

# Handelsbanken

January – September 2016

19 October 2016

# Stable business model gives stable profitability

High  
profitability

Higher profitability than the average of peers for 44 consecutive years

Strong capital  
generation

15% annual average growth in equity per share including reinvested dividends since 2007

Satisfied  
customers

Continuously more satisfied customers than the average of peers in all home markets since the SKI/EPFI surveys started

# Summary

## Q3 2016 compared to Q2 2016

- ROE increased to 14.7% (14.2)
- Operating profit increased by 8% to SEK 5,691m (5,277). Adjusted for capital gains and received dividends, operating profit decreased by 1%
- EPS increased by 8% to SEK 2.36 (2.19)
- NII increased by 3% to SEK 7,041m (6,808)
- C/I-ratio fell to 41.2% (44.5%)
- The loan loss ratio amounted to 0.10% (0.05)
- CET1 ratio increased to 24.0% (23.0)
- CET1 requirement of 21.1% according to the FSA's annual capital assessment review

# Income statement, Q3

SEK m	Q3 2016	Q2 2016	Change
Net interest income	7,041	6,808	3%
Net fee and commission income	2,259	2,280	-1%
Net gains/losses on financial transactions	1,112	523	113%
Risk result - insurance	25	35	-29%
Other income	36	276	-87%
<b>Total income</b>	<b>10,473</b>	<b>9,922</b>	<b>6%</b>
Staff costs	-2,941	-2,952	0%
Other expenses	-1,371	-1,465	-6%
<b>Total expenses</b>	<b>-4,312</b>	<b>-4,417</b>	<b>-2%</b>
<b>Profit before loan losses</b>	<b>6,161</b>	<b>5,505</b>	<b>12%</b>
Net loan losses	-476	-229	108%
Gains/losses on disposal of property, equipment and intangible assets	6	1	
<b>Operating profit</b>	<b>5,691</b>	<b>5,277</b>	<b>8%</b>
Taxes	-1,127	-1,091	3%
Net profit from discontinued operations	-	8	
<b>Profit for the period</b>	<b>4,564</b>	<b>4,194</b>	<b>9%</b>

SEK 769m realised gains  
in Q3 compared with SEK  
89m in Q2

# Income statement, January – September

SEK m	Jan-Sep 2016	Jan-Sep 2015	Change
Net interest income	20,644	20,769	-1%
Net fee and commission income	6,709	6,977	-4%
Net gains/losses on financial transactions	2,797	1,105	153%
Risk result - insurance	136	121	12%
Other income	352	455	-23%
<b>Total income</b>	<b>30,638</b>	<b>29,427</b>	<b>4%</b>
Staff costs	-9,561	-9,228	4%
Other expenses	-4,264	-4,136	3%
<b>Total expenses</b>	<b>-13,825</b>	<b>-13,364</b>	<b>3%</b>
<b>Profit before loan losses</b>	<b>16,813</b>	<b>16,063</b>	<b>5%</b>
Net loan losses	-892	-1,122	-20%
Gains/losses on disposal of property, equipment and intangible assets	14	1	
<b>Operating profit</b>	<b>15,935</b>	<b>14,942</b>	<b>7%</b>
Taxes	-3,147	-3,201	-2%
Net profit from discontinued operations	13	101	-87%
<b>Profit for the period</b>	<b>12,801</b>	<b>11,842</b>	<b>8%</b>

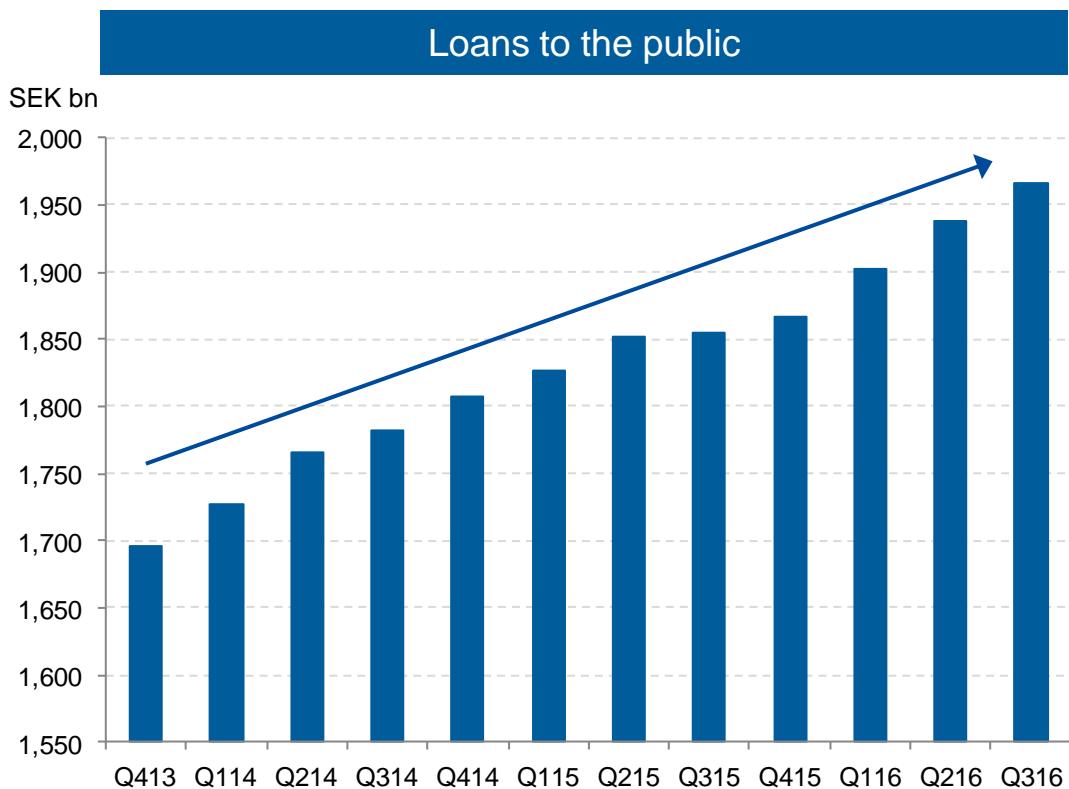
NII +2% adjusted for  
currency effects

SEK 1,685m in realised  
gains in 2016

SEK 700m in provision in  
2016

SEK 420m Oktogonen  
allocation in 2015

# Good volume growth in the Group

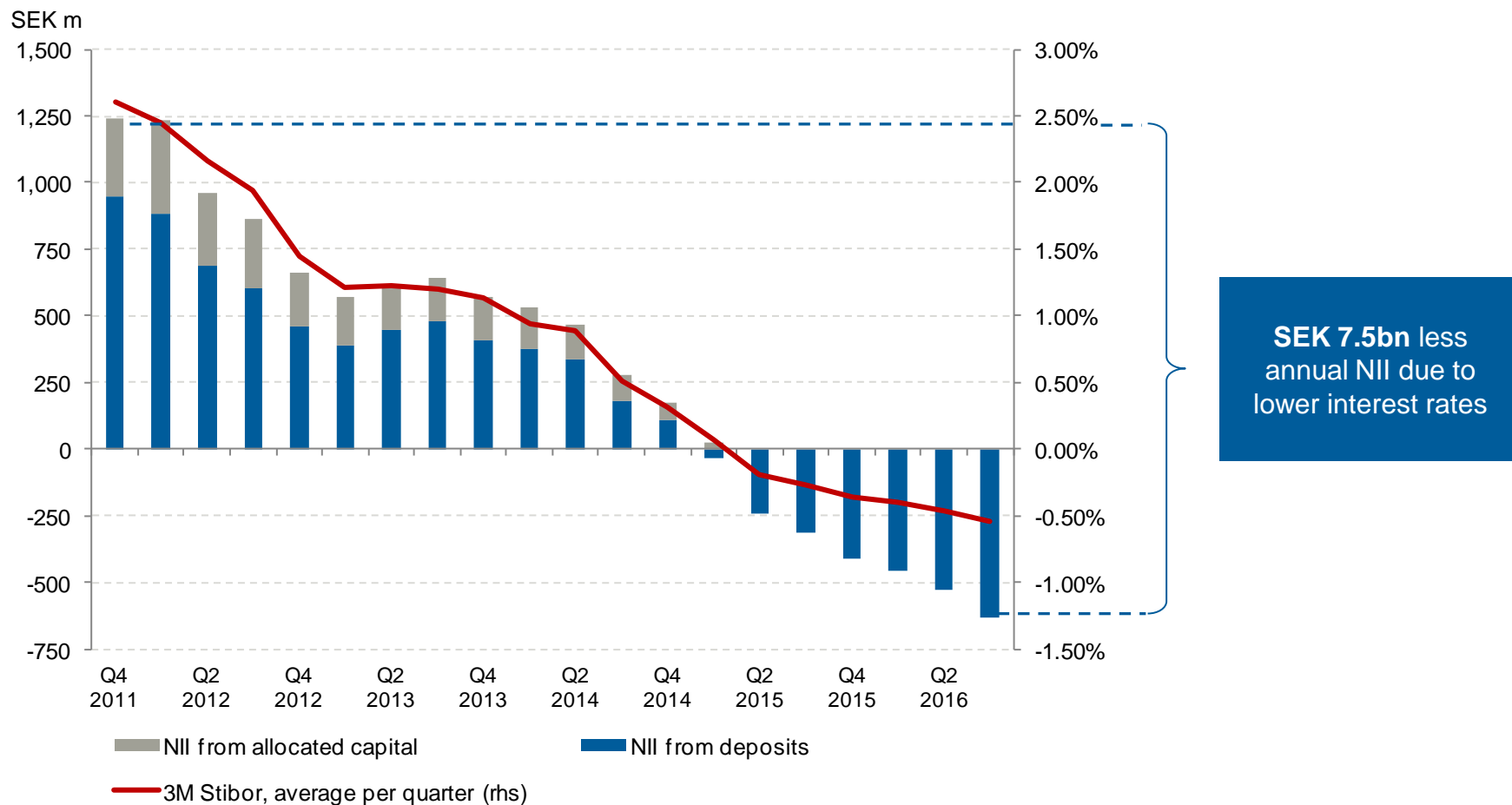


Increased lending volumes  
in all home markets\*

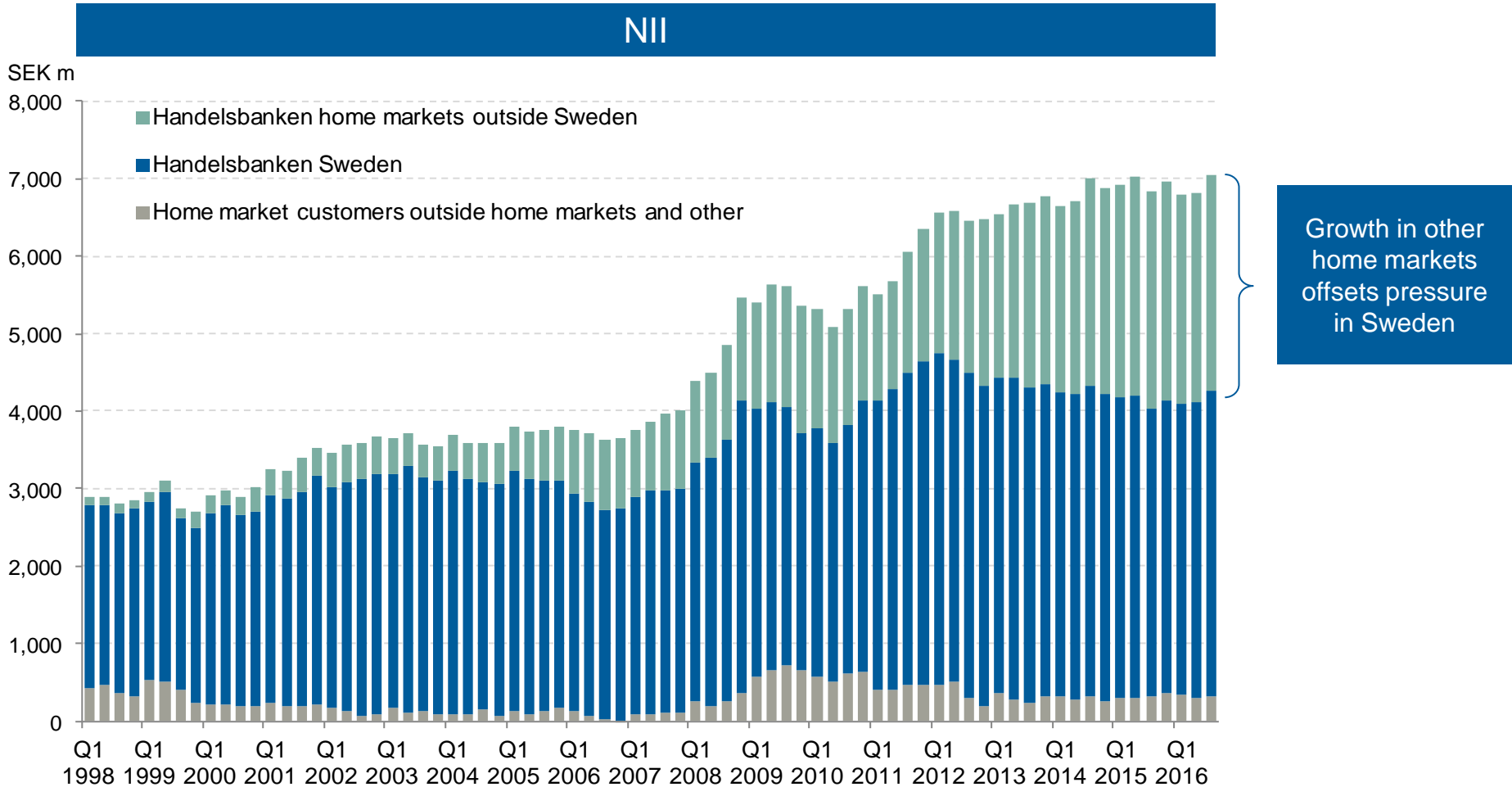
\* In local currency

# NII from deposits and allocated capital

Handelsbanken Sweden



# Growth markets offset margin pressure in Sweden



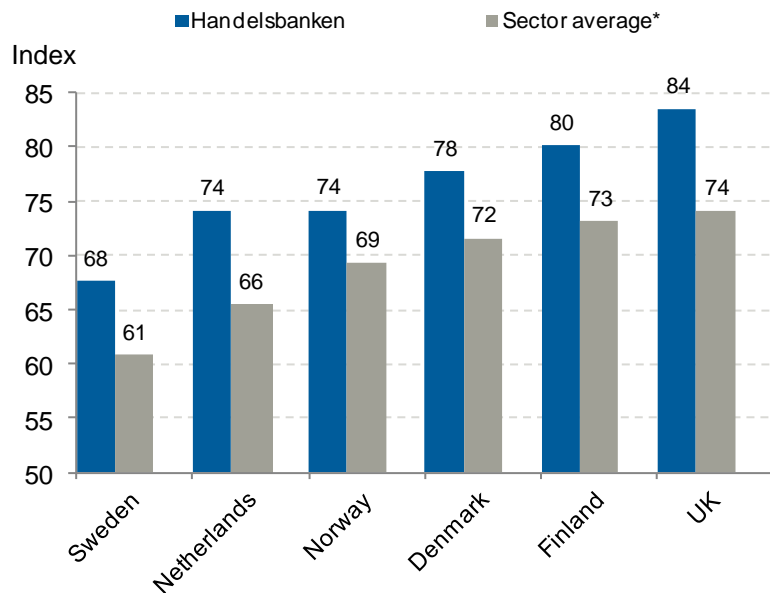


# Return on equity per home market

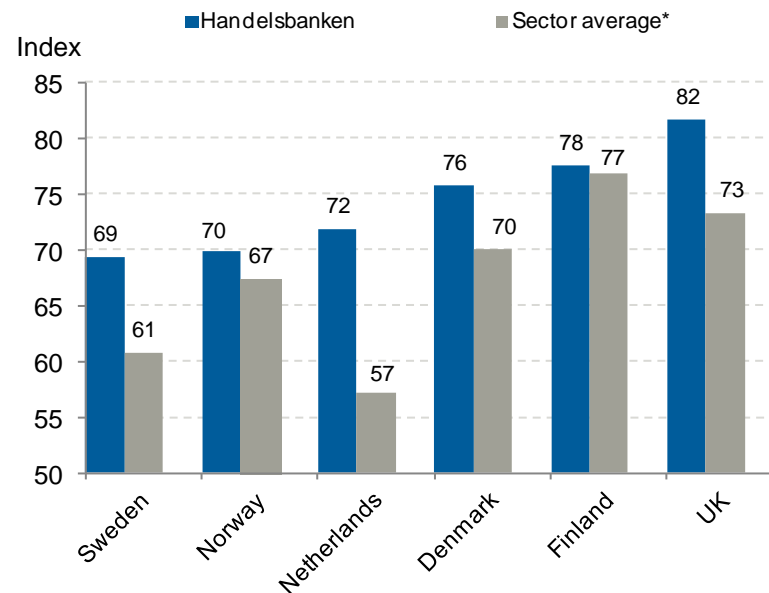
	Jan-Sep 2016
Handelsbanken UK	16%
Handelsbanken Sweden	15%
Handelsbanken Norway	14%
Handelsbanken Finland	13%
Handelsbanken Denmark	10%
Handelsbanken the Netherlands	10%
<b>Handelsbanken Group</b>	<b>14%</b>

# More satisfied customers in all home markets

## Customer satisfaction Private



## Customer satisfaction Corporate

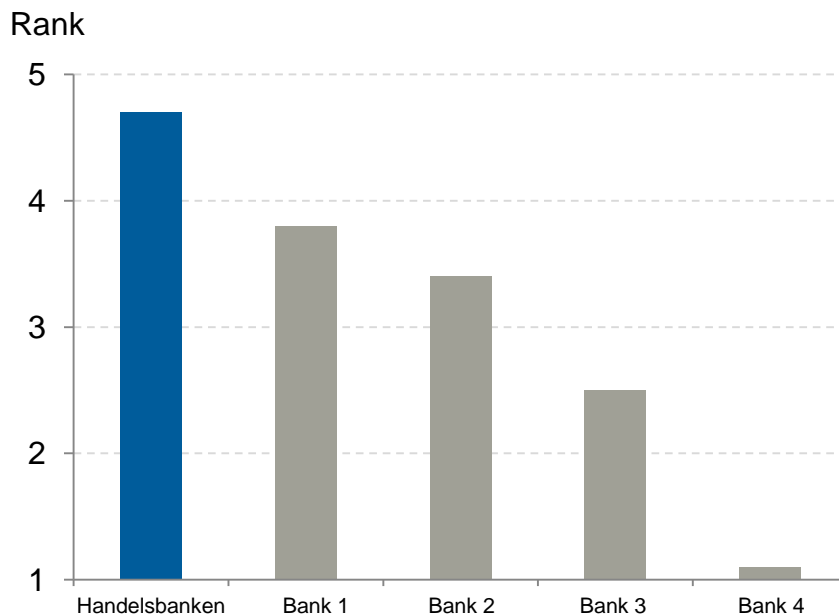
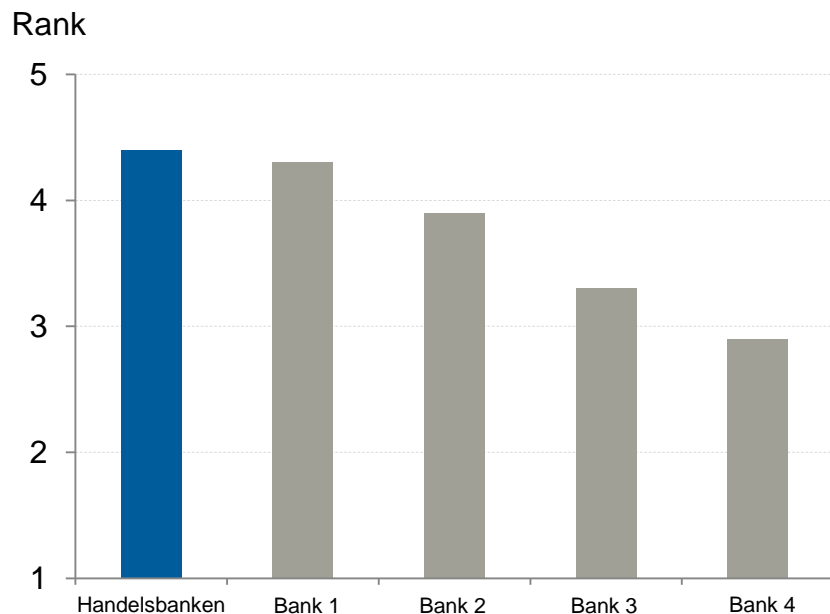


\* Average of Nordea, SEB and Swedbank in Sweden  
Source: SKI and EPSI 2016

# Handelsbanken is corporate bank of the year in Sweden again

Corporate bank  
of the year

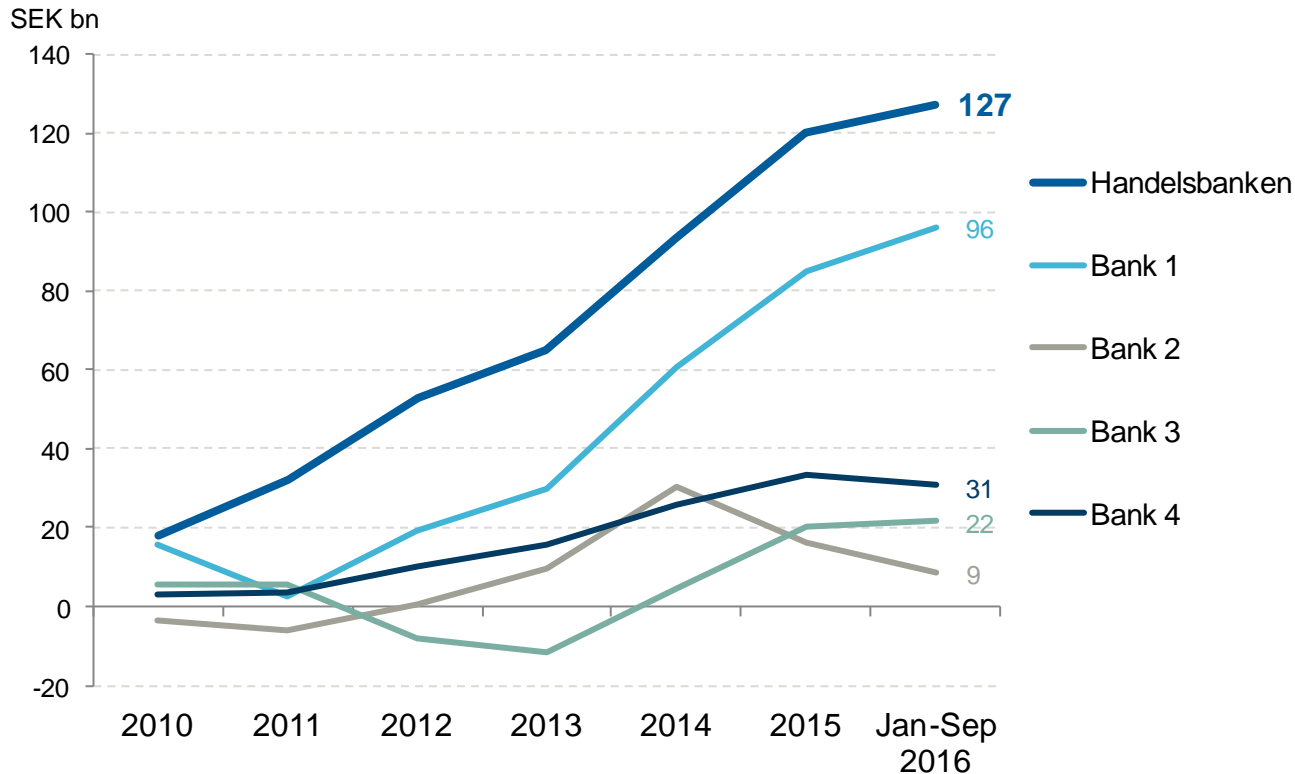
Sweden's small  
enterprise bank



Source: Finansbarometern ([www.eastbrooklab.se/finansbarometern](http://www.eastbrooklab.se/finansbarometern))

# Largest institution for new savings in the Swedish fund market

Accumulated net inflows into Swedish mutual funds

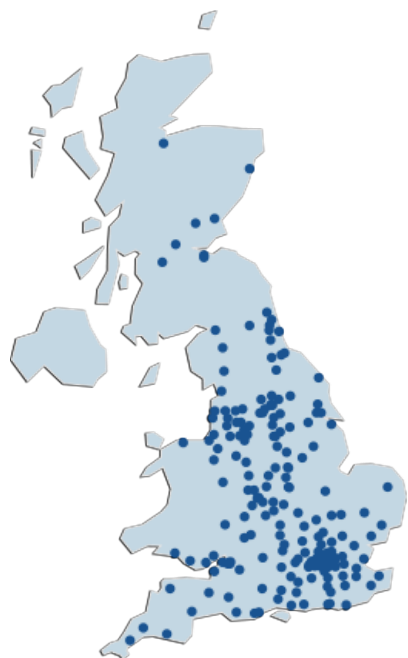


SEK 7.5bn in net inflows during January – September of the market’s total net inflows of SEK 10.6bn

Handelsbanken’s market share of total outstanding mutual fund volumes in Sweden is 11%

Source: Moneymate. Mutual fund volumes include equity, mixed, hedge and fixed income funds. Competitor banks included are Danske Bank, Nordea, SEB and Swedbank

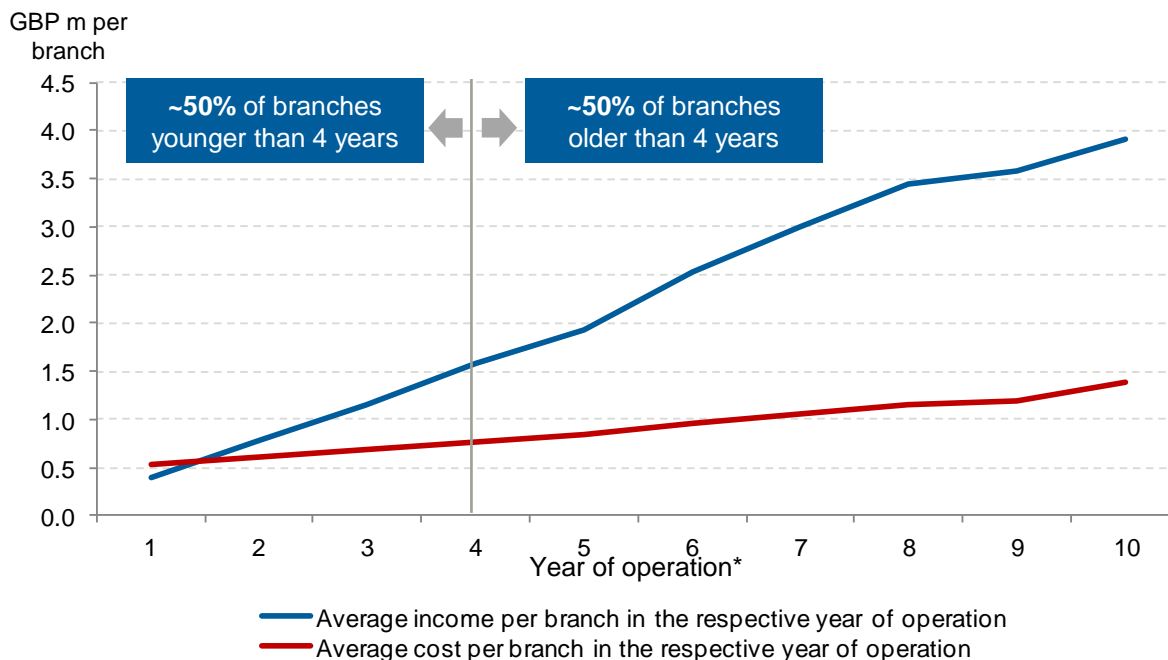
# UK



## Continued expansion and increased availability

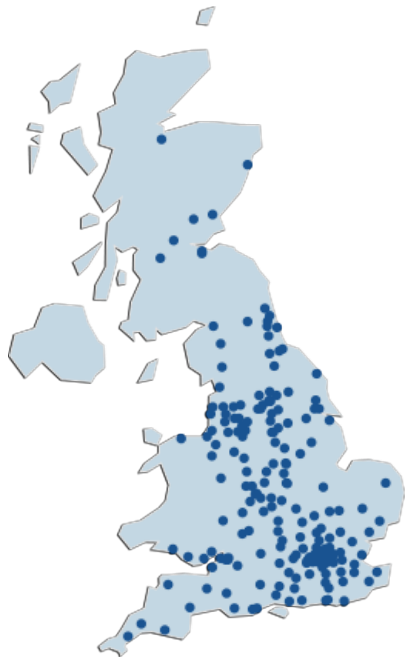
- Operating profit in local currency increased by 9% in January – September
  - NII increased by 8% and net commission income by 28%
  - The loan loss ratio fell to 0.06% (0.13)
  - Average deposit volumes from households increased by 44%
- The highest customer satisfaction according to EPSI

## Income and expense trend in branches in the UK

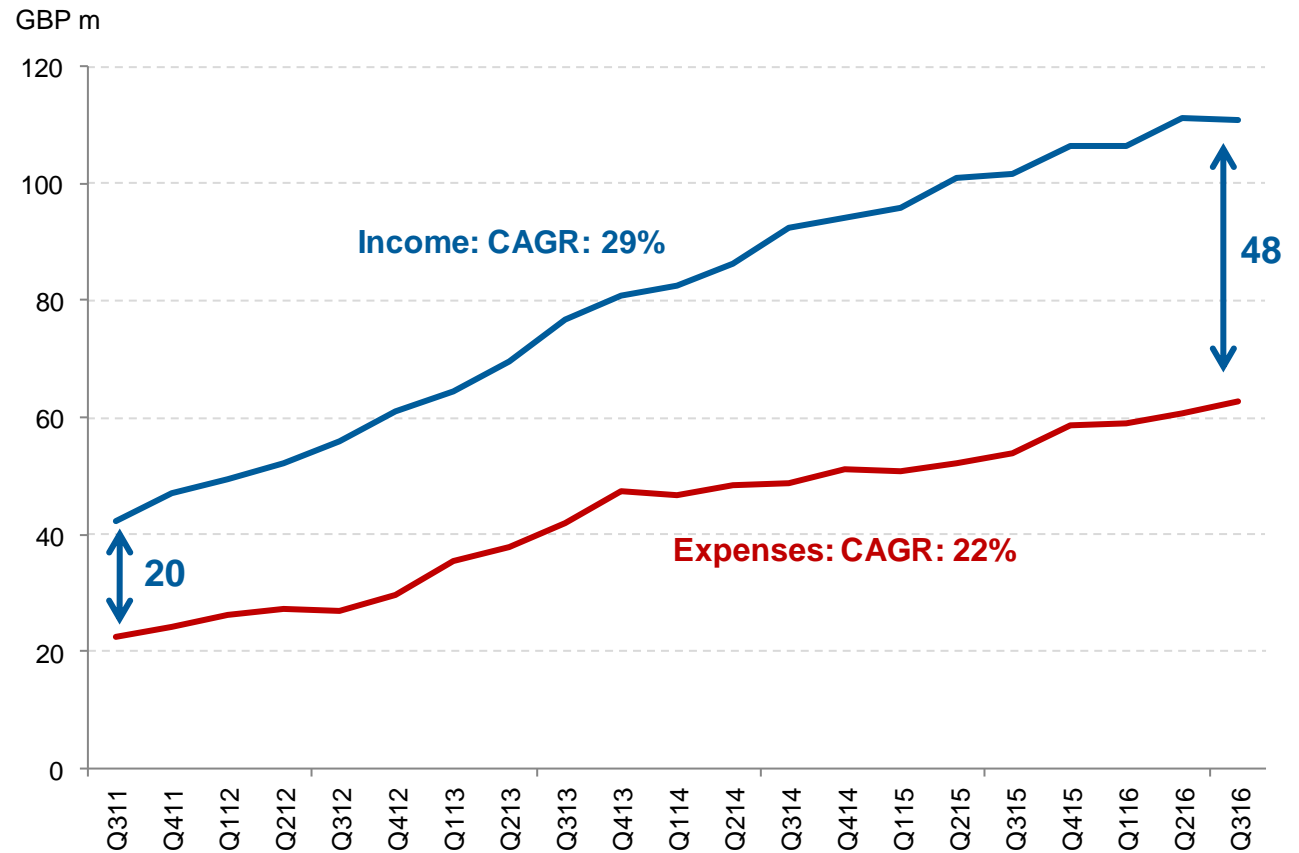


\* Year 1 = first full calendar year

# UK



## Income and expense trend



CAGR = Compounded Annual Growth Rate

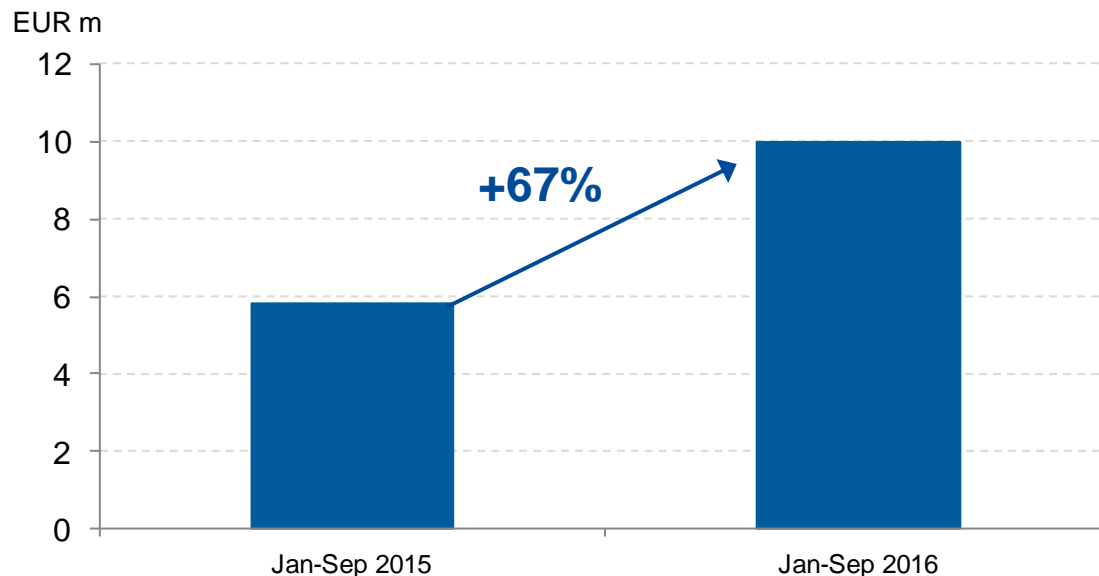
# Handelsbanken the Netherlands



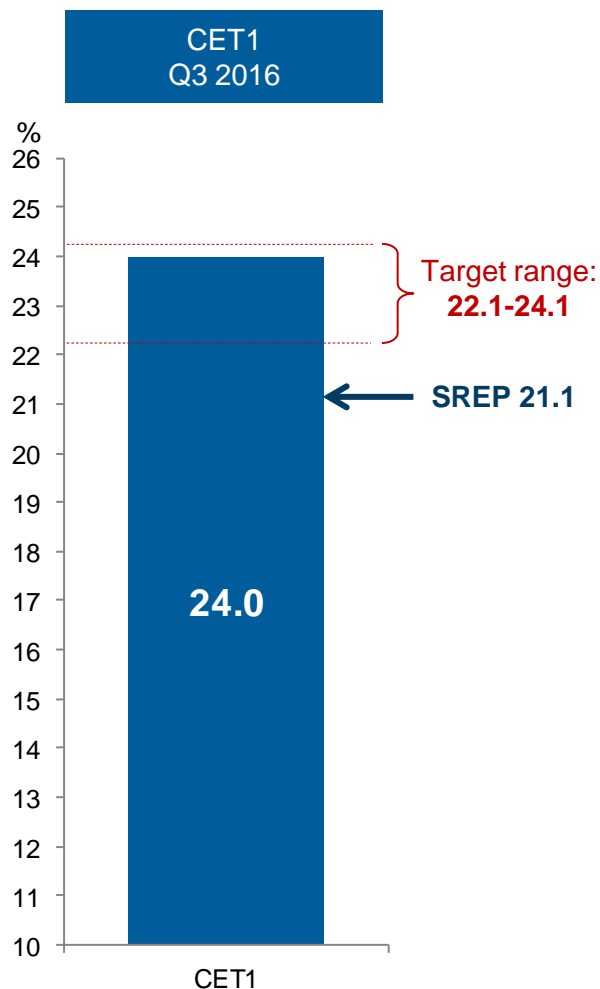
## Strong development of the business

- Operating profit in January – September increased by 67%
  - ROE was 10%
  - Average lending increased by 35% and to households by 39%
  - C/I ratio dropped by 6.2 percentage points
  - Loan loss ratio of 0.0%
  - The most satisfied customers according to EPSI

## Operating profit in local currency



# Financial stability



	30 Sep 2016	31 Dec 2015	Change
<b>Capital CRR/CRD IV, %</b>			
Capital ratio, %	30.1	27.2	+2.9%-points
Tier 1 ratio, %	26.6	23.8	+2.8%-points
Common equity tier 1 ratio, %	24.0	21.2	+2.8%-points
Total own funds, SEK bn	139.6	128.5	+11.1
Common equity tier 1 capital, SEK bn	111.1	100.5	+10.6
Leverage ratio, %	4.2	4.4	-0.2%-points

	30 Sep 2016
<b>Liquidity</b>	
LCR Total*	162%
LCR EUR*	178%
LCR USD*	164%
LCR according to the EU Commission's delegated act	181%

\* According to the Swedish FSA's definition



# Stable business model gives stable profitability

High  
profitability

Higher profitability than the average of peers for 44 consecutive years

Strong capital  
generation

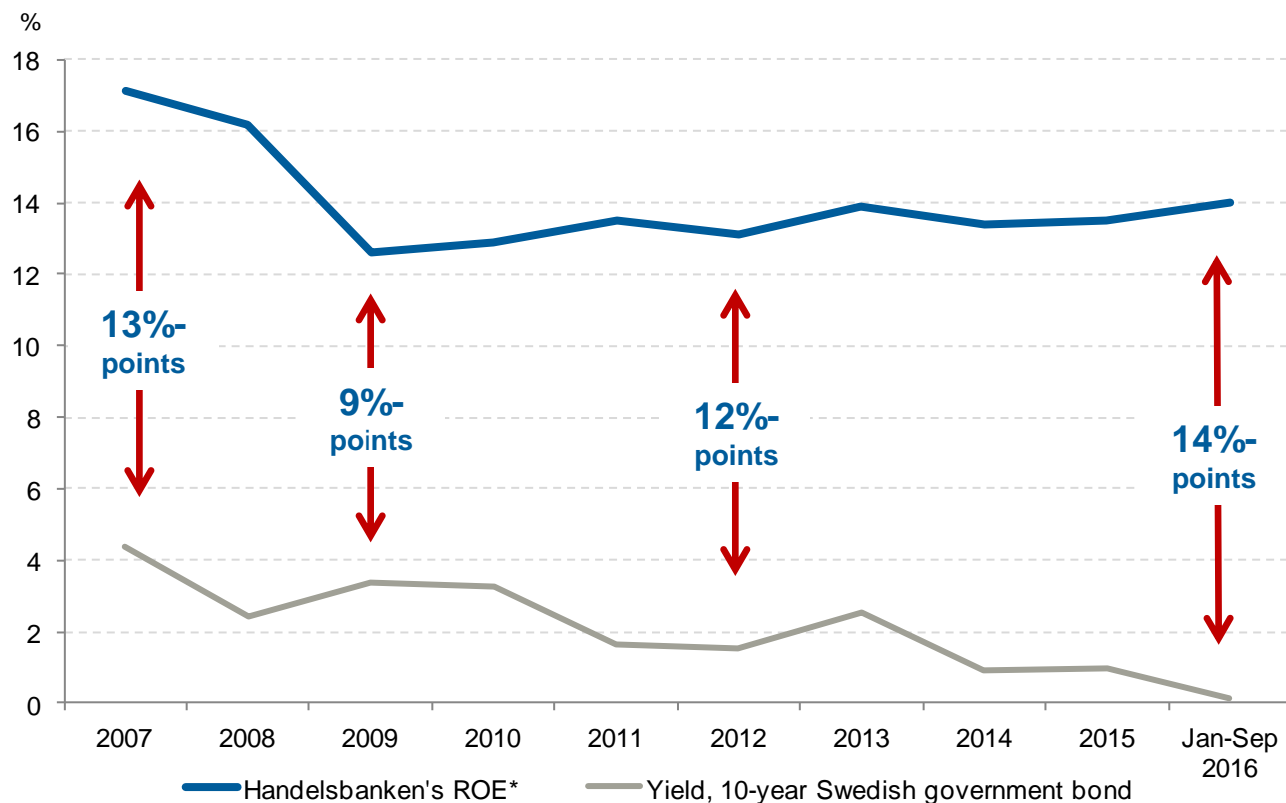
15% annual average growth in equity per share including reinvested dividends since 2007

Satisfied  
customers

Continuously more satisfied customers than the average of peers in all home markets since the SKI/EPFI surveys started

# Appendix

# Stable ROE relative to the “risk-free interest rate”



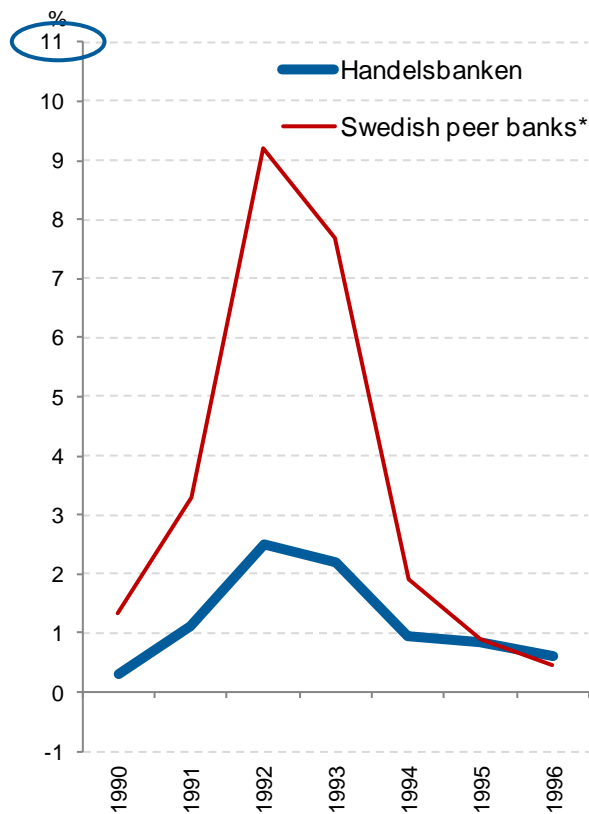
Stable return premium over the business cycle confirms the low risk profile

\* Excluding capital gain from sale of SPP in 2007 and effects from recalculations of deferred taxes in 2012

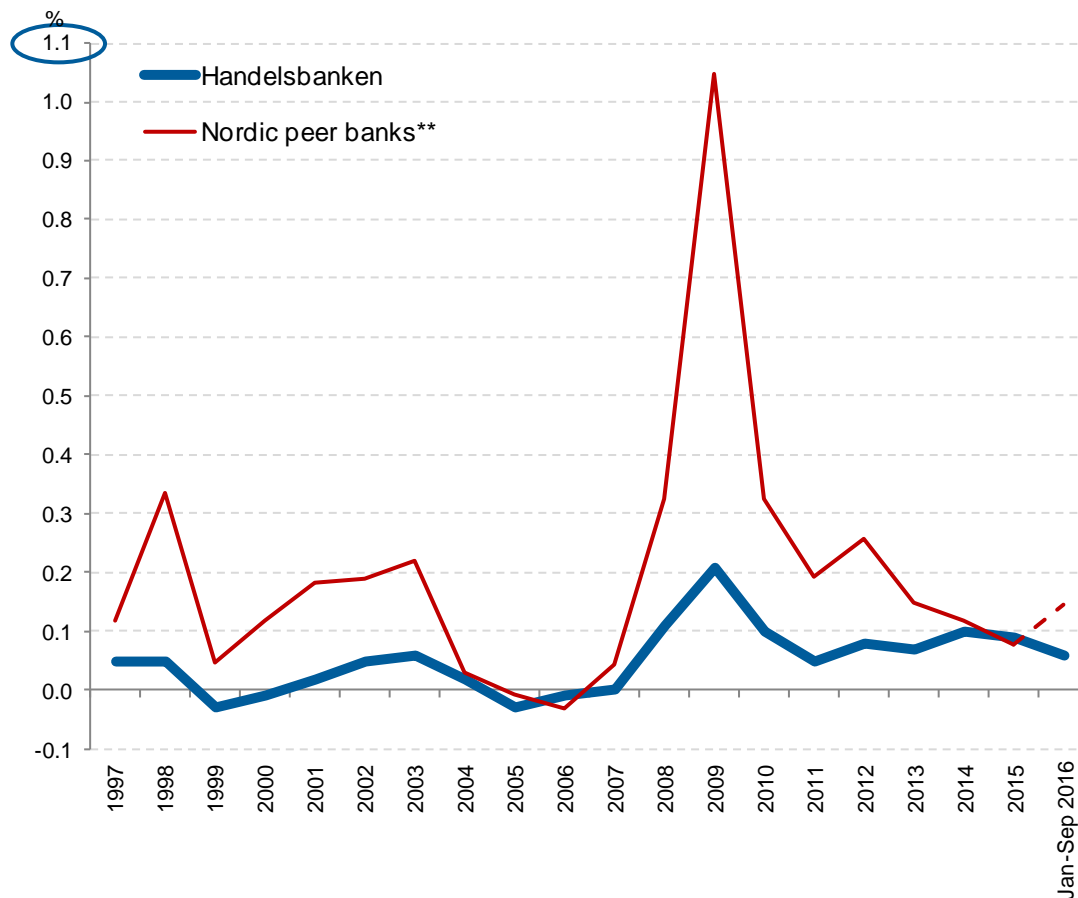
Source: Handelsbanken and Factset

# Significantly lower loan losses

1990 – 1996



1997 – September 2016

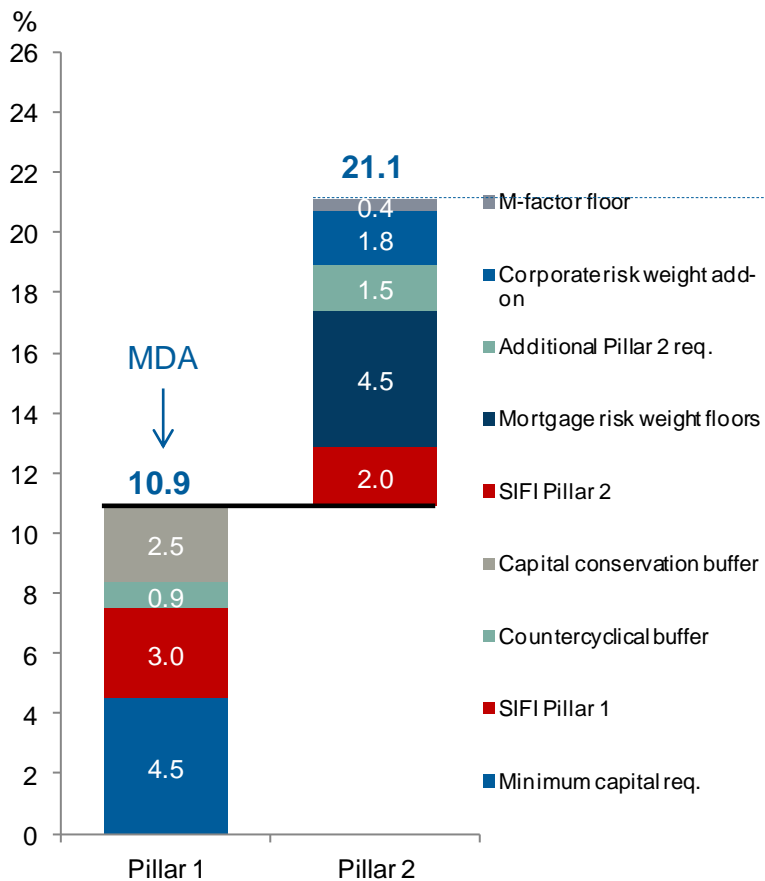


\* Gota bank (nationalised 1992), Nordea (Nordbanken [nationalised 1992]) and SEB. Swedbank included from 1995

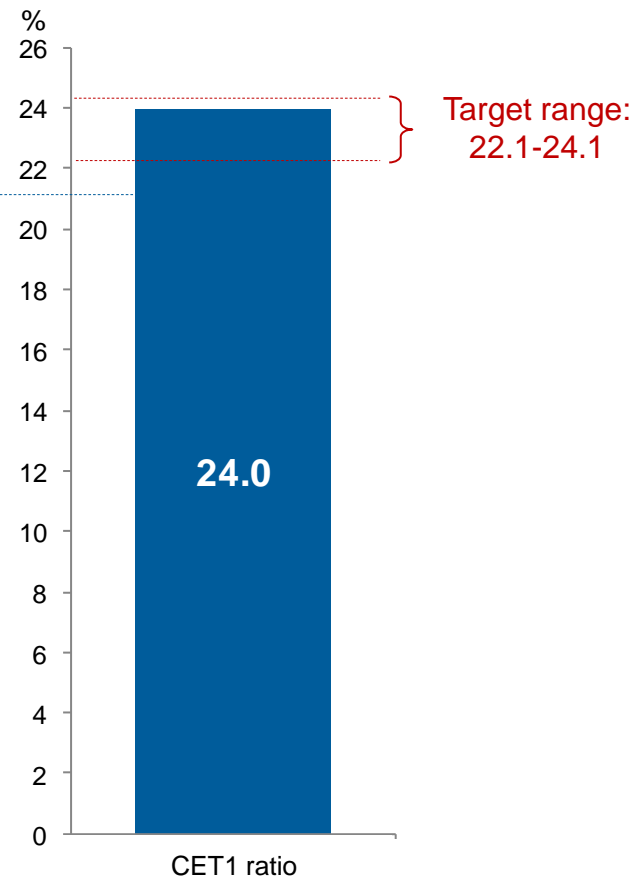
\*\* Danske Bank, DNB, Nordea, SEB, and Swedbank. Data for the peers are up until the first half of 2016

# CET1 ratio within the target range

Core capital requirement according to FSA 2016 SREP



CET1 Q3 2016



# Income statement – five quarters

<b>SEK m</b>	<b>Q3 2016</b>	<b>Q2 2016</b>	<b>Q1 2016</b>	<b>Q4 2015</b>	<b>Q3 2015</b>
Net interest income	7,041	6,808	6,795	6,971	6,834
Net fee and commission income	2,259	2,280	2,170	2,343	2,308
Net gains/losses on financial transactions	1,112	523	1,162	1,503	226
Risk result - insurance	25	35	76	36	40
Other income	36	276	40	56	53
<b>Total income</b>	<b>10,473</b>	<b>9,922</b>	<b>10,243</b>	<b>10,909</b>	<b>9,461</b>
Staff costs	-2,941	-2,952	-3,668	-3,353	-2,953
Other expenses	-1,371	-1,465	-1,428	-1,554	-1,323
<b>Total expenses</b>	<b>-4,312</b>	<b>-4,417</b>	<b>-5,096</b>	<b>-4,907</b>	<b>-4,276</b>
<b>Profit before loan losses</b>	<b>6,161</b>	<b>5,505</b>	<b>5,147</b>	<b>6,002</b>	<b>5,185</b>
Net loan losses	-476	-229	-187	-475	-458
Gains/losses on disposal of property, equipment and intangible assets	6	1	7	6	4
<b>Operating profit</b>	<b>5,691</b>	<b>5,277</b>	<b>4,967</b>	<b>5,533</b>	<b>4,731</b>

# Change in net interest income

NII Q2 2016 , SEK m	6,808	Change
<b>Lending and deposits in Handelsbanken Sweden</b>	<b>-21</b>	
Lending margins	53	
Lending volumes	32	
Deposit margins	-92	
Deposit volumes	-14	
<b>Lending and deposits in home markets outside Sweden</b>	<b>46</b>	
Lending margins	-29	
Lending volumes	52	
Deposit margins	9	
Deposit volumes	14	
<b>Total lending and deposits in home markets</b>	<b>25</b>	<b>0%</b>
Other in branch operations	130	
Mandatory government fees (deposit insur., stability fund etc.)	-8	
Benchmark effect	-22	
Day count effect	23	
Exchange rate movements	-6	
Other	91	
<b>Other</b>	<b>208</b>	<b>3%</b>
<b>NII Q3 2016</b>	<b>7,041</b>	<b>3%</b>

# Change in net interest income

<b>NII Jan-Sep 2015, SEK m</b>	<b>20,769</b>	<b>Change</b>
<b>Lending and deposits in Handelsbanken Sweden</b>	<b>-561</b>	
Lending margins	-76	
Lending volumes	548	
Deposit margins	-903	
Deposit volumes	-130	
<b>Lending and deposits in home markets outside Sweden</b>	<b>337</b>	
Lending margins	-413	
Lending volumes	618	
Deposit margins	84	
Deposit volumes	48	
<b>Total lending and deposits in home markets</b>	<b>-224</b>	<b>-1%</b>
Other in branch operations	587	
Mandatory government fees (deposit insur., stability fund etc.)	-29	
Benchmark effect	4	
Day count effect	19	
Exchange rate movements	-458	
Other	-24	
<b>Other</b>	<b>99</b>	<b>0%</b>
<b>NII Jan-Sep 2016</b>	<b>20,644</b>	<b>-1%</b>



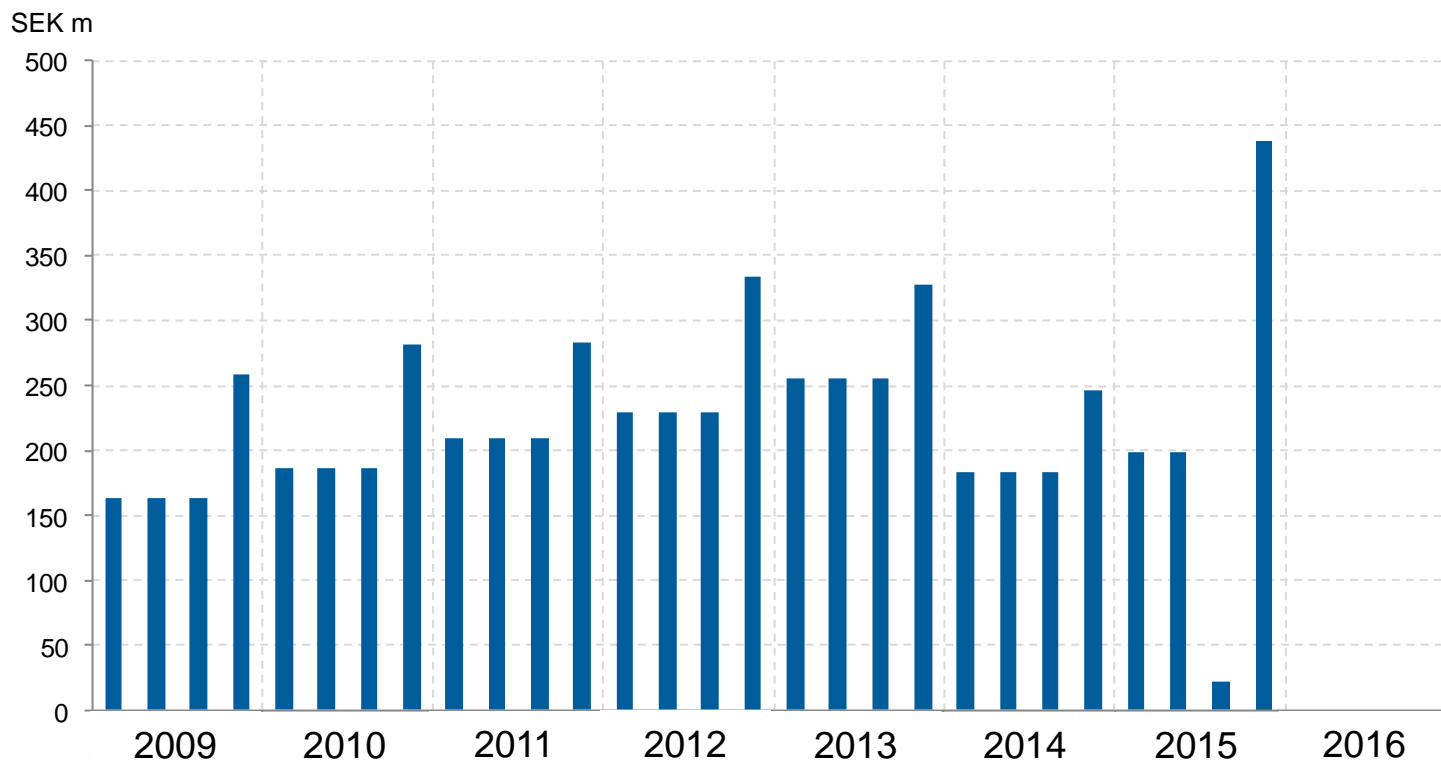
# Fees and commissions

SEK m	Jan-Sep 2016	Jan-Sep 2015	Change
Brokerage and other securities commissions	660	805	-18%
Mutual funds	2,188	2,244	-2%
Custody and other asset management fees	440	450	-2%
Advisory services	258	237	9%
Insurance	471	484	-3%
Payments	2,328	2,512	-7%
Loans and deposits	863	800	8%
Guarantees	315	313	1%
Other	362	349	4%
<b>Total fee and commission income</b>	<b>7,885</b>	<b>8,194</b>	<b>-4%</b>
Securities	-186	-185	1%
Payments	-934	-978	-4%
Other	-56	-54	4%
<b>Total fee and commission expense</b>	<b>-1,176</b>	<b>-1,217</b>	<b>-3%</b>
<b>Net fee and commission income</b>	<b>6,709</b>	<b>6,977</b>	<b>-4%</b>

# Mandatory government fees

<b>Q3 2016, SEK m</b>	<b>Resolution fund</b>	<b>Deposit guarantee</b>	<b>Total</b>
Sweden	-102	-63	<b>-165</b>
UK	-17	-5	<b>-22</b>
Denmark	-7	-4	<b>-11</b>
Finland	-11	-3	<b>-14</b>
Norway	-20	-6	<b>-26</b>
Netherlands	-2	0	<b>-2</b>
Capital Markets	-18	0	<b>-18</b>
Other	-68	-	<b>-68</b>
<b>Total</b>	<b>-245</b>	<b>-81</b>	<b>-326</b>

# Oktagonen quarterly



# Effective tax rate

	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Effective tax rate	2016	2016	2016	2015	2015	2015	2015	2014	2014
Per quarter	19.8%	20.7%	18.7%	19.4%	21.7%	21.1%	21.5%	21.7%	20.8%
Accumulated year to date	19.7%	19.7%	18.7%	20.9%	21.4%	21.3%	21.5%	21.2%	21.0%

# Change in common equity tier 1 ratio

## CRR/CRD IV

<b>Common equity tier 1 ratio Q2 2016, %</b>	<b>23.0</b>
Change, percentage points:	
<b>Common equity tier 1 capital</b>	<b>0.4</b>
Earnings after estimated dividends*	0.3
Conversions of staff convertibles	0.1
Currency effects	0.2
IAS 19	0.0
AFS holdings	0.0
Other and rounding	-0.2
<b>Lending volume</b>	<b>-0.1</b>
Lending growth	0.1
Currency effects	-0.2
<b>Net effect different quality of inflows and outflows in loan portfolio</b>	<b>0.1</b>
<b>Credit risk migration in the lending portfolio</b>	<b>-0.1</b>
<b>Sale of AFS holdings</b>	<b>0.6</b>
<b>Other effects, net</b>	<b>0.1</b>
<b>Change in common equity tier 1 ratio</b>	<b>1.0</b>
<b>Common equity tier 1 ratio Q3 2016, %</b>	<b>24.0</b>

\* Earnings excluding capital gain from sale of AFS holdings

# Change in common equity tier 1 ratio

## CRR/CRD IV

<b>Common equity tier 1 ratio Q3 2015, %</b>	<b>21.4</b>
Change, percentage points:	
<b>Common equity tier 1 capital</b>	<b>2.1</b>
Earnings after estimated dividends*	2.1
Conversions of staff convertibles	0.5
Currency effects	0.0
IAS 19	-0.1
AFS holdings	0.1
Other and rounding	-0.5
<b>Lending volume</b>	<b>-0.6</b>
Lending growth	-0.5
Currency effects	-0.1
<b>Net effect different quality of inflows and outflows in loan portfolio</b>	<b>0.8</b>
<b>Credit risk migration in the lending portfolio</b>	<b>-0.5</b>
<b>Sale of AFS holdings</b>	<b>1.0</b>
<b>Other effects, net</b>	<b>-0.2</b>
<b>Change in common equity tier 1 ratio</b>	<b>2.6</b>
<b>Common equity tier 1 ratio Q3 2016, %</b>	<b>24.0</b>

\* Earnings excluding capital gain from sale of AFS holdings

# Balance sheet

SEK bn	Jan-Sep 2016	Jan-Sep 2015	Change
Cash and central banks	457	526	-13%
Loans to the public	1,966	1,855	6%
Loans to other credit institutions	41	63	-36%
Interest-bearing securities	173	165	5%
Other assets	272	335	-19%
<b>Total assets</b>	<b>2,909</b>	<b>2,944</b>	<b>-1%</b>
Deposits and borrowing from the public	1,009	1,049	-4%
Due to credit institutions	205	223	-8%
Issued securities	1,316	1,258	5%
Other liabilities	245	287	-15%
Total equity	134	127	6%
<b>Total liabilities and equity</b>	<b>2,909</b>	<b>2,944</b>	<b>-1%</b>

# Non-encumbered assets, NEA

30 September 2016

SEK bn	NEA	Accumulated coverage ratio in % of unsecured funding*
Cash with central banks and securities in the liquidity portfolio	619	67%
Mortgage loans	470	118%
Other household lending	180	137%
Property company lending lowest risk class (1-3)	260	165%
Other corporate lending lowest risk class (1-3)	153	182%
Loans to credit institutions lowest risk class (1-3)	36	186%
Other corporate lending	240	211%
Other assets	90	221%
<b>Total non-encumbered assets (NEA)</b>	<b>2,048</b>	<b>221%</b>
<b>Encumbered assets without underlying liabilities**</b>	<b>59</b>	
<i>Encumbered assets with underlying liabilities</i>	<i>802</i>	
<b>Total assets, Group</b>	<b>2,909</b>	

\* Issued short and long unsecured funding and due to credit institutions

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



# Long-term bond funding, January – September

<b>Long term bond issuance, SEK bn</b>	<b>Jan-Sep 2016</b>	<b>Jan-Sep 2015</b>	<b>Change</b>
Senior bonds	50	20	30
Covered bonds	129	89	40
Subordinated loans	0	10	-10
<b>Total</b>	<b>179</b>	<b>119</b>	<b>60</b>

## Issues in Q3 include:

- USD 1.0bn 5-year senior
- USD 1.5bn 3-year senior
- EUR 0.5bn 10-year covered bonds

# Loans to the public\*

SEK bn, end of period	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
<i>Households</i>	754	745	728	714	701
<i>Corporates</i>	473	479	478	478	475
<b>Handelsbanken Sweden</b>	<b>1,227</b>	<b>1,224</b>	<b>1,206</b>	<b>1,193</b>	<b>1,176</b>
<i>Households</i>	93	87	83	81	82
<i>Corporates</i>	156	146	137	129	121
<b>Handelsbanken Norway</b>	<b>249</b>	<b>233</b>	<b>220</b>	<b>210</b>	<b>203</b>
<i>Households</i>	64	63	63	64	64
<i>Corporates</i>	126	125	126	130	131
<b>Handelsbanken UK</b>	<b>190</b>	<b>188</b>	<b>189</b>	<b>194</b>	<b>195</b>
<i>Households</i>	37	35	35	35	36
<i>Corporates</i>	84	83	80	80	80
<b>Handelsbanken Finland</b>	<b>121</b>	<b>118</b>	<b>115</b>	<b>115</b>	<b>116</b>
<i>Households</i>	55	52	49	48	47
<i>Corporates</i>	38	38	38	36	38
<b>Handelsbanken Denmark</b>	<b>93</b>	<b>90</b>	<b>87</b>	<b>84</b>	<b>85</b>
<i>Households</i>	15	14	12	11	10
<i>Corporates</i>	16	16	12	11	11
<b>Handelsbanken the Netherlands</b>	<b>31</b>	<b>30</b>	<b>24</b>	<b>22</b>	<b>21</b>
Other	52	52	58	46	56
<i>Households</i>	1,025	1,003	977	960	946
<i>Corporates</i>	938	932	922	903	905
<b>Total lending to the public</b>	<b>1,963</b>	<b>1,935</b>	<b>1,899</b>	<b>1,863</b>	<b>1,851</b>

\* Excluding loans to the Swedish National Debt Office

# Deposits from the public

SEK bn, end of period	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
<i>Households</i>	308	305	288	280	275
<i>Corporates</i>	204	195	193	191	188
<b>Handelsbanken Sweden</b>	<b>512</b>	<b>500</b>	<b>481</b>	<b>470</b>	<b>463</b>
<i>Households</i>	31	30	25	26	24
<i>Corporates</i>	80	81	78	76	86
<b>Handelsbanken UK</b>	<b>111</b>	<b>111</b>	<b>103</b>	<b>102</b>	<b>110</b>
<i>Households</i>	21	20	18	18	17
<i>Corporates</i>	58	42	43	39	40
<b>Handelsbanken Norway</b>	<b>79</b>	<b>62</b>	<b>61</b>	<b>57</b>	<b>57</b>
<i>Households</i>	14	14	13	13	13
<i>Corporates</i>	19	15	17	17	18
<b>Handelsbanken Finland</b>	<b>33</b>	<b>29</b>	<b>30</b>	<b>30</b>	<b>31</b>
<i>Households</i>	16	15	14	14	14
<i>Corporates</i>	19	19	16	17	24
<b>Handelsbanken Denmark</b>	<b>35</b>	<b>34</b>	<b>30</b>	<b>31</b>	<b>38</b>
<i>Households</i>	1	1	1	1	1
<i>Corporates</i>	6	2	5	2	5
<b>Handelsbanken the Netherlands</b>	<b>7</b>	<b>3</b>	<b>6</b>	<b>3</b>	<b>6</b>
Other	233	396	332	61	344
<i>Households</i>	399	392	365	356	351
<i>Corporates</i>	611	743	677	398	698
<b>Total deposits from the public</b>	<b>1,009</b>	<b>1,135</b>	<b>1,042</b>	<b>754</b>	<b>1,049</b>

# Lending in home markets outside Sweden

Average volumes local currency

	Q3 2016	Q2 2016	Change
<b>Private, local currency</b>			
Denmark, DKK bn	41.3	40.1	3.0%
Finland, EUR m	3,998	3,952	1.2%
Norway, NOK bn	86.4	85.3	1.3%
UK, GBP m	5,609	5,456	2.8%
The Netherlands, EUR m	1,502	1,367	9.9%

## **Corporate, local currency**

Denmark, DKK bn	28.7	28.8	-0.3%
Finland, EUR m	8,747	8,733	0.2%
Norway, NOK bn	144.3	142.7	1.1%
UK, GBP m	11,196	10,847	3.2%
The Netherlands, EUR m	1,741	1,397	24.6%

# Lending in home markets outside Sweden

Average volumes local currency

<b>Private, local currency</b>	<b>Jan-Sep 2016</b>	<b>Jan-Sep 2015</b>	<b>Change</b>
Denmark, DKK bn	40.2	36.3	10.7%
Finland, EUR m	3,968	3,942	0.7%
Norway, NOK bn	85.3	80.7	5.7%
UK, GBP m	5,451	4,714	15.6%
The Netherlands, EUR m	1,369	982	39.4%

<b>Corporate, local currency</b>			
Denmark, DKK bn	28.7	29.2	-1.7%
Finland, EUR m	8,741	8,606	1.6%
Norway, NOK bn	142.1	118.3	20.1%
UK, GBP m	10,870	9,915	9.6%
The Netherlands, EUR m	1,470	1,122	31.0%

# Deposits in home markets outside Sweden

Average volumes local currency

	Q3 2016	Q2 2016	Change
<b>Private, local currency</b>			
Denmark, DKK bn	12.1	12.0	0.8%
Finland, EUR m	1,485	1,432	3.7%
Norway, NOK bn	20.0	19.1	4.7%
UK, GBP m	2,751	2,425	13.4%
The Netherlands, EUR m	65	58	12.1%

<b>Corporate, local currency</b>			
Denmark, DKK bn	15.7	13.5	16.3%
Finland, EUR m	1,933	1,766	9.5%
Norway, NOK bn	45.8	44.2	3.6%
UK, GBP m	7,526	7,051	6.7%
The Netherlands, EUR m	378	440	-14.1%

# Deposits in home markets outside Sweden

Average volumes local currency

	Jan-Sep 2016	Jan-Sep 2015	Change
<b>Private, local currency</b>			
Denmark, DKK bn	11.8	11.0	7.3%
Finland, EUR m	1,432	1,368	4.7%
Norway, NOK bn	19.2	17.2	11.6%
UK, GBP m	2,412	1,680	43.6%
The Netherlands, EUR m	58	48	20.8%
<b>Corporate, local currency</b>			
Denmark, DKK bn	15.5	16.9	-8.3%
Finland, EUR m	1,917	2,340	-18.1%
Norway, NOK bn	43.6	52.4	-16.8%
UK, GBP m	7,107	6,520	9.0%
The Netherlands, EUR m	409	737	-44.5%

# UK

## Local currency

GBP m	Q3	Q2	Change	Q3	Change	Jan-Sep	Jan-Sep	Change
	2016	2016		2015		2016	2015	
Net interest income	97.1	93.4	4%	89.7	8%	282.8	261.8	8%
Net fee and commission income	10.8	11.2	-4%	8.6	26%	31.8	24.9	28%
Net gains/losses on financial transactions	3.1	6.5	-52%	3.3	-6%	13.7	11.4	20%
Other income	0.0	0.0	0%	0.1	-100%	0.1	0.4	-75%
<b>Total income</b>	<b>111.0</b>	<b>111.1</b>	<b>0%</b>	<b>101.7</b>	<b>9%</b>	<b>328.4</b>	<b>298.5</b>	<b>10%</b>
Staff costs	-39.7	-39.2	1%	-36.6	8%	-118.0	-107.7	10%
Other expenses	-9.6	-8.9	8%	-7.9	22%	-27.3	-22.8	20%
Internal purchased and sold services	-12.4	-11.5	8%	-8.8	41%	-33.9	-25.2	35%
Depreciation, amortisation and impairments of property, equipment and intangible assets	-1.0	-1.0	0%	-0.7	43%	-3.0	-1.5	100%
<b>Total expenses</b>	<b>-62.7</b>	<b>-60.6</b>	<b>3%</b>	<b>-54.0</b>	<b>16%</b>	<b>-182.2</b>	<b>-157.2</b>	<b>16%</b>
<b>Profit before loan losses</b>	<b>48.3</b>	<b>50.5</b>	<b>-4%</b>	<b>47.7</b>	<b>1%</b>	<b>146.2</b>	<b>141.3</b>	<b>3%</b>
Net loan losses	-1.9	-2.2	-14%	-4.9	-61%	-7.5	-12.9	-42%
Gains/losses on disposal of property, equipment and intangible assets	0.0	-0.1		-0.2		0.2	-0.9	
<b>Operating profit</b>	<b>46.4</b>	<b>48.2</b>	<b>-4%</b>	<b>42.6</b>	<b>9%</b>	<b>138.9</b>	<b>127.5</b>	<b>9%</b>
Profit allocation	1.0	0.5	100%	0.6	67%	2.2	1.9	16%
<b>Operating profit after profit allocation</b>	<b>47.4</b>	<b>48.7</b>	<b>-3%</b>	<b>43.2</b>	<b>10%</b>	<b>141.1</b>	<b>129.4</b>	<b>9%</b>



# Denmark

Local currency

DKK m	Q3 2016	Q2 2016	Change	Q3 2015	Change	Jan-Sep 2016	Jan-Sep 2015	Change
Net interest income	333	325	2%	329	1%	985	1,002	-2%
Net fee and commission income	72	75	-4%	73	-1%	225	266	-15%
Net gains/losses on financial transactions	15	15	0%	15	0%	43	43	0%
Other income	2	4	-50%	3	-33%	9	11	-18%
<b>Total income</b>	<b>422</b>	<b>419</b>	<b>1%</b>	<b>420</b>	<b>0%</b>	<b>1,262</b>	<b>1,322</b>	<b>-5%</b>
Staff costs	-127	-125	2%	-128	-1%	-379	-373	2%
Other expenses	-34	-33	3%	-33	3%	-102	-105	-3%
Internal purchased and sold services	-55	-56	-2%	-51	8%	-166	-166	0%
Depreciation, amortisation and impairments of property, equipment and intangible assets	-3	-2	50%	-1	200%	-8	-7	14%
<b>Total expenses</b>	<b>-219</b>	<b>-216</b>	<b>1%</b>	<b>-213</b>	<b>3%</b>	<b>-655</b>	<b>-651</b>	<b>1%</b>
<b>Profit before loan losses</b>	<b>203</b>	<b>203</b>	<b>0%</b>	<b>207</b>	<b>-2%</b>	<b>607</b>	<b>671</b>	<b>-10%</b>
Net loan losses	-154	-31	397%	-152	1%	-189	-188	1%
Gains/losses on disposal of property, equipment and intangible assets	3	1	200%	1	200%	4	2	100%
<b>Operating profit</b>	<b>52</b>	<b>173</b>	<b>-70%</b>	<b>56</b>	<b>-7%</b>	<b>422</b>	<b>485</b>	<b>-13%</b>
Profit allocation	20	15	33%	14	43%	50	42	19%
<b>Operating profit after profit allocation</b>	<b>72</b>	<b>188</b>	<b>-62%</b>	<b>70</b>	<b>3%</b>	<b>472</b>	<b>527</b>	<b>-10%</b>

# Finland

## Local currency

EUR m	Q3 2016	Q2 2016	Change	Q3 2015	Change	Jan-Sep 2016	Jan-Sep 2015	Change
Net interest income	31.9	31.7	1%	35.3	-10%	97.7	108.4	-10%
Net fee and commission income	11.3	11.1	2%	10.2	11%	32.3	31.4	3%
Net gains/losses on financial transactions	0.8	4.9	-84%	1.2	-33%	7.1	5.2	37%
Other income	0.1	0.3	-67%	0.2	-50%	0.7	1.6	-56%
<b>Total income</b>	<b>44.1</b>	<b>48.0</b>	<b>-8%</b>	<b>46.9</b>	<b>-6%</b>	<b>137.8</b>	<b>146.6</b>	<b>-6%</b>
Staff costs	-9.9	-10.2	-3%	-9.7	2%	-29.7	-29.7	0%
Other expenses	-3.9	-5.4	-28%	-3.7	5%	-16.8	-12.3	37%
Internal purchased and sold services	-6.1	-6.6	-8%	-6.1	0%	-18.9	-19.4	-3%
Depreciation, amortisation and impairments of property, equipment and intangible assets	-0.4	-0.4	0%	-0.3	33%	-1.1	-0.8	38%
<b>Total expenses</b>	<b>-20.3</b>	<b>-22.6</b>	<b>-10%</b>	<b>-19.8</b>	<b>3%</b>	<b>-66.5</b>	<b>-62.2</b>	<b>7%</b>
<b>Profit before loan losses</b>	<b>23.8</b>	<b>25.4</b>	<b>-6%</b>	<b>27.1</b>	<b>-12%</b>	<b>71.3</b>	<b>84.4</b>	<b>-16%</b>
Net loan losses	-1.7	-1.1	55%	-0.5	240%	-5.3	-7.4	-28%
Gains/losses on disposal of property, equipment and intangible assets	0.0	0.0	0%	0.0	-90%	0.0	0.0	-85%
<b>Operating profit</b>	<b>22.1</b>	<b>24.3</b>	<b>-9%</b>	<b>26.6</b>	<b>-17%</b>	<b>66.0</b>	<b>77.0</b>	<b>-14%</b>
Profit allocation	3.2	3.2	0%	2.8	14%	9.9	8.4	18%
<b>Operating profit after profit allocation</b>	<b>25.3</b>	<b>27.5</b>	<b>-8%</b>	<b>29.4</b>	<b>-14%</b>	<b>75.9</b>	<b>85.4</b>	<b>-11%</b>

# Norway

Local currency

NOK m	Q3	Q2	Change	Q3	Change	Jan-Sep	Jan-Sep	Change
	2016	2016		2015		2016	2015	
Net interest income	835	801	4%	763	9%	2,421	2,313	5%
Net fee and commission income	98	92	7%	100	-2%	275	288	-5%
Net gains/losses on financial transactions	24	30	-20%	27	-11%	93	67	39%
Other income	3	69	-96%	9	-67%	76	17	347%
<b>Total income</b>	<b>960</b>	<b>992</b>	<b>-3%</b>	<b>899</b>	<b>7%</b>	<b>2,865</b>	<b>2,685</b>	<b>7%</b>
Staff costs	-171	-159	8%	-172	-1%	-496	-512	-3%
Other expenses	-44	-51	-14%	-47	-6%	-144	-146	-1%
Internal purchased and sold services	-95	-90	6%	-84	13%	-273	-261	5%
Depreciation, amortisation and impairments of property, equipment and intangible assets	-3	4		-3	0%	-2	-9	-78%
<b>Total expenses</b>	<b>-313</b>	<b>-296</b>	<b>6%</b>	<b>-306</b>	<b>2%</b>	<b>-915</b>	<b>-928</b>	<b>-1%</b>
<b>Profit before loan losses</b>	<b>647</b>	<b>696</b>	<b>-7%</b>	<b>593</b>	<b>9%</b>	<b>1,950</b>	<b>1,757</b>	<b>11%</b>
Net loan losses	-71	-64	11%	-51	39%	-240	-180	33%
Gains/losses on disposal of property, equipment and intangible assets	0	0	0%	5	-100%	0	5	-100%
<b>Operating profit</b>	<b>576</b>	<b>632</b>	<b>-9%</b>	<b>547</b>	<b>5%</b>	<b>1,710</b>	<b>1,582</b>	<b>8%</b>
Profit allocation	21	17	24%	14	50%	61	35	74%
<b>Operating profit after profit allocation</b>	<b>597</b>	<b>649</b>	<b>-8%</b>	<b>561</b>	<b>6%</b>	<b>1,771</b>	<b>1,617</b>	<b>10%</b>

# The Netherlands

Local currency

EUR m	Q3 2016	Q2 2016	Change	Q3 2015	Change	Jan-Sep 2016	Jan-Sep 2015	Change
Net interest income	12.3	10.8	14%	8.9	38%	33.3	25.6	30%
Net fee and commission income	1.6	0.6	167%	0.6	167%	2.8	1.9	47%
Net gains/losses on financial transactions	0.2	0.0		0.3	-33%	0.3	0.4	-25%
Other income	0.0	-		-		0.0	-	
<b>Total income</b>	<b>14.1</b>	<b>11.4</b>	<b>24%</b>	<b>9.8</b>	<b>44%</b>	<b>36.4</b>	<b>27.9</b>	<b>30%</b>
Staff costs	-5.8	-4.9	18%	-4.3	35%	-15.4	-12.2	26%
Other expenses	-2.1	-1.7	24%	-0.9	133%	-4.7	-2.8	68%
Internal purchased and sold services	-1.6	-2.0	-20%	-2.0	-20%	-5.8	-6.7	-13%
Depreciation, amortisation and impairments of property, equipment and intangible assets	-0.2	-0.2	0%	-0.1	100%	-0.5	-0.2	150%
<b>Total expenses</b>	<b>-9.7</b>	<b>-8.8</b>	<b>10%</b>	<b>-7.3</b>	<b>33%</b>	<b>-26.4</b>	<b>-21.9</b>	<b>21%</b>
<b>Profit before loan losses</b>	<b>4.4</b>	<b>2.6</b>	<b>69%</b>	<b>2.5</b>	<b>76%</b>	<b>10.0</b>	<b>6.0</b>	<b>67%</b>
Net loan losses	-0.1	0.1		0.1		0.0	-0.2	
Gains/losses on disposal of property, equipment and intangible assets	-	-		-		-	-	
<b>Operating profit</b>	<b>4.3</b>	<b>2.7</b>	<b>59%</b>	<b>2.6</b>	<b>65%</b>	<b>10.0</b>	<b>5.8</b>	<b>72%</b>
Profit allocation	0.0	0.2	-100%	0.0	-90%	0.2	0.0	
<b>Operating profit after profit allocation</b>	<b>4.3</b>	<b>2.9</b>	<b>48%</b>	<b>2.6</b>	<b>65%</b>	<b>10.2</b>	<b>5.8</b>	<b>76%</b>

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