>368</b>
Securities in custody, excl. mutual funds	273	274	269	256	239	237	242	228

\* Including the whole volume managed by Heartwood, of which own funds SEK 14 bn.

### Deposits and borrowing from the public - by country

SEK bn, end of period	30 Sep 2014	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012
Branch operations in Sweden	408	404	398	404	391	384	383	384
Branch operations in UK	86	92	71	58	45	34	27	30
Branch operations in Denmark	29	26	24	28	26	25	22	27
Branch operations in Finland	41	41	41	34	28	24	22	25
Branch operations in Norway	76	66	65	59	52	49	53	62
Branch operations in the Netherlands	8	10	9	6	11	8	7	4
Handelsbanken International	52	44	29	33	33	21	28	23
Other	235	260	230	203	222	92	100	127
<b>Total</b>	<b>934</b>	<b>943</b>	<b>867</b>	<b>825</b>	<b>808</b>	<b>637</b>	<b>642</b>	<b>682</b>

**Deposits and borrowing from households - by country**

SEK bn, end of period	30 Sep 2014	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012
Branch operations in Sweden	246	245	234	233	228	228	219	217
Branch operations in UK	16	15	12	9	8	7	6	6
Branch operations in Denmark	12	12	12	12	11	11	11	11
Branch operations in Finland	12	11	11	11	11	11	11	11
Branch operations in Norway	18	17	16	15	15	16	15	16
Branch operations in the Netherlands	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2
Handelsbanken International	3	3	2	2	2	2	2	2
Other	4	6	4	5	4	5	5	4
<b>Total</b>	<b>311</b>	<b>309</b>	<b>291</b>	<b>287</b>	<b>280</b>	<b>281</b>	<b>268</b>	<b>267</b>

**Deposits and borrowing from corporates - by country**

SEK bn, end of period	30 Sep 2014	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012
Branch operations in Sweden	162	159	164	171	163	156	164	167
Branch operations in UK	70	77	58	49	36	27	22	24
Branch operations in Denmark	17	14	13	16	15	14	11	16
Branch operations in Finland	29	30	30	23	17	13	12	14
Branch operations in Norway	58	49	49	44	37	33	38	47
Branch operations in the Netherlands	8	10	9	6	11	7	7	4
Handelsbanken International	49	41	27	31	31	19	25	20
Other	231	254	226	198	218	87	95	123
<b>Total</b>	<b>623</b>	<b>634</b>	<b>576</b>	<b>538</b>	<b>528</b>	<b>356</b>	<b>374</b>	<b>415</b>

## Capital base and capital requirement

### Capital base CRD IV \*

SEK m	30 Sep 2014	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013
<b>TIER 1 CAPITAL</b>							
Equity, Group	120,249	116,814	107,820	111,339	106,512	102,391	100,366
Accrued unpaid dividend last year	-	-	-	-	-	-	-
Accrued dividend current year **	-6,059	-4,085	-1,904	-10,485	-5,123	-3,415	-1,707
Result from unconsolidated entities	-556	-335	-180	-680	-326	-227	-174
Equity not part of the consolidated situation	570	421	1,031	1,727	1,842	1,829	1,843
Minority interests	-3	-3	-2	-2	-2	-2	-2
<b>Equity (consolidated entities)</b>	<b>114,201</b>	<b>112,812</b>	<b>106,765</b>	<b>101,899</b>	<b>102,903</b>	<b>100,576</b>	<b>100,326</b>
Deducted items							
Goodwill and other intangible assets	-7,991	-7,958	-7,883	-7,835	-8,164	-8,136	-7,533
Value adjustments (fair value)	-1	-1	-1	-67	-7	-14	-12
Special deduction for IRB institutions	-2,226	-2,228	-2,216	-1,986	-1,750	-1,852	-2,222
Positions in securitisation	-	-	-492	-490	-486	-512	-496
Net pension assets	-	-13	-47	-	-	-	-174
Adjustments in accordance with stability filter	-	-	-	-	-	-	-
Cash flow hedges	-2,626	-1,535	490	1,518	696	831	-879
Unrealised accumulated gains, shares	-1,070	-1,280	-1,323	-	-	-	-
<b>Common equity tier 1 capital, gross</b>	<b>100,287</b>	<b>99,797</b>	<b>95,293</b>	<b>93,039</b>	<b>93,192</b>	<b>90,893</b>	<b>89,010</b>
Threshold deductions							
Capital contributions to unconsolidated financial entities >10% CET1	-	-	-	-	-	-	-
Deferred tax assets >10% CET1	-	-	-	-	-	-	-
Amount of capital contributions and deferred tax assets >15%	-	-	-	-	-	-	-
<b>Common equity tier 1 capital</b>	<b>100,287</b>	<b>99,797</b>	<b>95,293</b>	<b>93,039</b>	<b>93,192</b>	<b>90,893</b>	<b>89,010</b>
Additional tier 1 instruments	7,874	7,896	7,746	10,602	10,577	10,685	11,617
<b>Total tier 1 capital</b>	<b>108,161</b>	<b>107,693</b>	<b>103,039</b>	<b>103,641</b>	<b>103,769</b>	<b>101,578</b>	<b>100,627</b>
<b>TIER 2 CAPITAL</b>							
Subordinated loans	17,427	17,588	17,393	3,882	4,313	7,362	7,231
Deducted items							
Tier 2 contribution in unconsolidated financial entities	-1,129	-1,129	-1,129	-1,129	-1,129	-1,129	-1,129
<b>Total tier 2 capital</b>	<b>16,298</b>	<b>16,459</b>	<b>16,264</b>	<b>2,753</b>	<b>3,184</b>	<b>6,233</b>	<b>6,102</b>
<b>Total own funds</b>	<b>124,459</b>	<b>124,152</b>	<b>119,303</b>	<b>106,394</b>	<b>106,953</b>	<b>107,811</b>	<b>106,729</b>

\* The historic comparison figures for 2013 in the table refer to CRR/CRD IV and are estimates based on the Bank's interpretation of the regulations at the respective reporting date and assuming full implementation of the regulations.

\*\* The amount as at 30 June 2014 assumes that Handelsbanken receives the consent of the Swedish Financial Supervisory Authority to calculate the deduction for dividends based on historical ordinary dividends, i.e. excluding extraordinary dividends. The Supervisory Authority has not yet made a decision on this matter. If the deduction was instead based on the total dividend, common equity tier 1 capital would be reduced by SEK 1,776m.

**Capital adequacy analysis \***

	30 Sep 2014	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012
Common equity tier 1 ratio, CRD IV	20.7%	20.1%	19.5%	18.9%	18.8%	17.8%	17.5%	
Tier 1 ratio, CRD IV	22.3%	21.7%	21.1%	21.0%	21.0%	19.9%	19.8%	
Total capital ratio, CRD IV	25.6%	25.0%	24.5%	21.6%	21.6%	21.1%	21.0%	
Capital base in relation to capital requirement according to Basel I floor	141%	143%	141%	124%	125%	123%	126%	125%

\* The historic ratios for 2013 refer to CRR/CRD IV and are estimates based on the Bank's interpretation of the regulations at the respective reporting date and assuming full implementation of the regulations.

**Capital requirement**

SEK m	30 Sep 2014	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013
Credit risk according to standardised approach	5,632	5,992	5,731	4,225	4,089	3,885	3,690
Credit risk according to IRB approach	27,261	28,161	27,729	28,015	28,385	29,555	29,342
Market risks	1,027	696	700	770	711	988	1,089
Credit value adjustment risk (CVA)	462	476	434	0	0	0	0
Operational risk	4,439	4,439	4,439	4,246	4,246	4,246	4,246
<b>Total capital requirement</b>	<b>38,821</b>	<b>39,764</b>	<b>39,033</b>	<b>37,256</b>	<b>37,431</b>	<b>38,674</b>	<b>38,367</b>
Adjustment according to Basel I floor	51,218	48,893	46,859	44,039	43,363	42,957	41,990
<b>Capital requirement, Basel I floor</b>	<b>90,039</b>	<b>88,657</b>	<b>85,892</b>	<b>81,295</b>	<b>80,794</b>	<b>81,631</b>	<b>80,357</b>
Total capital base, Basel I floor	126,686	126,380	121,519	100,406	101,360	102,210	101,117

**Capital requirement market risks**

SEK m	30 Sep 2014	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013
Position risk in the trading book	1,018	686	691	756	701	978	1,073
Interest rate risk	1,003	667	675	745	690	956	1,047
<i>of which general risk</i>	644	459	441	493	466	568	684
<i>of which specific risk</i>	354	202	228	252	224	387	362
<i>of which positions in securitisation instruments</i>	0	0	0	0	0	1	1
<i>of which non-delta risk</i>	5	6	6	-	-	-	-
Equity price risk	15	19	16	11	11	22	26
<i>of which general risk</i>	2	3	4	3	4	6	5
<i>of which specific risk</i>	4	8	8	6	6	16	21
<i>of which mutual funds</i>	1	1	1	2	1	0	0
<i>of which non-delta risk</i>	8	7	3	-	-	-	-
Exchange rate risk	-	-	-	-	-	-	-
<i>of which non-delta risk</i>	-	-	-	-	-	-	-
Commodities risk	9	10	9	14	10	10	16
<i>of which non-delta risk</i>	0	0	1	-	-	-	-
Settlement risk	0	0	0	0	-	-	0
<b>Total capital requirement for market risks</b>	<b>1,027</b>	<b>696</b>	<b>700</b>	<b>770</b>	<b>711</b>	<b>988</b>	<b>1,089</b>

## Credit risks IRB

### Exposure after credit risk protection (EAD)

SEK m	30 Sep 2014	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012
Corporates	948,059	939,822	918,852	915,218	924,820	936,194	934,564	944,987
of which repos and securities loans	6,364	7,973	8,629	8,376	13,584	12,448	9,442	23,286
of which other loans foundation approach	131,010	149,720	143,513	140,425	149,831	158,771	341,322	341,048
of which other loans advanced approach	810,685	782,129	766,710	766,417	761,405	764,975	583,800	580,653
of which large companies	159,265	150,042	146,069	153,810	158,606			
of which medium-sized companies	74,166	72,817	72,598	72,305	71,289	72,976	72,345	72,467
of which property companies	428,940	413,632	406,876	401,705	396,055	393,260	381,033	380,147
of which housing co-operative associations	148,314	145,638	141,167	138,597	135,455	133,969	130,422	128,039
Households	859,420	846,126	830,431	818,080	806,941	801,857	783,232	780,772
Private individuals	831,634	817,811	802,201	789,722	778,483	772,908	754,875	752,176
of which property loans	743,724	731,626	717,143	705,004	693,925	688,534	672,548	665,969
of which other loans	87,910	86,185	85,058	84,718	84,558	84,374	82,327	86,207
Small companies	27,786	28,315	28,230	28,358	28,458	28,949	28,357	28,596
Institutions	120,336	123,566	99,045	100,503	102,976	109,811	134,499	128,748
of which repos and securities loans	56,066	53,033	48,384	48,863	55,991	55,018	83,847	76,588
of which other loans	64,270	70,534	50,661	51,640	46,985	54,793	50,652	52,160
Equity exposures	6,508	6,491	6,581	5,693	5,509	5,227	5,464	5,206
Exposures without a counterparty	2,207	2,266	2,187	2,204	2,499	2,467	2,321	2,279
Securitisation positions	289	319	854	878	890	944	987	1,323
of which Traditional securitisation	289	319	854	878	890	944	987	1,323
of which Synthetic securitisation	-	-	-	-	-	-	-	-
<b>Total IRB</b>	<b>1,936,819</b>	<b>1,918,590</b>	<b>1,857,950</b>	<b>1,842,576</b>	<b>1,843,635</b>	<b>1,856,500</b>	<b>1,861,067</b>	<b>1,863,315</b>
of which repos and securities loans	62,430	61,006	57,013	57,239	69,575	67,466	93,289	99,874
of which other loans foundation approach	204,284	229,329	203,796	200,840	205,714	222,202	420,746	402,016
of which other loans advanced approach	1,670,105	1,628,255	1,597,141	1,584,497	1,568,346	1,566,832	1,347,032	1,361,425

### Average risk weight, %

	30 Sep 2014	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012
Corporates	24.6	25.6	26.1	28.4	28.6	29.7	29.9	30.5
of which repos	0.9	0.8	0.7	0.5	0.4	0.4	0.3	0.6
of which other loans basic method	34.7	33.3	33.6	35.8	35.6	36.7	42.9	44.5
of which other loans advanced method	23.1	24.4	25.0	27.4	27.8	28.8	22.7	23.4
of which large companies	46.9	51.5	51.4	52.5	51.6			
of which medium-sized companies	48.7	48.9	51.2	57.4	59.3	60.3	60.4	61.2
of which property companies	16.5	17.4	18.2	20.0	20.2	20.7	21.2	21.7
of which housing co-operative associations	3.8	3.9	4.0	5.2	5.5	5.7	6.1	7.0
Households	8.0	8.0	8.2					
Private individuals	7.4	7.4	7.5	7.3	7.4	7.4	7.4	7.5
of which property lending	5.4	5.4	5.5	5.2	5.2	5.2	5.3	5.4
of which other lending	24.1	23.9	24.2	24.6	25.5	25.5	24.2	23.8
Small companies	27.4	27.3	28.2	35.3	35.6	35.9	37.1	38.1
Institutions	14.0	17.5	16.6	11.9	11.4	11.9	8.7	9.5
of which repos	1.8	3.6	3.4	0.8	0.6	0.6	0.6	0.6
of which other lending	24.6	27.9	29.1	22.3	24.1	23.3	22.1	22.5
Equity exposures	302.0	301.8	301.2	143.6	142.2	143.7	140.3	140.1
Exposures without a counterparty	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Securitisation positions	8.0	8.1	3.2	3.1	3.1	3.2	3.5	3.5
of which Traditional securitisation	8.0	8.1	3.2	3.1	3.1	3.2	3.5	3.5
of which Synthetic securitisation	-	-	-	-	-	-	-	-
<b>Total IRB</b>	<b>17.6</b>	<b>18.3</b>	<b>18.7</b>	<b>19.0</b>	<b>15.5</b>	<b>16.2</b>	<b>16.2</b>	<b>16.6</b>
of which repos and securities lending	1.7	3.2	3.0	0.7	0.6	0.6	0.6	0.6
of which other loans basic method	40.7	39.4	41.7	36.0	36.5	36.4	39.8	43.0
of which other loans advanced method	15.3	16.0	16.3	17.5	17.8	18.4	14.7	14.9

**Capital requirement**

SEK m	30 Sep 2014	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012
Corporates	18,655	19,242	19,204	20,824	21,196	22,273	22,319	23,026
<i>of which repos</i>	5	5	5	3	4	4	3	12
<i>of which other loans basic method</i>	3,640	3,992	3,860	4,023	4,264	4,657	11,713	12,137
<i>of which other loans advanced method</i>	15,010	15,245	15,339	16,798	16,928	17,612	10,603	10,877
<i>of which large companies</i>	6,008	6,185	6,003	6,458	6,554			
<i>of which medium-sized companies</i>	2,890	2,849	2,971	3,323	3,385	3,519	3,495	3,549
<i>of which property companies</i>	5,662	5,759	5,914	6,435	6,392	6,515	6,467	6,612
<i>of which housing co-operative associations</i>	450	452	451	582	598	610	641	716
Households	5,508	5,440	5,448	5,405	5,425	5,436	5,287	5,402
Private individuals	4,898	4,821	4,812	4,604	4,615	4,604	4,445	4,530
<i>of which property lending</i>	3,202	3,172	3,167	2,934	2,892	2,880	2,850	2,885
<i>of which other lending</i>	1,696	1,648	1,645	1,670	1,723	1,724	1,595	1,645
Small companies	610	619	636	801	810	832	842	872
Institutions	1,347	1,729	1,314	954	936	1,046	934	976
<i>of which repos</i>	82	153	133	31	28	26	40	38
<i>of which other lending</i>	1,265	1,575	1,181	923	908	1,020	894	938
Equity exposures	1,572	1,567	1,586	654	627	601	613	584
Exposures without a counterparty	177	181	175	176	200	197	186	182
Securitisation positions	2	2	2	2	2	2	3	4
<i>of which Traditional securitisation</i>	2	2	2	2	2	2	3	4
<i>of which Synthetic securitisation</i>	-	-	-	-	-	-	-	-
<b>Total IRB</b>	<b>27,261</b>	<b>28,161</b>	<b>27,729</b>	<b>28,015</b>	<b>28,386</b>	<b>29,555</b>	<b>29,342</b>	<b>30,174</b>
<i>of which repos and securities lending</i>	87	158	138	34	32	30	43	50
<i>of which other loans basic method</i>	6,656	7,318	6,803	5,778	6,001	6,477	13,409	13,845
<i>of which other loans advanced method</i>	20,518	20,685	20,788	22,203	22,353	23,048	15,890	16,279

## Funding

Handelsbanken is a regular issuer in both the domestic and international markets of short- as well as long-term debt. The objective is to have a well diversified funding structure in terms of currency, market and product.

The Central Treasury Department has the overall responsibility for the Group's liquidity and funding. Both the maturity structure of the funding and the liquidity position are monitored closely.

Short-term funding is mainly raised through commercial paper programmes in Sweden, Europe and the United States, both in the name of Svenska Handelsbanken and Stadshypotek. These programmes are supplemented by borrowing in the international interbank market.

Long-term funding is, among other things, raised through issuance of covered bonds in the name of Stadshypotek, mainly in Swedish kronor in the domestic market, and utilisation of other available funding programmes of the bank.

In order to ensure flexibility and efficient access to the various markets, a number of funding programmes have been established. They constitute the framework for the Group's funding operations.

The Bank is aiming at having a well-balanced funding mix between covered and senior, unsecured bonds.

### Funding programmes as of September 30, 2014 – The Group

Programme (in millions)	Programme size	Currency	Unutilised amount	Countervalue SEK m	Latest issue
ECP*	5,000	EUR	2,402	21,902	Sep-14
ECP (Stadshypotek)*	4,000	EUR	3,496	31,878	Sep-14
French Commercial Paper	7,500	EUR	6,827	62,251	Sep-14
EMTCN (Stadshypotek)*	20,000	EUR	7,706	70,266	May-14
MTN*	100,000	SEK	81,393	81,393	Sep-14
Swedish Commercial Paper	25,000	SEK	25,000	25,000	Mar-14
Swedish Commercial Paper (Stadshypotek)	90,000	SEK	90,000	90,000	Jun-13
EMTN*	50,000	USD	26,018	188,053	Mar-14
General funding >1 Y*	15,000	USD	12,550	90,709	May-14
USCP	15,000	USD	7,886	56,998	Sep-14
Extendible Notes	15,000	USD	7,925	57,280	May-14
US 144A / 3(a)(2)	20,000	USD	10,600	76,615	Jun-14
Stadshypotek US 144A	15,000	USD	12,250	88,541	May-13
Stadshypotek AUD Covered Bond Programme	5,000	AUD	4,250	26,824	Oct-12
Samurai	400,000	JPY	274,500	18,090	Sep-14
AUD MTN	5,000	AUD	4,350	27,455	Apr-14
<b>Total</b>				<b>1,013,255</b>	
Total programme (or limited) amounts, SEK m	1,576,907				
Unutilised amount, SEK m	1,013,255				
<b>Available amount</b>	<b>64%</b>				

\* Under these programmes it is possible to issue in other currencies than the original programme currency. Currency conversion takes place at the time of issue.

### Maturity profile

30 September 2014						
SEK bn	2014	2015	2016	2017	2018	2019
Senior bonds	3	23	54	49	33	43
Covered bonds	19	170	101	89	110	44
Extendible notes (X-notes)		51				
<b>Total</b>	<b>22</b>	<b>244</b>	<b>155</b>	<b>138</b>	<b>143</b>	<b>87</b>

**Long-term funding**

SEK bn	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<b>Issued during the quarter</b>								
Senior bonds	6	16	6	7	33	7	21	7
Covered bonds	24	37	36	39	39	51	44	21
<b>Total bonds</b>	<b>30</b>	<b>53</b>	<b>42</b>	<b>46</b>	<b>72</b>	<b>58</b>	<b>65</b>	<b>28</b>
Extendible notes						14	26	
<b>Total issued</b>	<b>30</b>	<b>53</b>	<b>42</b>	<b>46</b>	<b>72</b>	<b>72</b>	<b>91</b>	<b>28</b>
Matured during the quarter	-2	-71	-23	-25	-95	-10	-19	-78
<b>Net</b>	<b>28</b>	<b>-18</b>	<b>19</b>	<b>21</b>	<b>-23</b>	<b>62</b>	<b>72</b>	<b>-50</b>

During the third quarter of 2014, the issued bond volume was SEK 30 billion, with SEK 6 billion in senior unsecured bonds. The bank was active in the Samurai market in JPY with issuance of senior bonds. The spread was the tightest achieved by any European bank in the Japanese market since 2007. During the third quarter, maturing bond volume was SEK 2 billion and during the fourth quarter of 2014, SEK 22 billion will mature.

The volume of so called CD's (Certificates of Deposit) in USD amounted to USD 21.3 billion at the 30 of September 2014. This volume is to a large extent placed with the Federal Reserve and constitutes a part of the Bank's total liquidity reserve.

**Selection of international issues during last 12 months**

August 2013	EUR 1.25 bn 7Y +60 bps
August 2013	GBP 250 m 4Y G+90 bps
August 2013	CHF 400 m 6Y +20 bps
September 2013	USD 1.5 bn 5.4Y T+105 bps
September 2013	USD 1 bn 3Y 3m \$L +47 bps
October 2013	EUR 1 bn 7Y FXD Covered Bond +9 bps
November 2013	GBP 400 m 7Y FXD G+105 bps
January 2014	EUR 1.5 bn Tier 2 10NC5 Subordinated +143 bps
February 2014	CHF 350 m 5Y FXD +15 bps
March 2014	EUR 1.25 bn 5Y FXD Covered bond +5bps
April 2014	AUD 450m 5Y FXD BBSW +95bps
April 2014	AUD 200m 5Y FRN BBSW +95bps
June 2014	USD 1 bn 5Y FXD T+57 bps
June 2014	USD 400 m 5Y FRN 3m \$L +49 bps
August 2014	JPY 5.9 bn 10Y FXD YOS +2 bps
August 2014	JPY 45.8 bn 5Y FXD YOS +2 bps
August 2014	JPY 10.4 bn 5Y FRN YL +9 bps
August 2014	JPY 9 bn 3Y FXD YOS +0 bps
August 2014	JPY 3.9 bn 3Y FRN YL +6 bps

More than half of Stadshypotek's funding consists of covered bonds issued in the Swedish domestic covered bond market. This market is the core funding source for Stadshypotek.

The Swedish market is one of the largest covered bond markets in Europe. Bonds are issued on-tap on a continuous basis in a few benchmarks per issuer. Stadshypotek has nine outstanding benchmark loans, which mature between 2015 and 2022. These loans are arranged by six market makers and are non-callable bullet bonds with a fixed annual coupon. Only a small number of separate bond loans are issued, with respective final maturity dates set at intervals of about nine months. Concentrating large volumes into a small number of loans in this manner achieves good market liquidity.

At the end of the quarter, the non-domestic share of the outstanding covered bonds was 23%.



## Non-Encumbered Assets (NEA)

30 September 2014		
SEK bn	NEA	Accumulated coverage ratio in % of unsecured funding*
Holdings with central banks and securities in the liquidity portfolio	555	68%
Mortgage loans	384	116%
Other household lending	146	134%
Property company lending lowest risk class (1-3)	216	160%
Other corporate lending lowest risk class (1-3)	169	181%
Loans to credit institutions lowest risk class (1-3)	71	190%
Other corporate lending	221	217%
Other assets	116	231%
<b>Total non-encumbered assets (NEA)</b>	<b>1,878</b>	<b>231%</b>
<b>Encumbered assets without underlying liabilities**</b>	<b>57</b>	
Encumbered assets with underlying liabilities	766	
<b>Total assets, Group</b>	<b>2,701</b>	

31 December 2013		
SEK bn	NEA	Accumulated coverage ratio in % of unsecured funding*
Holdings with central banks and securities in the liquidity portfolio	460	60%
Mortgage loans	340	105%
Other household lending	130	122%
Property company lending lowest risk class (1-3)	203	149%
Other corporate lending lowest risk class (1-3)	168	171%
Loans to credit institutions lowest risk class (1-3)	68	179%
Other corporate lending	224	209%
Other assets	96	221%
<b>Total non-encumbered assets (NEA)</b>	<b>1,689</b>	<b>221%</b>
<b>Encumbered assets without underlying liabilities**</b>	<b>57</b>	
Encumbered assets with underlying liabilities	739	
<b>Total assets, Group</b>	<b>2,485</b>	

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

\*\* Over-collateralisation in cover pool (OC).

## Assets pledged

30 September 2014								
SEK m	Central bank funding	Payment systems/ securities settlement	Repos	Covered bonds	Derivatives	Securities loans	Leases	Insurance agreements
Cash		7,792		5,000	9,026			
Government instruments and bonds		44,523	5,172		219	468		
Loans to the public		4,368		626,119			12,396	
Equities						5,205		
Other								102,931
<b>Total</b>		<b>56,683</b>	<b>5,172</b>	<b>631,119</b>	<b>9,245</b>	<b>5,673</b>	<b>12,396</b>	<b>102,931</b>

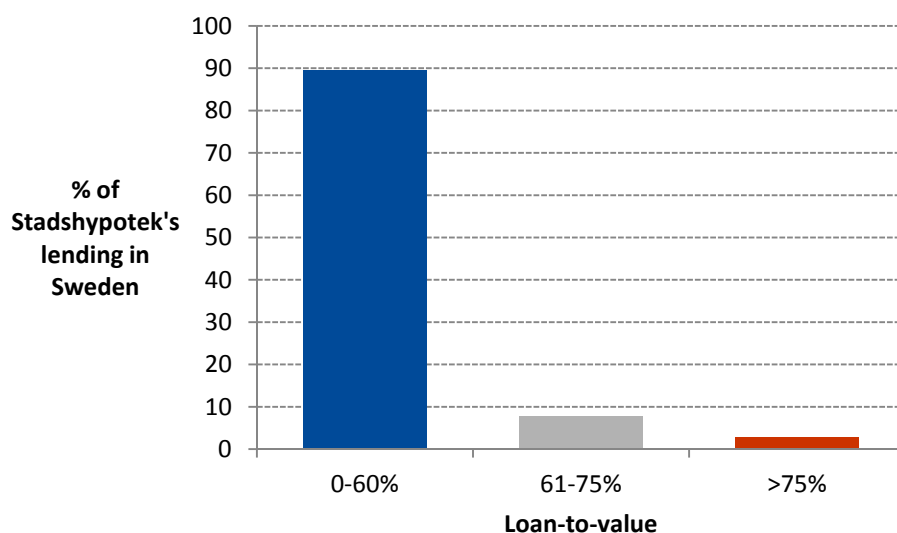
Assets pledged according to CSA agreements for outstanding derivatives since 1 January 2012: Max: 16,951 Min: 5,160 Average: 9,063

The column "Payment systems/securities settlement" refers to securities provided as collateral with central banks for the Bank's undertakings within the payment systems and collateral for securities settlement. Repos refer to securities sold under binding repurchase agreements and which are reported in the balance sheet. Covered bonds mainly consist of loans to the public which are included in the registered cover pool in favour of holdings of covered bonds issued by Stadshypotek. The amount also includes the part of the cover pool which is not utilised. Derivatives comprise cash provided as a pledge due to the Bank's outstanding undertakings under derivative contracts. Securities loans comprise securities which have been lent and also securities provided as a pledge for the Bank's overall undertakings under securities loan agreements. Leases comprise leased assets which have been pledged in favour of a third party. The assets are reported under loans to the public in the balance sheet. Insurance agreements comprise registered assets in the insurance operations and endowment insurance pledged in favour of employees or former employees.

## STADSHYPOTEK

Of the total lending to the public in the Handelsbanken Group about 56% constitutes mortgage lending in Stadshypotek.

Loan-to-values in Stadshypotek's credit portfolio are low, see graph below.



### Cover Pool Data, Sweden

SEK m	30 Sep 2014	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012
Stadshypotek total lending to the public in Sweden	870,272	862,096	845,804	833,614	819,113	809,115	795,254	780,770
Assets available for Cover Pool	782,947	774,004	765,958	745,954	737,694	729,063	720,142	691,596
Assets utilized for Cover Pool	605,387	599,748	607,192	604,316	603,144	610,110	604,954	596,128
WA Max-LTV Cover Pool, as defined by ASCB	49.5%	49.2%	49.5%	49.6%	49.3%	47.0%	47.0%	47.4%
LTV-mid	25.1%	25.0%	25.1%	25.1%	25.0%	23.5%	23.5%	23.7%
<b>LTV-distribution</b>								
0-10%	23.9%	23.9%	23.9%	24.1%	23.9%	26.8%	26.9%	26.6%
10-20%	20.9%	21.0%	20.9%	20.9%	20.9%	22.0%	22.0%	21.9%
20-30%	17.9%	18.2%	18.1%	18.0%	18.0%	17.8%	17.7%	17.7%
30-40%	15.1%	15.2%	15.3%	15.1%	15.2%	14.1%	14.1%	14.1%
40-50%	12.4%	12.4%	12.4%	12.3%	12.3%	10.9%	11.0%	11.0%
50-60%	9.6%	9.4%	9.5%	9.4%	9.5%	8.2%	8.1%	8.3%
60-70%	0.2%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.3%
70-75%	0.1%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%
WA loan size, SEK	643,300	661,500	649,400	614,400	597,400	567,900	587,600	544,800
WA seasoning of Cover Pool, months	40	40	40	39	39	39	38	38
<b>Interest index distribution</b>								
Floating	48%	48%	46%	42%	41%	40%	31%	34%
Fixed rate	52%	52%	54%	58%	59%	60%	69%	66%

## Liquidity

The total liquidity reserve as at 30 September, 2014 exceeded SEK 800 billion. Balances with central banks and banks, as well as securities that are eligible as collateral with central banks, totaled SEK 555 billion (see table below). In addition, there was an unutilised issue amount for covered bonds and other liquidity-creating measures. The liquidity reserve covers the Bank's liquidity requirement for over two years, even if access to new funding in the markets were to disappear at the same time as 10% of the deposits would leave the Bank.

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

SEK m	Market value				
	30 Sep 2014	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013
Cash and balances with and other lending to central banks	435,189	475,622	408,519	368,351	377,187
Balances with banks and the National Debt Office, overnight	8,531	24,022	11,809	2,182	1,827
Securities issued by governments and public entities	56,729	39,647	51,225	42,746	48,648
Covered bonds	53,298	33,934	43,340	43,318	49,566
Securities issued by non-financial companies	566	1,376	1,757	976	929
Securities issued by financial companies	687	3,554	1,942	2,505	2,214
<b>Total</b>	<b>555,000</b>	<b>578,155</b>	<b>518,592</b>	<b>460,078</b>	<b>480,371</b>
<i>of which in SEK</i>	<i>75,411</i>	<i>80,252</i>	<i>90,448</i>	<i>56,378</i>	<i>70,608</i>
<i>of which in EUR</i>	<i>95,251</i>	<i>100,032</i>	<i>68,143</i>	<i>59,496</i>	<i>81,996</i>
<i>of which in USD</i>	<i>279,796</i>	<i>285,902</i>	<i>277,388</i>	<i>250,024</i>	<i>247,795</i>
<i>of which in other currencies</i>	<i>104,542</i>	<i>111,969</i>	<i>82,613</i>	<i>94,180</i>	<i>79,972</i>

30 September 2014					
Market value, SEK m	SEK	EUR	USD	Other	Total
Cash and balances with and other lending to central banks	-	85,383	262,586	87,220	435,189
Balances with other banks and the National Debt Office, overnight	3,000	136	214	5,181	8,531
Securities issued by governments	29,865	7,153	16,996	1,232	55,246
Securities issued by municipalities and other public entities	1,432	-	-	51	1,483
Covered bonds, external issuers	35,835	2,357	-	9,636	47,828
Own covered bonds	4,553	128	-	789	5,470
Securities issued by non-financial companies	566	-	-	-	566
Securities issued by financial companies	160	94	-	433	687
<b>Total</b>	<b>75,411</b>	<b>95,251</b>	<b>279,796</b>	<b>104,542</b>	<b>555,000</b>

### Liquidity Coverage Ratio (LCR)

Liquidity Coverage Ratio (LCR), %	30 Sep 2014	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013
EUR	143	190	122	110	119
USD	175	127	158	170	163
<b>Total *</b>	<b>133</b>	<b>149</b>	<b>152</b>	<b>128</b>	<b>139</b>

\* In accordance with the Swedish Financial Supervisory Authority's directive FFFS 2012:6.

## MATURITY ANALYSIS

## Maturities for financial assets and liabilities

30 September 2014 SEK m	Up to 3 mths	3 - 6 mths	6 - 12 mths	1 - 5 yrs	5 yrs -	Unspecified maturity	Total
Cash and balances with central banks	436,851	-	-	-	-	-	436,851
Interest bearing securities eligible as collateral with central banks	74,287	-	-	-	-	-	74,287
Bonds and other interest-bearing securities	63,563	-	-	-	-	-	63,563
Loans to credit institutions	65,080	670	1,058	528	3,104	519	70,959
-of which reverse repos	42,019	-	-	-	-	-	42,019
Loans to the public	191,589	56,739	114,601	377,346	1,039,931	1,215	1,781,421
-of which reverse repos	14,372	-	-	-	-	-	14,372
Other	60,876	-	-	-	-	212,854	273,730
-of which shares and participating interests	37,655	-	-	-	-	-	37,655
-of which claims on investment banking settlements	23,221	-	-	-	-	-	23,221
<b>Total</b>	<b>892,246</b>	<b>57,409</b>	<b>115,659</b>	<b>377,874</b>	<b>1,043,035</b>	<b>214,588</b>	<b>2,700,811</b>
Due to credit institutions	162,346	7,792	1,013	376	9,779	20,431	201,737
-of which repos	77	-	-	-	-	-	77
-of which deposits from central banks	90,688	5,810	128	-	-	2,406	99,032
Deposits and borrowing from the public	226,071	12,418	11,732	5,032	7,935	670,764	933,952
-of which repos	6,381	-	-	-	-	-	6,381
Issued securities	215,941	181,986	42,317	649,229	94,520	-	1,183,993
Subordinated liabilities	-	-	-	28,579	965	-	29,544
Other	38,213	-	-	-	-	313,372	351,585
-of which short positions	16,854	-	-	-	-	-	16,854
-of which investment banking settlement debts	21,359	-	-	-	-	-	21,359
<b>Total</b>	<b>642,571</b>	<b>202,196</b>	<b>55,062</b>	<b>683,216</b>	<b>113,199</b>	<b>1,004,567</b>	<b>2,700,811</b>

The table shows holdings of bonds and other interest-bearing securities in the time intervals in which they can be converted to liquidity if they are pledged as collateral or sold. This means that the table does not reflect the actual maturities for the included securities.

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.

Sight deposits are reported under "Unspecified maturity". "Other" includes market values in derivative transactions.

**Maturities for assets and liabilities in USD**

30 September 2014 SEK m	Up to 3 mths	3 - 6 mths	6 - 12 mths	1 - 5 yrs	5 yrs -	Unspecified maturity	Total
Cash and balances with central banks	262,600	-	-	-	-	-	262,600
Bonds and other interest-bearing securities	26,387	-	-	-	-	-	26,387
Loans to credit institutions	46,882	422	433	159	2,804	34	50,734
Loans to the public	12,445	585	1,385	8,100	3,187	-	25,702
Other, including derivatives	157,504	6,452	122	76,862	17,728	-	258,668
<b>Total assets</b>	<b>505,818</b>	<b>7,459</b>	<b>1,940</b>	<b>85,121</b>	<b>23,719</b>	<b>34</b>	<b>624,091</b>
Due to credit institutions	59,193	914	227	37	-	396	60,767
Deposits and borrowing from the public	173,277	785	703	66	-	12,392	187,223
Issued securities	130,838	71,890	1,094	130,498	18,631	-	352,951
Subordinated liabilities	-	-	-	134	-	-	134
Other, including derivatives	-	-	-	-	-	22,981	22,981
<b>Total liabilities</b>	<b>363,308</b>	<b>73,589</b>	<b>2,024</b>	<b>130,735</b>	<b>18,631</b>	<b>35,769</b>	<b>624,056</b>

**Maturities for assets and liabilities in EUR**

30 September 2014 SEK m	Up to 3 mths	3 - 6 mths	6 - 12 mths	1 - 5 yrs	5 yrs -	Unspecified maturity	Total
Cash and balances with central banks	85,446	-	-	-	-	-	85,446
Bonds and other interest-bearing securities	10,476	-	-	-	-	-	10,476
Loans to credit institutions	8,046	8	40	366	250	86	8,796
Loans to the public	24,514	7,436	11,308	68,436	57,857	0	169,551
Other, including derivatives	9,733	13,445	23,334	92,671	32,276	-	171,459
<b>Total assets</b>	<b>138,215</b>	<b>20,889</b>	<b>34,682</b>	<b>161,473</b>	<b>90,383</b>	<b>86</b>	<b>445,728</b>
Due to credit institutions	56,875	4,502	402	9	33	1,232	63,053
Deposits and borrowing from the public	10,358	2,989	819	482	-	96,357	111,005
Issued securities	36,670	21,925	30,791	99,549	44,210	-	233,145
Subordinated liabilities	-	-	-	18,165	-	-	18,165
Other, including derivatives	-	-	-	-	-	20,446	20,446
<b>Total liabilities</b>	<b>103,903</b>	<b>29,416</b>	<b>32,012</b>	<b>118,205</b>	<b>44,243</b>	<b>118,035</b>	<b>445,814</b>

**Maturities for assets and liabilities in SEK**

30 September 2014 SEK m	Up to 3 mths	3 - 6 mths	6 - 12 mths	1 - 5 yrs	5 yrs -	Unspecified maturity	Total
Cash and balances with central banks	1,417	-	-	-	-	-	1,417
Bonds and other interest-bearing securities	94,592	-	-	-	-	-	94,592
Loans to credit institutions	2,621	229	571	-	23	-	3,444
Loans to the public	109,847	32,492	71,928	149,677	783,194	1,215	1,148,353
<b>Total assets</b>	<b>208,477</b>	<b>32,721</b>	<b>72,499</b>	<b>149,677</b>	<b>783,217</b>	<b>1,215</b>	<b>1,247,806</b>
Due to credit institutions	4,022	244	-	328	9,871	15,640	30,105
Deposits and borrowing from the public	31,391	6,298	7,309	4,199	7,829	372,868	429,894
Issued securities	7,439	74,568	8,815	360,489	15,412	-	466,723
Subordinated liabilities	-	-	-	10,256	-	-	10,256
Other, including derivatives	116,366	10,853	8,615	79,913	23,186	72,190	311,123
<b>Total liabilities</b>	<b>159,218</b>	<b>91,963</b>	<b>24,739</b>	<b>455,185</b>	<b>56,298</b>	<b>460,698</b>	<b>1,248,101</b>

## Share and shareholders

### The Handelsbanken share

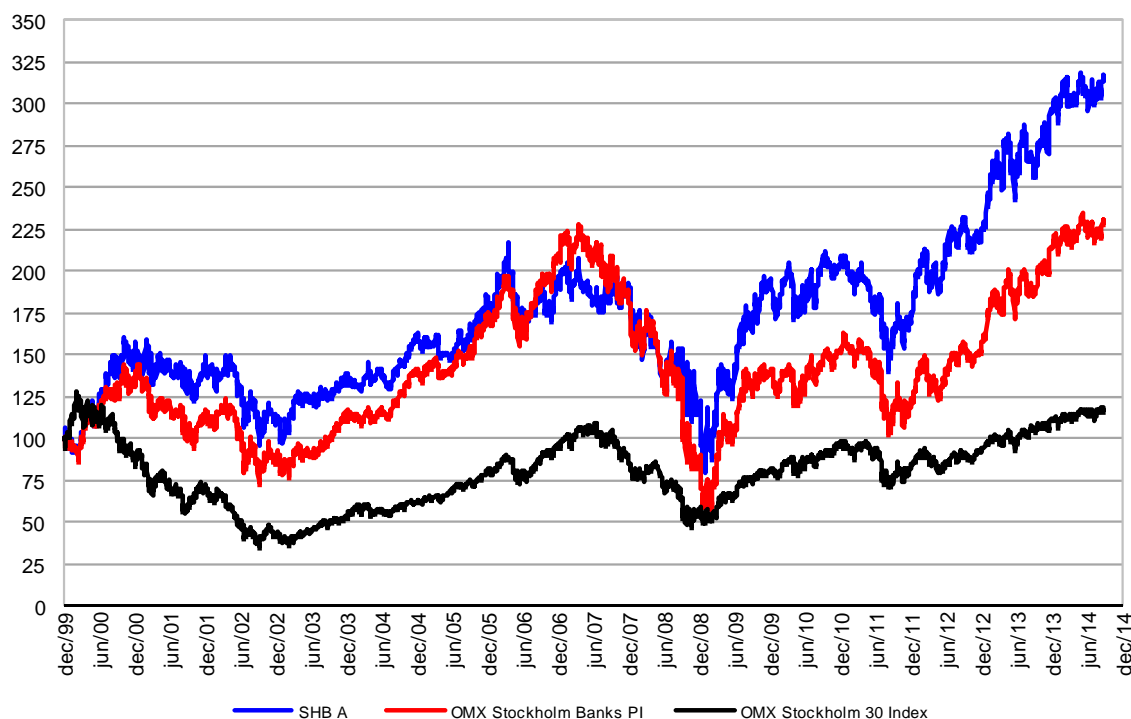
	30 Sep 2014	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012
Market capitalisation, SEK bn	216	208	206	201	175	171	177	147
Share price ordinary class A, SEK	339.50	327.10	324.80	316.00	274.90	269.20	278.50	232.40
Ordinary dividend, SEK	-	-	-	11.50	-	-	-	10.75
Total dividend	-	-	-	16.50	-	-	-	10.75
Number of converted shares	8,043	2,940	18,941	173,428	82,160	792,428	1,790,667	822,942
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	635,675,719	635,667,676	635,664,736	635,645,795	635,472,367	635,390,207	634,597,779	632,807,112
Number of outstanding shares after dilution, end of period	657,500,628	657,648,638	647,937,156	647,601,239	647,601,244	647,719,618	647,835,385	648,210,569
Average number of shares converted during the year	29,137	20,699	5,873	2,761,416	2,642,647	2,411,947	714,286	8,474,744
Average holdings of own shares (repurchased and holdings in trading book)	-	124,324	73,587	10,079	-	280,221	374,600	424,194
Average number of outstanding shares	635,674,932	635,542,170	635,578,081	635,558,449	635,449,759	634,938,838	633,146,798	632,113,192
- after dilution	657,648,368	649,774,633	647,527,652	647,591,165	647,719,618	647,555,164	647,316,445	647,786,779

### Share information

Name	SHB A
ISIN	SE0000193120
Currency	SEK
Market name	OMX STO Equities
Reuters	SHBa.ST
Bloomberg	SHBA SS

Share performance, 31 December 1999 – 30 September 2014

Index, 1999-12-31=100



The largest Swedish shareholders

The largest Swedish shareholders			
as at 30 September 2014	Number of shares	% of votes	% of capital
Industrivärden	64,661,679	10.3	10.2
Oktogonen Foundation	64,451,572	10.3	10.1
Lundbergs, etc	14,932,000	2.4	2.3
Swedbank Robur funds	13,617,930	2.2	2.1
AMF and funds	12,631,815	2.0	2.0
Alecta	11,382,000	1.8	1.8
Handelsbanken funds	5,926,254	0.9	0.9
4th National Swedish Pension Fund	5,450,589	0.9	0.9
SEB funds	5,404,067	0.9	0.9
AFA Försäkring	4,200,344	0.7	0.7
Didner & Gerge Fonder	4,189,691	0.7	0.7
J. Wallanders & T. Hedelius Stiftelse, T. Browaldhs Stiftelse	4,100,000	0.7	0.6
3rd National Swedish Pension Fund	4,067,018	0.7	0.6
SPP funds	3,718,822	0.6	0.6
Folksam	3,341,083	0.5	0.5

# Contacts and Financial calendar

## For further information please contact:

Mikael Hallåker, Head of Investor Relations  
Phone: +46 8 701 2995, miha11@handelsbanken.se

Lars Höglund, Head of Debt Investor Relations  
Tel: +46 8 701 5170, laho01@handelsbanken.se

Lars Kenneth Dahlqvist, Investor Relations officer  
Phone: +46 8 701 1018, lada01@handelsbanken.se

Martin Blåvarg, UK & US Investor Relations  
Tel: +44 20 7578 8632, mabl14@handelsbanken.se

Peter Grabe, Investor Relations officer  
Phone: +46 8 701 1167, pegr08@handelsbanken.se

Elizabeth Krämbing, Investor Relations coordinator  
Phone: +46 8 701 5663, elkr02@handelsbanken.se

## Financial calendar:

### 2014

5 February 2014

Highlights of Annual report 2013

26 March 2014

Annual General Meeting

30 April 2014

Interim report January – March 2014

17 July 2014

Interim report January – June 2014

22 October 2014

Interim report January – September 2014

### 2015

4 February 2015

Highlights of Annual report 2014

25 March 2015

Annual General Meeting

29 April 2015

Interim report January – March 2015

21 July 2015

Interim report January – June 2015

21 October 2015

Interim report January – September 2015

# Handelsbanken