

# Handelsbanken's interim report

JANUARY – SEPTEMBER 2013

## Summary January – September 2013, compared with January – September 2012

- The period's profit after tax for total operations increased by 10% to SEK 10,768 million (9,754) and earnings per share increased to SEK 16.97 (15.55)
- Operating profit increased by 4% to SEK 13,630 million (13,160)
- Return on equity for total operations increased to 14.2% (14.0)
- Income increased by 3% to SEK 27,049 million (26,171)
- Net interest income rose by 2% to SEK 19,897 million (19,597)
- The C/I ratio was 46.4% (46.4)
- The loan loss ratio was 0.07% (0.07)
- The core tier 1 ratio according to Basel II increased to 19.3% (17.3) and the total capital ratio rose to 21.7% (20.7)
- The core tier 1 ratio according to Basel III rose to 18.8%
- The Bank's liquidity reserve exceeded SEK 800 billion

## Summary of Q3 2013, compared with Q2 2013

- The period's profit after tax for total operations decreased by 2% to SEK 3,607 million (3,695) and earnings per share were SEK 5.68 (5.82)
- Operating profit decreased by 3% to SEK 4,571 million (4,723) due to a seasonal fall in income
- Return on equity for total operations decreased to 14.2% (15.1)
- Income fell by 3% to SEK 9,009 million (9,240)
- Net interest income rose in all home markets outside Sweden by a total of 6%
- Expenses decreased by 1% to SEK -4,157 million (-4,215)
- The loan loss ratio fell to 0.06% (0.07)

# Contents

	Page
Group – Overview .....	3
Adjusted comparison figures .....	3
Group performance .....	4
Group – Business segments .....	8
Branch office operations in Sweden .....	9
Branch office operations in the UK .....	11
Branch office operations in Denmark .....	13
Branch office operations in Finland .....	15
Branch office operations in Norway .....	17
Branch office operations in the Netherlands .....	19
Handelsbanken International .....	21
Handelsbanken Capital Markets .....	23
Other units not reported in the business segments .....	25
Key figures .....	26
The Handelsbanken share .....	26
Condensed set of financial statements – The Group .....	27
Income statement .....	27
Earnings per share .....	27
Statement of comprehensive income .....	28
Quarterly performance .....	29
Balance sheet .....	30
Statement of changes in equity .....	31
Cash flow statement .....	31
Note 1 Accounting policies .....	32
Note 2 Net interest income .....	32
Note 3 Net fee and commission income .....	33
Note 4 Net gains/losses on financial transactions .....	33
Note 5 Other administrative expenses .....	33
Note 6 Loan losses and impaired loans .....	34
Note 7 Discontinued operations .....	35
Note 8 Loans and credit exposure .....	36
Note 9 Derivatives .....	37
Note 10 Goodwill and other intangible assets .....	38
Note 11 Due to credit institutions, deposits and borrowing from the public .....	38
Note 12 Turnover of own debt instruments and shares .....	38
Note 13 Assets pledged, contingent liabilities and other commitments .....	38
Note 14 Classification of financial assets and liabilities .....	39
Note 15 Fair value measurement of financial assets and liabilities .....	41
Note 16 Business combinations .....	44
Note 17 Offsetting of financial instruments .....	45
Note 18 Assets and liabilities by currency .....	46
Note 19 Related-party transactions .....	46
Note 20 Capital base and capital requirement in the banking group .....	47
Note 21 Risk and capital management .....	50
Note 22 Restating of financial reports due to revised IAS 19 – The Group .....	55
Condensed set of financial statements – Parent company .....	57
Information on phone conference, etc .....	59
Auditors' report concerning review of interim report .....	60
Share price performance and other information .....	61

## Handelsbanken Group – Overview

SEK m	Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
<b>Summary income statement</b>									
Net interest income	6,683	6,462	3%	6,673	0%	19,897	19,597	2%	26,081
Net fee and commission income	1,896	1,742	9%	1,924	-1%	5,697	5,459	4%	7,369
Net gains/losses on financial transactions	354	191	85%	440	-20%	1,053	754	40%	1,120
Risk result - insurance	30	33	-9%	26	15%	107	108	-1%	196
Other dividend income	4	8	-50%	155	-97%	160	151	6%	152
Share of profit of associates	5	1	400%	2	150%	2	1	100%	8
Other income	37	29	28%	20	85%	133	101	32%	136
<b>Total income</b>	<b>9,009</b>	<b>8,466</b>	<b>6%</b>	<b>9,240</b>	<b>-3%</b>	<b>27,049</b>	<b>26,171</b>	<b>3%</b>	<b>35,062</b>
Staff costs	-2,845	-2,678	6%	-2,796	2%	-8,424	-8,244	2%	-11,167
Other administrative expenses	-1,187	-1,108	7%	-1,304	-9%	-3,770	-3,558	6%	-5,069
Depreciation, amortisation and impairments of property, equipment and intangible assets	-125	-113	11%	-115	9%	-360	-352	2%	-464
<b>Total expenses</b>	<b>-4,157</b>	<b>-3,899</b>	<b>7%</b>	<b>-4,215</b>	<b>-1%</b>	<b>-12,554</b>	<b>-12,154</b>	<b>3%</b>	<b>-16,700</b>
<b>Profit before loan losses</b>	<b>4,852</b>	<b>4,567</b>	<b>6%</b>	<b>5,025</b>	<b>-3%</b>	<b>14,495</b>	<b>14,017</b>	<b>3%</b>	<b>18,362</b>
Net loan losses	-284	-277	3%	-306	-7%	-873	-856	2%	-1,251
Gains/losses on disposal of property, equipment and intangible assets	3	-1		4	-25%	8	-1		-3
<b>Operating profit</b>	<b>4,571</b>	<b>4,289</b>	<b>7%</b>	<b>4,723</b>	<b>-3%</b>	<b>13,630</b>	<b>13,160</b>	<b>4%</b>	<b>17,108</b>
Taxes	-997	-1,137	-12%	-1,067	-7%	-2,949	-3,492	-16%	-3,092
<b>Profit for the period from continuing operations</b>	<b>3,574</b>	<b>3,152</b>	<b>13%</b>	<b>3,656</b>	<b>-2%</b>	<b>10,681</b>	<b>9,668</b>	<b>10%</b>	<b>14,016</b>
Profit for the period pertaining to discontinued operations, after tax	33	8	313%	39	-15%	87	86	1%	22
<b>Profit for the period</b>	<b>3,607</b>	<b>3,160</b>	<b>14%</b>	<b>3,695</b>	<b>-2%</b>	<b>10,768</b>	<b>9,754</b>	<b>10%</b>	<b>14,038</b>
<b>Summary balance sheet</b>									
Loans to the public	1,682,552	1,620,505	4%	1,685,665	0%	1,682,552	1,620,505	4%	1,680,479
<i>of which mortgage loans</i>	934,913	868,726	8%	924,891	1%	934,913	868,726	8%	891,200
Deposits and borrowing from the public	807,630	728,572	11%	636,776	27%	807,630	728,572	11%	682,223
<i>of which households</i>	279,582	266,233	5%	280,957	0%	279,582	266,233	5%	267,450
Total equity	106,512	97,112	10%	102,391	4%	106,512	97,112	10%	103,850
Total assets	2,516,236	2,508,189	0%	2,389,268	5%	2,516,236	2,508,189	0%	2,383,951
<b>Summary of key figures</b>									
Return on equity, total operations *	14.2%	13.5%		15.1%		14.2%	14.0%		14.9%
Return on equity, continuing operations *	14.0%	13.5%		14.9%		14.0%	13.9%		14.8%
C/I ratio, continuing operations	46.1%	46.1%		45.6%		46.4%	46.4%		47.6%
Earnings per share, total operations, SEK	5.68	5.01		5.82		16.97	15.55		22.34
- after dilution	5.61	4.94		5.75		16.77	15.20		21.85
Tier 1 ratio, Basel II	21.5%	19.8%		20.4%		21.5%	19.8%		20.4%

\* 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.

### ADJUSTED COMPARATIVE FIGURES

As of the first quarter of 2013, the revised IAS 19 (Employee benefits) applies. All comparative figures (income statement, balance sheet, key ratios and capital measurements) have been restated as if the regulations had applied in 2012. Further details are given in Note 1 "Accounting policies" and Note 22 "Restating of financial reports due to revised IAS 19 – Group."

As of the first quarter of 2013, the breakdown of business segments has also been changed, with the equivalent restating of comparative figures. The new breakdown of business segments is set out on page 8.

## Group performance

### JANUARY – SEPTEMBER 2013 COMPARED WITH JANUARY – SEPTEMBER 2012

The period's profit after tax for total operations increased by 10% to SEK 10,768 million (9,754). Earnings per share rose to SEK 16.97 (15.55) and the return on equity for total operations increased to 14.2% (14.0).

The Group's operating profit rose by 4% to SEK 13,630 million (13,160), while the C/I ratio remained unchanged at 46.4% (46.4).

#### Income

SEK m	Jan-Sep 2013	Jan-Sep 2012	Change
Net interest income	19,897	19,597	2%
Net fee and commission income	5,697	5,459	4%
Net gains/losses on financial trans.	1,053	754	40%
Other income	402	361	11%
<b>Total income</b>	<b>27,049</b>	<b>26,171</b>	<b>3%</b>

Income increased by 3% to SEK 27,049 million. A stronger Swedish krona resulted in exchange rate effects of SEK -276 million. Adjusted for this, income grew by 4%.

Net interest income rose by 2% to SEK 19,897 million. Exchange rate movements had a negative effect of SEK -229 million and in local currencies, net interest income increased by 3%.

Lower interest rates in Sweden meant that deposit margins in Swedish branch operations reduced net interest income by SEK 889 million. Net interest income fell by 2% in Sweden, but increased in all other home markets. Net interest income grew by 24% in the UK and by 20% in Norway, while in the Netherlands the increase was 27%. Adjusted for exchange rate effects of SEK -201 million, net interest income in home markets outside Sweden rose by 22%.

The Group's costs for the Stabilisation Fund and various deposit guarantees affected net interest income negatively by SEK -820 million (-811).

The average volume of loans to the public grew by 4% to SEK 1,668 billion (1,608). Exchange rate effects reduced the volume by SEK 17 billion, and in local currencies, the increase was 5%.

The average volume of deposits rose by 3% to SEK 711 billion (690). Adjusted for exchange rate effects of SEK -10 billion, deposit volumes grew by 5%.

Average household deposits went up by 5% to SEK 264 billion (251), while the volume of corporate deposits increased by 2% to SEK 447 billion (439).

Net fee and commission income rose by 4% to SEK 5,697 million (5,459), chiefly due to higher fund management commissions and increased advisory income.

Fund management commissions rose by SEK 229 million, or 18%, to SEK 1,471 million (1,242), while

advisory commissions increased by SEK 66 million, or 46%, to SEK 210 million (144).

Brokerage income increased by 2% to SEK 877 million (864).

Net gains/losses on financial transactions increased to SEK 1,053 million (754), primarily due to improved profits from fixed income and currency operations.

#### Expenses

SEK m	Jan-Sep 2013	Jan-Sep 2012	Change
Staff costs	-8,424	-8,244	2%
Other administrative expenses	-3,770	-3,558	6%
Depreciation and amortisation	-360	-352	2%
<b>Total expenses</b>	<b>-12,554</b>	<b>-12,154</b>	<b>3%</b>

Total expenses rose by 3% to SEK -12,554 million. Adjusted for exchange rate movements of SEK 152 million, expenses increased by 5%.

Staff costs rose by 2% to SEK -8,424 million (-8,244). The allocation to the Oktogonen Foundation rose to SEK -768 million (-687) and accounts for one percentage point of this increase. Variable compensation, including social security costs and other payroll overheads, totalled SEK -100 million (-86). Exchange rate movements lowered staff costs by SEK 102 million.

The average number of employees increased by 2% to 11,476 (11,204).

Other administrative expenses rose by 6% to SEK -3,770 million (-3,558), chiefly due to an increase in IT-related costs.

#### Loan losses

SEK m	Jan-Sep 2013	Jan-Sep 2012	Change
Net loan losses	-873	-856	-17
Loan loss ratio as a % of loans	0.07	0.07	0.00
Impaired loans, net	2,891	3,067	-6%
Proportion of impaired loans, %	0.17	0.18	-0.01

Loan losses were SEK -873 million (-856) and the credit quality continued to be stable. The loan loss ratio was unchanged at 0.07% (0.07). Net impaired loans fell to SEK 2,891 million (3,067), equivalent to 0.17% (0.18) of lending.

#### Taxes

As of 2013, Swedish corporate tax is payable at 22%. The Group's tax expense for the nine-month period totalled SEK -2,949 million (-3,492). The effective tax rate was 21.6% (26.5).

### Q3 2013 COMPARED WITH Q2 2013

The period's profit after tax for total operations decreased by 2% to SEK 3,607 million (3,695) and earnings per share were SEK 5.68 (5.82).

Operating profit fell by 3% to SEK 4,571 million (4,723), chiefly due to a seasonal fall in income. The C/I ratio rose to 46.1% (45.6).

Return on equity decreased to 14.2% (15.1).

#### Income

SEK m	Q3 2013	Q2 2013	Change
Net interest income	6,683	6,673	0%
Net fee and commission income	1,896	1,924	-1%
Net gains/losses on financial trans.	354	440	-20%
Other income	76	203	-63%
<b>Total income</b>	<b>9,009</b>	<b>9,240</b>	<b>-3%</b>

Income fell by 3% to SEK 9,009 million (9,240), chiefly due to lower dividend income. The effect of exchange rate movements was marginal.

Net interest income rose slightly, to SEK 6,683 million (6,673).

Net interest income in Swedish branch operations fell by 2%, due in part to an increase in stabilisation fund fees.

Net interest income rose in all home markets outside Sweden, the total increase being 6%.

The Group's costs for the Stabilisation Fund and various deposit guarantees increased to SEK -285 million (-253). The benchmark effect in Stadshypotek decreased by SEK 15 million to SEK -26 million (-11).

The average volume of loans to the public grew to SEK 1,680 billion (1,676), while the total average volume of deposits increased by 5% to SEK 736 billion (700). Household deposits grew by 3%, while corporate deposits increased by 6%.

Net fee and commission income decreased by 1% or SEK 28 million, to SEK 1,896 million (1,924). Seasonal decreases in brokerage and advisory income were partly offset by higher asset management and payment commissions. Brokerage income went down by SEK 71 million, or 22%, to SEK 250 million (321) and advisory commissions fell by SEK 36 million to SEK 35 million (71). At the same time, mutual fund management commissions rose by SEK 20 million to SEK 513 million (493) and net payment commissions rose by SEK 62 million to SEK 434 million (372).

Net gains/losses on financial transactions fell to SEK 354 million (440), partly due to a seasonal reduction in transaction volumes in the third quarter.

Other income fell to SEK 76 million (203) due to dividend income in the period of comparison.

#### Expenses

SEK m	Q3 2013	Q2 2013	Change
Staff costs	-2,845	-2,796	2%
Other administrative expenses	-1,187	-1,304	-9%
Depreciation and amortisation	-125	-115	9%
<b>Total expenses</b>	<b>-4,157</b>	<b>-4,215</b>	<b>-1%</b>

Total expenses decreased by 1% to SEK -4,157 million. Staff costs increased by 2%, while other administrative expenses fell by 9%.

The allocation to the Oktogonen profit-sharing foundation was SEK -256 million (-256), and the period's provision for variable compensation totalled SEK -32 million (-40).

The average number of employees rose to 11,825 (11,361), mainly due to an increased number of temporary employees during the holiday period, but also as a result of continued expansion in the UK.

Other administrative expenses, which are seasonally lower in the third quarter, fell by 9% to SEK -1,187 million (-1,304). The decrease was a general one, spread over most categories of expenses.

#### Loan losses

SEK m	Q3 2013	Q2 2013	Change
Net loan losses	-284	-306	22
Loan loss ratio as a % of loans	0.06	0.07	-0.01
Impaired loans, net	2,891	3,224	-10%
Proportion of impaired loans, %	0.17	0.19	-0.02

Loan losses decreased to SEK -284 million (-306), which corresponds to a loan loss ratio of 0.06% (0.07). Net impaired loans fell by 10% to SEK 2,891 million (3,224), equivalent to 0.17% (0.19) of lending.

## PERFORMANCE IN THE BUSINESS SEGMENTS

(Q3 2013 compared with Q2 2013)

Operating profit from branch office operations in Sweden increased by 2% to SEK 3,216 million (3,154). Income decreased by 2% and expenses by 4%. The loan loss ratio was 0.02% (0.05).

Branch office operations in the UK increased their operating profit by 6% to SEK 288 million (271). Income increased by 11% and expenses by 13%. The loan loss ratio rose to 0.22% (0.17).

Operating profit from branch office operations in Denmark increased by 25% to SEK 242 million (194). Income increased by 8%, while expenses fell by 2%. The loan loss ratio fell to 0.18% (0.22).

Operating profit from branch office operations in Finland fell by 6% to SEK 176 million (188). Income increased by 5% and expenses fell by 6%. The loan loss ratio increased to 0.34% (0.16).

Operating profit from branch office operations in Norway increased by 5% to SEK 704 million (672). Income increased by 2% and expenses increased by 1%. The loan loss ratio fell to 0.05% (0.07).

Operating profit from branch office operations in the Netherlands increased to SEK 23 million (15). Income grew by 14%, while expenses increased by only 2%. The loan loss ratio was 0.01% (0.02).

Operating profit from Handelsbanken International decreased to SEK 20 million (45), due to higher loan losses. Income was unchanged and expenses fell by 4%. The loan loss ratio was 0.58% (0.15).

Operating profit from Handelsbanken Capital Markets fell to SEK 207 million (352) primarily as a result of a seasonal reduction in customer activity. Income fell by 18% and expenses by 6%. The total mutual fund volume increased during the quarter to SEK 252 billion (241).

## FUNDING AND LIQUIDITY

Handelsbanken's strong position in the market ensures very good access to both long-term and short-term funding.

The Bank has continued to be active in several international funding markets. During the third quarter, bonds with a total value of SEK 72 billion (79 in Q3 2012) were issued, including SEK 39 billion in covered bonds and SEK 33 billion in senior bonds. The average maturity of bond issues during the quarter was 4.5 years. For the first nine months of the year, the issued bond volume was SEK 195 billion (203). The Bank also issued extendible notes on the US market to the value of SEK 40 billion.

Total liquidity reserves exceeded SEK 800 billion. Cash funds and liquid assets invested with central banks

amounted to SEK 377 billion, while the volume of liquid bonds totalled SEK 103 billion. The remainder of the reserve mainly comprises an unutilised issue amount for covered bonds at Stadshypotek.

According to the current Swedish definition applicable from January 2013, the Handelsbanken Group's liquidity coverage ratio (LCR) at the end of the period was 139%. In USD, the LCR was 163% and in EUR it was 119%. The Group's LCR according to the definition in CRD4 is estimated to be approximately 170%.

## CAPITAL

SEK m	30 Sep 2013	30 Sep 2012	Change
Capital ratio, Basel II	21.7%	20.7%	1.0
Tier 1 ratio, Basel II	21.5%	19.8%	1.7
Core tier 1 ratio, Basel II	19.3%	17.3%	2.0
Core tier 1 ratio, Basel III	18.8%	n.a.	
Equity	106,512	97,112	10%
Tier 1 capital	100,682	96,235	5%
Core tier 1 capital	90,105	83,817	8%

### 30 September 2013 compared with 30 September 2012

The capital base grew to SEK 101 billion (100). During the period, the Bank redeemed subordinated loans for a net value of SEK 6.4 billion. At the end of the period, 89% of the capital base was core tier 1 capital (83).

Core tier 1 capital increased to SEK 90.1 billion (83.8) and the core tier 1 ratio according to Basel II went up by 2.0 percentage points to 19.3% (17.3). The growth in core tier 1 capital accounted for 1.5 percentage points of this increase. Higher lending volumes reduced the core tier 1 ratio by 0.3 percentage points. At the same time, the credit quality improved due to volume migration, i.e. the mix effect of the fact that new lending volumes are of higher credit quality than the portfolio average, which made a 0.9 percentage point contribution. The improvement in credit quality thus compensated for more than the entire increase in capital requirement resulting from higher lending volumes. Credit risk migration in the loan portfolio reduced the core tier 1 ratio by 0.4 percentage points.

The removal of transitional rules regarding investments in insurance holdings and capital contributions in Handelsbanken Liv had a negative impact of 0.5 percentage points.

IAS 19 had a positive impact of 0.4 percentage points and other effects increased the core tier 1 ratio by 0.4 percentage points.

### 30 September 2013 compared with 30 June 2013

During the quarter, the core tier 1 ratio according to Basel II increased by 1.1 percentage points to 19.3% (18.2). The growth in core tier 1 capital accounted for 0.4 percentage points of this increase. The core tier 1

ratio improved by 0.3 percentage points due to positive volume migration, while credit risk migration had a negative impact of 0.1 percentage points. IAS 19 increased the core tier 1 ratio by 0.1 percentage point and exchange rate effects increased it by a further 0.1 percentage point. Other factors had an overall positive effect of 0.3 percentage points.

#### Capital requirements for Swedish mortgage loans in Pillar 2

On 21 May, the Swedish Financial Supervisory Authority decided to introduce a Pillar 2 supervisory measure in the form of a capital requirement equivalent to a 15% risk weight floor for Swedish mortgage loan portfolios.

For Handelsbanken, this entails a capital requirement in Pillar 2 of approximately SEK 7 billion.

#### RATING

During the period, Handelsbanken's long-term and short-term ratings with the rating agencies which monitor the Bank were unchanged.

	Long-term	Short-term	Financial strength
Standard & Poor's	AA-	A-1+	
Fitch	AA-	F1+	
Moody's	Aa3	P-1	C
DBRS	AA (low)		



# Handelsbanken Group – Business segments

January - September 2013		Home markets									Group Jan-Sep 2013
SEK m	Sweden	UK	Denmark	Finland	Norway	Nether- lands	Inter- national	Capital Markets	Other	Adj. & elim.	
Net interest income	12,358	1,905	1,122	882	2,672	164	484	123	220	-33	19,897
Net fee and commission income	2,550	140	237	305	274	17	235	1,951	-12		5,697
Net gains/losses on financial transactions	410	69	62	28	61	1	65	724	-367		1,053
Risk result - insurance								107			107
Share of profit of associates									2		2
Other income	18	9	13	4	9		4	8	228		293
<b>Total income</b>	<b>15,336</b>	<b>2,123</b>	<b>1,434</b>	<b>1,219</b>	<b>3,016</b>	<b>182</b>	<b>788</b>	<b>2,913</b>	<b>71</b>	<b>-33</b>	<b>27,049</b>
Staff costs	-2,486	-732	-404	-246	-501	-70	-384	-1,521	-2,048	-32	-8,424
Other administrative expenses	-864	-168	-126	-109	-166	-15	-123	-557	-1,642		-3,770
Internal purchased and sold services	-2,257	-235	-183	-177	-264	-39	-106	31	3,197	33	
Depreciation, amortisation and impairment	-66	-27	-12	-8	-8	-1	-8	-39	-191		-360
<b>Total expenses</b>	<b>-5,673</b>	<b>-1,162</b>	<b>-725</b>	<b>-540</b>	<b>-939</b>	<b>-125</b>	<b>-621</b>	<b>-2,086</b>	<b>-684</b>	<b>1</b>	<b>-12,554</b>
<b>Profit before loan losses</b>	<b>9,663</b>	<b>961</b>	<b>709</b>	<b>679</b>	<b>2,077</b>	<b>57</b>	<b>167</b>	<b>827</b>	<b>-613</b>	<b>-32</b>	<b>14,495</b>
Net loan losses	-282	-170	-96	-147	-126	-1	-51				-873
Gains/losses on disposal of property, equipment and intangible assets	7	1			0		0	0	0		8
<b>Operating profit</b>	<b>9,388</b>	<b>792</b>	<b>613</b>	<b>532</b>	<b>1,951</b>	<b>56</b>	<b>116</b>	<b>827</b>	<b>-613</b>	<b>-32</b>	<b>13,630</b>
Profit allocation	541	15	30	43	21	3	20	-673	0		
<b>Operating profit after profit allocation</b>	<b>9,929</b>	<b>807</b>	<b>643</b>	<b>575</b>	<b>1,972</b>	<b>59</b>	<b>136</b>	<b>154</b>	<b>-613</b>	<b>-32</b>	<b>13,630</b>
Internal income *	-826	-906	-306	-318	-2,711	-107	-52	-1,002	6,228		

January - September 2012		Home markets									Group Jan-Sep 2012
SEK m	Sweden	UK	Denmark	Finland	Norway	Nether- lands	Inter- national	Capital Markets	Other	Adj. & elim.	
Net interest income	12,633	1,540	1,037	755	2,233	129	600	473	226	-29	19,597
Net fee and commission income	2,528	73	217	268	234	20	247	1,801	71		5,459
Net gains/losses on financial transactions	428	67	41	23	66	1	68	416	-356		754
Risk result - insurance								108			108
Share of profit of associates									1		1
Other income	11	12	14	5	20		3	8	179		252
<b>Total income</b>	<b>15,600</b>	<b>1,692</b>	<b>1,309</b>	<b>1,051</b>	<b>2,553</b>	<b>150</b>	<b>918</b>	<b>2,806</b>	<b>121</b>	<b>-29</b>	<b>26,171</b>
Staff costs	-2,375	-583	-400	-240	-518	-56	-386	-1,672	-1,986	-28	-8,244
Other administrative expenses	-860	-129	-123	-100	-172	-12	-142	-579	-1,441		-3,558
Internal purchased and sold services	-2,062	-145	-176	-143	-218	-25	-82	-96	2,918	29	
Depreciation, amortisation and impairment	-65	-9	-12	-16	-9	-1	-11	-40	-189		-352
<b>Total expenses</b>	<b>-5,362</b>	<b>-866</b>	<b>-711</b>	<b>-499</b>	<b>-917</b>	<b>-94</b>	<b>-621</b>	<b>-2,387</b>	<b>-698</b>	<b>1</b>	<b>-12,154</b>
<b>Profit before loan losses</b>	<b>10,238</b>	<b>826</b>	<b>598</b>	<b>552</b>	<b>1,636</b>	<b>56</b>	<b>297</b>	<b>419</b>	<b>-577</b>	<b>-28</b>	<b>14,017</b>
Net loan losses	-265	-50	-281	-70	-141		-49				-856
Gains/losses on disposal of property, equipment and intangible assets	0	0	-	0	0		-1		0		-1
<b>Operating profit</b>	<b>9,973</b>	<b>776</b>	<b>317</b>	<b>482</b>	<b>1,495</b>	<b>56</b>	<b>247</b>	<b>419</b>	<b>-577</b>	<b>-28</b>	<b>13,160</b>
Profit allocation	444	9	17	26	19	1	11	-527	0		
<b>Operating profit after profit allocation</b>	<b>10,417</b>	<b>785</b>	<b>334</b>	<b>508</b>	<b>1,514</b>	<b>57</b>	<b>258</b>	<b>-108</b>	<b>-577</b>	<b>-28</b>	<b>13,160</b>
Internal income *	-1,874	-1,006	-441	-579	-3,184	-178	-36	-870	8,168		

\* Internal income which is included in total income comprises income from transactions with other operating segments and Other. Since interest income and interest expense are reported net as income, this means that internal income includes the net amount of the internal funding cost among segments and Other.

The business segments consist of branch office operations in Sweden, the UK, Denmark, Finland, Norway and the Netherlands, as well as Handelsbanken International and Capital Markets. The income statements by segment include internal items such as internal

interest, commissions and payment for internal services rendered, primarily according to the cost price principle. The part of Capital Markets' operating profit that does not involve risk-taking is distributed to the branch with customer responsibility.



## Branch office operations in Sweden

Branch office operations in Sweden comprise six regional banks, as well as Handelsbanken Finans's and Stadshypotek's operations in Sweden. At Handelsbanken, the branches are the base of all operations, with responsibility for all customers of the Bank. The regional banks offer a full range of banking services at 461 branches throughout Sweden. Handelsbanken Finans offers finance company services and works through the Bank's branches. Stadshypotek is the Bank's mortgage company, and is completely integrated with the branch operations.

### INCOME STATEMENT

SEK m	Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
Net interest income	4,091	4,191	-2%	4,173	-2%	12,358	12,633	-2%	16,781
Net fee and commission income	886	819	8%	838	6%	2,550	2,528	1%	3,375
Net gains/losses on financial transactions	104	135	-23%	190	-45%	410	428	-4%	579
Other income	8	3	167%	3	167%	18	11	64%	18
<b>Total income</b>	<b>5,089</b>	<b>5,148</b>	<b>-1%</b>	<b>5,204</b>	<b>-2%</b>	<b>15,336</b>	<b>15,600</b>	<b>-2%</b>	<b>20,753</b>
Staff costs	-831	-785	6%	-822	1%	-2,486	-2,375	5%	-3,157
Other administrative expenses	-261	-278	-6%	-301	-13%	-864	-860	0%	-1,218
Internal purchased and sold services	-719	-659	9%	-770	-7%	-2,257	-2,062	9%	-2,828
Depreciation, amortisation and impairments of property, equipment and intangible assets	-21	-21	0%	-25	-16%	-66	-65	2%	-90
<b>Total expenses</b>	<b>-1,832</b>	<b>-1,743</b>	<b>5%</b>	<b>-1,918</b>	<b>-4%</b>	<b>-5,673</b>	<b>-5,362</b>	<b>6%</b>	<b>-7,293</b>
<b>Profit before loan losses</b>	<b>3,257</b>	<b>3,405</b>	<b>-4%</b>	<b>3,286</b>	<b>-1%</b>	<b>9,663</b>	<b>10,238</b>	<b>-6%</b>	<b>13,460</b>
Net loan losses	-44	-81	-46%	-135	-67%	-282	-265	6%	-420
Gains/losses on disposal of property, equipment and intangible assets	3	0		3	0%	7	0		0
<b>Operating profit</b>	<b>3,216</b>	<b>3,324</b>	<b>-3%</b>	<b>3,154</b>	<b>2%</b>	<b>9,388</b>	<b>9,973</b>	<b>-6%</b>	<b>13,040</b>
Profit allocation	182	144	26%	197	-8%	541	444	22%	641
<b>Operating profit after profit allocation</b>	<b>3,398</b>	<b>3,468</b>	<b>-2%</b>	<b>3,351</b>	<b>1%</b>	<b>9,929</b>	<b>10,417</b>	<b>-5%</b>	<b>13,681</b>
Internal income	-218	-496	56%	-223	2%	-826	-1,874	56%	-2,178
Cost/income ratio, %	34.8	32.9		35.5		35.7	33.4		34.1
Loan loss ratio, %	0.02	0.03		0.05		0.03	0.03		0.04
Allocated capital	58,838	54,124	9%	55,842	5%	58,838	54,124	9%	57,244
Return on allocated capital, %	18.2	18.9		18.7		17.8	19.1		18.5
Average number of employees	4,632	4,548	2%	4,342	7%	4,440	4,416	1%	4,397
Number of branches	461	461	0%	461	0%	461	461	0%	461

### BUSINESS VOLUMES

Average volumes, SEK bn	Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
Loans to the public*									
Household	617	588	5%	610	1%	610	585	4%	587
of which mortgage loans	564	535	5%	556	1%	556	531	5%	534
Corporate	493	480	3%	496	-1%	490	481	2%	481
of which mortgage loans	251	226	11%	246	2%	245	224	9%	226
<b>Total</b>	<b>1,110</b>	<b>1,068</b>	<b>4%</b>	<b>1,106</b>	<b>0%</b>	<b>1,100</b>	<b>1,066</b>	<b>3%</b>	<b>1,068</b>
Deposits and borrowing from the public									
Household	222	210	6%	217	2%	218	206	6%	207
Corporate	162	160	1%	163	-1%	164	164	0%	164
<b>Total</b>	<b>384</b>	<b>370</b>	<b>4%</b>	<b>380</b>	<b>1%</b>	<b>382</b>	<b>370</b>	<b>3%</b>	<b>371</b>

\* Excluding loans to the National Debt Office.

## JANUARY– SEPTEMBER 2013 COMPARED WITH JANUARY – SEPTEMBER 2012

### Financial performance

Operating profit fell by 6% to SEK 9,388 million (9,973), due to lower net interest income and higher expenses.

Net interest income decreased by SEK 275 million, or 2%, to SEK 12,358 million (12,633). Declining deposit margins reduced net interest income by SEK 889 million. Larger deposit and lending volumes increased net interest income by SEK 344 million and lending margins, particularly to companies, made a positive contribution of SEK 237 million. The fees to the Stabilisation Fund and the deposit guarantee fell by SEK 57 million and burdened net interest income by SEK -473 million (530). The benchmark effect in Stadshypotek affected net interest income negatively and amounted to SEK -13 million (2).

Net fee and commission income grew by 1% to SEK 2,550 million (2,528), chiefly due to higher mutual fund commissions.

Net gains/losses on financial transactions fell by 4% to SEK 410 million (428).

Total expenses rose by 6% to SEK -5,673 million (-5,362), chiefly due to annual salary adjustments, as well as to increasing costs for IT development. The C/I ratio was 35.7% (33.4).

Loan losses were SEK -282 million (-265). The loan loss ratio was unchanged at 0.03% (0.03).

### Business development

In the 2013 survey, Handelsbanken once again had the most satisfied customers of the four major banks in Sweden, according to SKI (Swedish Quality Index). For private customers, Handelsbanken's index value was 74.2, as compared with the other three main competitors, all of which recorded scores within the range 64.1–66.2. Since the start of the financial crisis, Handelsbanken has increased its lead against the other three major banks and in the current year's customer satisfaction survey the lead further increased. Handelsbanken also received a considerably higher rating than the rest of the sector for customer satisfaction among corporate customers.

For the third consecutive year, Handelsbanken was acclaimed "Business Bank of the Year" in Finansbarometern's annual survey. The Bank received the highest rating of any bank during the entire eleven-year history of the survey.

The average volume of deposits from households continued to increase, amounting to SEK 218 billion

(206), a rise of 6% compared with the previous year. During the first eight months of 2013, Handelsbanken was the only one of the four major banks to increase its market share of household deposits in Sweden. At the same time, figures from Svensk Fondstatistik showed that Handelsbanken continued to grow in the mutual fund market. During the first nine months of the year, new savings in the Bank's mutual funds in Sweden amounted to SEK 6.3 billion, corresponding to a market share of 10.7%.

The average volume of mortgage loans to private individuals increased by 5% to SEK 556 billion (531), while the average volume of corporate lending grew by SEK 9 billion to SEK 490 billion (481).

### Q3 2013 COMPARED WITH Q2 2013

Operating profit rose by 2% to SEK 3,216 million (3,154), chiefly due to lower loan losses.

Net interest income declined by 2% compared with the previous quarter to SEK 4,091 million (4,173). Deposit margins improved by SEK 25 million, while lower lending margins resulting from mix effects reduced net interest income by SEK 21 million. Lending margins were stable, for both the household sector and the corporate sector. Higher deposit and lending volumes positively affected net interest income by SEK 18 million. Fees for the Swedish Stabilisation Fund and the deposit guarantee increased to SEK -172 million (-142), and the benchmark effect in Stadshypotek fell by SEK 15 million to SEK -26 million (-11).

Lending to households continued to grow and the average volume of mortgage loans to private individuals increased by 1% to SEK 564 billion (556). The gross margin on the mortgage portfolio – before advisory and administration expenses – was unchanged at 0.88% (0.88). The average volume of corporate lending went down by 1% to SEK 493 billion (496).

Net fee and commission income grew by 6% to SEK 886 million (838) due to increased securities commissions.

Net gains/losses on financial transactions fell to SEK 104 million (190), mainly as a result of seasonally lower customer activity.

Total expenses went down by 4% to SEK -1,832 million (-1,918), as a result of the seasonal decrease in other administrative expenses. The average number of employees rose to 4,632 (4,342) as a result of the employment of temporary staff during the summer.

Loan losses went down to SEK -44 million (-135), and the loan loss ratio was 0.02% (0.05).

## Branch office operations in the UK

The branch office operations in the UK comprise four regional banks and Handelsbanken Finans's operations in the UK. At Handelsbanken, the branches are the base of all operations, with responsibility for all customers of the Bank. The regional banks offer banking services at 151 branches throughout the UK.

### INCOME STATEMENT

SEK m	Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
Net interest income	682	544	25%	631	8%	1,905	1,540	24%	2,142
Net fee and commission income	73	25	192%	42	74%	140	73	92%	94
Net gains/losses on financial transactions	25	22	14%	21	19%	69	67	3%	91
Other income	0	4	-100%	6	-100%	9	12	-25%	15
<b>Total income</b>	<b>780</b>	<b>595</b>	<b>31%</b>	<b>700</b>	<b>11%</b>	<b>2,123</b>	<b>1,692</b>	<b>25%</b>	<b>2,342</b>
Staff costs	-271	-200	36%	-241	12%	-732	-583	26%	-793
Other administrative expenses	-59	-42	40%	-53	11%	-168	-129	30%	-178
Internal purchased and sold services	-82	-46	78%	-81	1%	-235	-145	62%	-201
Depreciation, amortisation and impairments of property, equipment and intangible assets	-16	-2		-4	300%	-27	-9	200%	-12
<b>Total expenses</b>	<b>-428</b>	<b>-290</b>	<b>48%</b>	<b>-379</b>	<b>13%</b>	<b>-1,162</b>	<b>-866</b>	<b>34%</b>	<b>-1,184</b>
<b>Profit before loan losses</b>	<b>352</b>	<b>305</b>	<b>15%</b>	<b>321</b>	<b>10%</b>	<b>961</b>	<b>826</b>	<b>16%</b>	<b>1,158</b>
Net loan losses	-65	-37	76%	-50	30%	-170	-50	240%	-151
Gains/losses on disposal of property, equipment and intangible assets	1	0		0		1	0		-1
<b>Operating profit</b>	<b>288</b>	<b>268</b>	<b>7%</b>	<b>271</b>	<b>6%</b>	<b>792</b>	<b>776</b>	<b>2%</b>	<b>1,006</b>
Profit allocation	6	3	100%	5	20%	15	9	67%	15
<b>Operating profit after profit allocation</b>	<b>294</b>	<b>271</b>	<b>8%</b>	<b>276</b>	<b>7%</b>	<b>807</b>	<b>785</b>	<b>3%</b>	<b>1,021</b>
Internal income	-312	-336	7%	-303	-3%	-906	-1,006	10%	-1,308
Cost/income ratio, %	54.5	48.5		53.8		54.3	50.9		50.2
Loan loss ratio, %	0.22	0.16		0.17		0.19	0.07		0.16
Allocated capital	7,010	5,669	24%	6,477	8%	7,010	5,669	24%	5,878
Return on allocated capital, %	13.1	14.1		13.3		12.6	14.7		13.9
Average number of employees	1,332	964	38%	1,201	11%	1,212	918	32%	944
Number of branches	151	124	22%	147	3%	151	124	22%	133

### BUSINESS VOLUMES

Average volumes, GBP m	Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
Loans to the public									
Household	3,344	2,608	28%	3,122	7%	3,143	2,456	28%	2,537
Corporate	8,509	7,327	16%	8,317	2%	8,282	6,924	20%	7,119
<b>Total</b>	<b>11,853</b>	<b>9,935</b>	<b>19%</b>	<b>11,439</b>	<b>4%</b>	<b>11,425</b>	<b>9,380</b>	<b>22%</b>	<b>9,656</b>
Deposits and borrowing from the public									
Household	779	483	61%	605	29%	644	448	44%	463
Corporate	3,093	2,564	21%	2,438	27%	2,606	2,239	16%	2,326
<b>Total</b>	<b>3,872</b>	<b>3,047</b>	<b>27%</b>	<b>3,043</b>	<b>27%</b>	<b>3,250</b>	<b>2,687</b>	<b>21%</b>	<b>2,789</b>

## JANUARY– SEPTEMBER 2013 COMPARED WITH JANUARY – SEPTEMBER 2012

### Financial performance

Operating profit increased by 2% to SEK 792 million (776). The result was charged with expenses related to the expansion of the branch network but also negative exchange rate effects. Expressed in local currency, operating profit increased by 9%.

Profit before loan losses grew by 16% to SEK 961 million (826), as a result of continuing growth in business volumes and customer numbers. In local currency, profit before loan losses grew by 24%.

Income increased by 25% and net interest income grew by 24% to SEK 1,905 million (1,540), mainly due to greater business volumes. In local currency, net interest income rose by 32%.

Net fee and commission income increased by 92% to SEK 140 million (73). This rise was attributable to increased commissions from asset management and payments. The acquisition of Heartwood was completed at the end of May, and Heartwood contributed asset management commissions of SEK 45 million.

Net gains/losses on financial transactions increased by SEK 2 million to SEK 69 million (67).

Expenses rose by 34% to SEK -1,162 million (-866) as a result of the continuing expansion. The average number of employees increased by 32% to 1,212 (918).

Loan losses increased to SEK -170 million (-50), and the loan loss ratio was 0.19% (0.07).

### Business development

Business volumes continued to grow. In the first nine months of the year, the end-of-period volume of deposits grew by 51%, while lending increased by 12%.

On 1 January 2013, a fourth regional bank was formed, with its head office in Bristol. At the end of the quarter, the Bank had 151 branches in the UK. In addition, managers have been recruited for another 14 forthcoming branches.

Work with integrating the Bank's acquisition of the asset management company Heartwood continues according to plan. Since the acquisition was made at the end of May, assets under management have increased from GBP 1.5 billion to GBP 1.7 billion.

### Q3 2013 COMPARED WITH Q2 2013

Operating profit increased by SEK 17 million, or 6%, to SEK 288 million (271), of which SEK 3 million was due to exchange rate movements.

Income grew by 11%, mainly due to an increase in net interest income of SEK 51 million, or 8%, to SEK 682 million (631).

Net fee and commission income rose by SEK 31 million, or 74%, mainly due to the acquisition of Heartwood.

Expenses rose by 13% to SEK -428 million (-379), chiefly as a result of the continued branch office expansion. The average number of employees increased by 11% to 1,332 (1,201), including the employees at Heartwood.

Loan losses were SEK -65 million (-50), and the loan loss ratio was 0.22% (0.17).

## Branch office operations in Denmark

Branch office operations in Denmark comprise the regional bank, as well as Handelsbanken Finans's and Stadshypotek's operations in Denmark. At Handelsbanken, the branches are the base of all operations, with responsibility for all customers of the Bank. The regional bank offers a full range of banking services at 55 branches throughout Denmark. Handelsbanken Finans offers finance company services and works through the Bank's branches. The mortgage operations at Stadshypotek are fully integrated with the branch operations.

### INCOME STATEMENT

SEK m	Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
Net interest income	403	342	18%	363	11%	1,122	1,037	8%	1,397
Net fee and commission income	74	68	9%	82	-10%	237	217	9%	290
Net gains/losses on financial transactions	29	17	71%	25	16%	62	41	51%	55
Other income	4	3	33%	4	0%	13	14	-7%	19
<b>Total income</b>	<b>510</b>	<b>430</b>	<b>19%</b>	<b>474</b>	<b>8%</b>	<b>1,434</b>	<b>1,309</b>	<b>10%</b>	<b>1,761</b>
Staff costs	-137	-129	6%	-137	0%	-404	-400	1%	-537
Other administrative expenses	-37	-37	0%	-43	-14%	-126	-123	2%	-173
Internal purchased and sold services	-61	-53	15%	-59	3%	-183	-176	4%	-235
Depreciation, amortisation and impairments of property, equipment and intangible assets	-4	-4	0%	-4	0%	-12	-12	0%	-16
<b>Total expenses</b>	<b>-239</b>	<b>-223</b>	<b>7%</b>	<b>-243</b>	<b>-2%</b>	<b>-725</b>	<b>-711</b>	<b>2%</b>	<b>-961</b>
<b>Profit before loan losses</b>	<b>271</b>	<b>207</b>	<b>31%</b>	<b>231</b>	<b>17%</b>	<b>709</b>	<b>598</b>	<b>19%</b>	<b>800</b>
Net loan losses	-29	-23	26%	-37	-22%	-96	-281	-66%	-368
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>242</b>	<b>184</b>	<b>32%</b>	<b>194</b>	<b>25%</b>	<b>613</b>	<b>317</b>	<b>93%</b>	<b>432</b>
Profit allocation	12	6	100%	10	20%	30	17	76%	27
<b>Operating profit after profit allocation</b>	<b>254</b>	<b>190</b>	<b>34%</b>	<b>204</b>	<b>25%</b>	<b>643</b>	<b>334</b>	<b>93%</b>	<b>459</b>
Internal income	-106	-127	17%	-94	-13%	-306	-441	31%	-538
Cost/income ratio, %	45.8	51.1		50.2		49.5	53.6		53.7
Loan loss ratio, %	0.18	0.15		0.22		0.20	0.62		0.61
Allocated capital	5,447	4,800	13%	4,985	9%	5,447	4,800	13%	4,926
Return on allocated capital, %	14.6	11.7		12.7		12.8	7.3		7.3
Average number of employees	625	617	1%	626	0%	623	617	1%	617
Number of branches	55	54	2%	55	0%	55	54	2%	54

### BUSINESS VOLUMES

Average volumes, DKK bn	Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
Loans to the public									
Household	29.4	25.7	14%	28.7	2%	28.7	25.1	14%	25.5
Corporate	29.8	28.1	6%	31.5	-5%	30.7	27.3	12%	27.4
<b>Total</b>	<b>59.2</b>	<b>53.8</b>	<b>10%</b>	<b>60.2</b>	<b>-2%</b>	<b>59.4</b>	<b>52.4</b>	<b>13%</b>	<b>52.9</b>
Deposits and borrowing from the public									
Household	9.2	8.8	5%	9.2	0%	9.1	8.6	6%	8.7
Corporate	12.3	15.2	-19%	12.6	-2%	13.2	13.1	1%	13.6
<b>Total</b>	<b>21.5</b>	<b>24.0</b>	<b>-10%</b>	<b>21.8</b>	<b>-1%</b>	<b>22.3</b>	<b>21.7</b>	<b>3%</b>	<b>22.3</b>

## JANUARY – SEPTEMBER 2013 COMPARED WITH JANUARY – SEPTEMBER 2012

### Financial performance

Operating profit almost doubled to SEK 613 million (317) due to higher income and lower loan losses. Profit before loan losses increased by 19% to SEK 709 million (598). Income increased by 10%, while expenses grew by 2%. Exchange rate movements had a negative impact on profits, and in local currency, profit before loan losses grew by 21%.

Net interest income rose by 8% or SEK 85 million to SEK 1,122 million (1,037). In local currency, the increase was 10% which was mainly due to higher lending volumes. At the same time, lower deposit margins due to falling interest rates had a SEK -60 million negative effect on net interest income. Fees for the Swedish Stabilisation Fund and the deposit guarantee, together with the Danish state deposit guarantee burdened net interest income by SEK -34 million (-35).

Expenses increased by 2% to SEK -725 million (-711). Exchange rate effects reduced expenses by SEK 13 million, and expressed in local currency, expenses increased by 4%, largely due to higher IT expenses. The average number of employees rose by 1% to 623 (617).

Loan losses decreased to SEK -96 million (-281), which corresponds to a loan loss ratio of 0.20% (0.62).

### Business development

The EPSI annual customer satisfaction survey in Denmark showed that Handelsbanken had the most satisfied customers. Private customers gave the Bank an index value of 76.6 compared with a sector average of 65.8. Handelsbanken received an index value of 72.6 from corporate customers compared with a sector average of 66.9.

The Bank continued to have a stable inflow of new customers, and market share increased. The average volume of lending grew by 13% to DKK 59.4 billion (52.4). The Bank's volume of lending to households increased by 14%, while corporate lending increased by 12%. The average volume of deposits from the public grew by 3% to DKK 22.3 billion (21.7).

During the first quarter, a new branch was opened in Charlottenlund, bringing the Bank's total number of branches in Denmark to 55.

### Q3 2013 COMPARED WITH Q2 2013

Operating profit rose by 25% to SEK 242 million (194) due to higher income and lower expenses. The quarterly result before loan losses was the highest ever. Income increased by 8% while expenses fell by 2%. Exchange rate movements affected profits positively by SEK 2 million.

Net interest income increased by 11% to SEK 403 million (363), largely as a result of improved lending margins. Average lending volumes during the quarter declined by 2% as a result of reduced corporate lending. The average volume of deposits from households was unchanged, while corporate deposits declined by 2%.

Net gains/losses on financial transactions increased to SEK 29 million (25).

Expenses decreased slightly to SEK -239 million (-243).

Loan losses amounted to SEK -29 million (-37), and the loan loss ratio was 0.18% (0.22).

## Branch office operations in Finland

Branch office operations in Finland comprise the regional bank, as well as Handelsbanken Finans's and Stadshypotek's operations in Finland. At Handelsbanken, the branches are the base of all operations, with responsibility for all customers of the Bank. The regional bank offers a full range of banking services at 45 branches throughout Finland. Handelsbanken Finans offers finance company services and works through the Bank's branches. The mortgage operations at Stadshypotek are fully integrated with the branch operations.

### INCOME STATEMENT

SEK m	Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
Net interest income	315	260	21%	294	7%	882	755	17%	1,032
Net fee and commission income	106	85	25%	100	6%	305	268	14%	375
Net gains/losses on financial transactions	6	6	0%	13	-54%	28	23	22%	30
Other income	1	1	0%	1	0%	4	5	-20%	5
<b>Total income</b>	<b>428</b>	<b>352</b>	<b>22%</b>	<b>408</b>	<b>5%</b>	<b>1,219</b>	<b>1,051</b>	<b>16%</b>	<b>1,442</b>
Staff costs	-79	-75	5%	-84	-6%	-246	-240	2%	-326
Other administrative expenses	-35	-30	17%	-40	-13%	-109	-100	9%	-143
Internal purchased and sold services	-59	-45	31%	-60	-2%	-177	-143	24%	-208
Depreciation, amortisation and impairments of property, equipment and intangible assets	-2	-5	-60%	-2	0%	-8	-16	-50%	-21
<b>Total expenses</b>	<b>-175</b>	<b>-155</b>	<b>13%</b>	<b>-186</b>	<b>-6%</b>	<b>-540</b>	<b>-499</b>	<b>8%</b>	<b>-698</b>
<b>Profit before loan losses</b>	<b>253</b>	<b>197</b>	<b>28%</b>	<b>222</b>	<b>14%</b>	<b>679</b>	<b>552</b>	<b>23%</b>	<b>744</b>
Net loan losses	-77	-28	175%	-34	126%	-147	-70	110%	-128
Gains/losses on disposal of property, equipment and intangible assets	-	0		-		-	0		0
<b>Operating profit</b>	<b>176</b>	<b>169</b>	<b>4%</b>	<b>188</b>	<b>-6%</b>	<b>532</b>	<b>482</b>	<b>10%</b>	<b>616</b>
Profit allocation	17	8	113%	15	13%	43	26	65%	44
<b>Operating profit after profit allocation</b>	<b>193</b>	<b>177</b>	<b>9%</b>	<b>203</b>	<b>-5%</b>	<b>575</b>	<b>508</b>	<b>13%</b>	<b>660</b>
Internal income	-110	-165	33%	-97	-13%	-318	-579	45%	-689
Cost/income ratio, %	39.3	43.1		44.0		42.8	46.3		47.0
Loan loss ratio, %	0.34	0.13		0.16		0.22	0.11		0.15
Allocated capital	6,288	5,099	23%	5,371	17%	6,288	5,099	23%	5,427
Return on allocated capital, %	9.6	10.2		11.8		10.3	10.3		9.8
Average number of employees	502	489	3%	496	1%	492	479	3%	478
Number of branches	45	45	0%	45	0%	45	45	0%	45

### BUSINESS VOLUMES

Average volumes, EUR m	Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
Loans to the public									
Household	3,736	3,486	7%	3,667	2%	3,667	3,462	6%	3,480
Corporate	7,990	7,391	8%	7,955	0%	7,917	7,029	13%	7,152
<b>Total</b>	<b>11,726</b>	<b>10,877</b>	<b>8%</b>	<b>11,622</b>	<b>1%</b>	<b>11,584</b>	<b>10,491</b>	<b>10%</b>	<b>10,632</b>
Deposits and borrowing from the public									
Household	1,248	1,276	-2%	1,256	-1%	1,258	1,291	-3%	1,287
Corporate	1,597	2,051	-22%	1,457	10%	1,533	2,197	-30%	2,135
<b>Total</b>	<b>2,845</b>	<b>3,327</b>	<b>-14%</b>	<b>2,713</b>	<b>5%</b>	<b>2,791</b>	<b>3,488</b>	<b>-20%</b>	<b>3,422</b>



## JANUARY – SEPTEMBER 2013 COMPARED WITH JANUARY – SEPTEMBER 2012

### Financial performance

Operating profit improved by 10% to SEK 532 million (482), chiefly due to rising net interest income.

Net interest income went up by SEK 127 million, or 17%, to SEK 882 million (755), as a result of both growing lending volumes and higher lending margins. In local currency, net interest income rose by 19%. The fee to the Stabilisation Fund burdened net interest income by SEK -26 million (-29).

Net fee and commission income increased by 14% to SEK 305 million (268), which was attributable to higher commissions from lending and savings. Net gains/losses on financial transactions increased to SEK 28 million (23).

Total expenses rose by 8% to SEK -540 million (-499), chiefly due to higher costs for internally purchased services. Staff costs rose by 2%, due mainly to a rise of thirteen (3%) in the average number of employees.

Loan losses increased to SEK -147 million (-70) and the loan loss ratio was 0.22% (0.11).

### Business development

As in previous years, Handelsbanken had the most satisfied private and corporate customers among commercial banks in Finland, according to the EPSI customer satisfaction survey. Private customers gave the Bank an index value of 81.7 compared with a sector average of 75.6.

The average volume of lending increased by 10% from the previous year. Corporate lending increased by 13%, while the average volume of lending to households rose by 6%.

The average volume of deposits from households decreased by 3%, while corporate deposits declined by 30%, since the Bank elected not to compete on price for short-term low margin volumes.

### Q3 2013 COMPARED WITH Q2 2013

Operating profit decreased by 6% to SEK 176 million (188) due to higher loan losses. Profit before loan losses increased by 14%. Income increased by 5% while expenses fell by 6%.

Net interest income grew by 7% to SEK 315 million (294), chiefly due to higher lending volumes and improved lending margins. Adjusted for exchange rate movements and day effects, the increase was 6%.

Expenses fell by SEK 11 million, or 6%, to SEK -175 million (-186), due to other administrative expenses being lower.

Loan losses increased to SEK -77 million (-34) and the loan loss ratio was 0.34% (0.16).

## Branch office operations in Norway

Branch office operations in Norway comprise the regional bank, as well as Handelsbanken Finans's and Stadshypotek's operations in Norway. At Handelsbanken, the branches are the base of all operations, with responsibility for all customers of the Bank. The regional bank offers a full range of banking services at 49 branches throughout Norway. Handelsbanken Finans offers finance company services and works through the Bank's branches. The mortgage operations at Stadshypotek are fully integrated with the branch operations.

### INCOME STATEMENT

SEK m	Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
Net interest income	918	783	17%	905	1%	2,672	2,233	20%	3,098
Net fee and commission income	100	84	19%	88	14%	274	234	17%	329
Net gains/losses on financial transactions	19	19	0%	23	-17%	61	66	-8%	87
Other income	4	5	-20%	2	100%	9	20	-55%	15
<b>Total income</b>	<b>1,041</b>	<b>891</b>	<b>17%</b>	<b>1,018</b>	<b>2%</b>	<b>3,016</b>	<b>2,553</b>	<b>18%</b>	<b>3,529</b>
Staff costs	-171	-173	-1%	-159	8%	-501	-518	-3%	-700
Other administrative expenses	-53	-53	0%	-54	-2%	-166	-172	-3%	-235
Internal purchased and sold services	-85	-71	20%	-93	-9%	-264	-218	21%	-316
Depreciation, amortisation and impairments of property, equipment and intangible assets	-3	-3	0%	-2	50%	-8	-9	-11%	-12
<b>Total expenses</b>	<b>-312</b>	<b>-300</b>	<b>4%</b>	<b>-308</b>	<b>1%</b>	<b>-939</b>	<b>-917</b>	<b>2%</b>	<b>-1,263</b>
<b>Profit before loan losses</b>	<b>729</b>	<b>591</b>	<b>23%</b>	<b>710</b>	<b>3%</b>	<b>2,077</b>	<b>1,636</b>	<b>27%</b>	<b>2,266</b>
Net loan losses	-25	-63	-60%	-38	-34%	-126	-141	-11%	-200
Gains/losses on disposal of property, equipment and intangible assets	0	0		0	0%	0	0		0
<b>Operating profit</b>	<b>704</b>	<b>528</b>	<b>33%</b>	<b>672</b>	<b>5%</b>	<b>1,951</b>	<b>1,495</b>	<b>31%</b>	<b>2,066</b>
Profit allocation	7	6	17%	8	-13%	21	19	11%	31
<b>Operating profit after profit allocation</b>	<b>711</b>	<b>534</b>	<b>33%</b>	<b>680</b>	<b>5%</b>	<b>1,972</b>	<b>1,514</b>	<b>30%</b>	<b>2,097</b>
Internal income	-911	-999	9%	-922	1%	-2,711	-3,184	15%	-4,131
Cost/income ratio, %	29.8	33.4		30.0		30.9	35.7		35.5
Loan loss ratio, %	0.05	0.14		0.07		0.08	0.10		0.11
Allocated capital	11,900	11,882	0%	11,583	3%	11,900	11,882	0%	11,873
Return on allocated capital, %	18.6	13.2		18.3		17.0	13.1		13.5
Average number of employees	654	645	1%	648	1%	649	649	0%	647
Number of branches	49	49	0%	49	0%	49	49	0%	49

### BUSINESS VOLUMES

Average volumes, NOK bn	Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
Loans to the public									
Household	72.4	68.2	6%	71.2	2%	71.3	67.4	6%	67.9
Corporate	111.5	106.8	4%	109.7	2%	110.4	106.0	4%	106.9
<b>Total</b>	<b>183.9</b>	<b>175.0</b>	<b>5%</b>	<b>180.9</b>	<b>2%</b>	<b>181.7</b>	<b>173.4</b>	<b>5%</b>	<b>174.8</b>
Deposits and borrowing from the public									
Household	14.3	14.2	1%	13.7	4%	13.8	13.3	4%	13.3
Corporate	31.7	33.6	-6%	32.4	-2%	34.3	35.3	-3%	36.2
<b>Total</b>	<b>46.0</b>	<b>47.8</b>	<b>-4%</b>	<b>46.1</b>	<b>0%</b>	<b>48.1</b>	<b>48.6</b>	<b>-1%</b>	<b>49.5</b>

## JANUARY – SEPTEMBER 2013 COMPARED WITH JANUARY – SEPTEMBER 2012

### Financial performance

Operating profit rose by 31% to SEK 1,951 million (1,495), mainly due to higher net interest income. Income grew by 18%, while expenses increased by only 2%. Exchange rate movements reduced operating profit by SEK 47 million, and expressed in local currency, operating profit was 35% higher.

Net interest income increased by 20%, or SEK 439 million, to SEK 2,672 million (2,233), mainly due to higher lending margins but also to increasing lending volumes. Fees for the Swedish Stabilisation Fund and the Norwegian state deposit guarantee burdened net interest income by SEK -59 million (-68).

Net fee and commission income increased by 17% to SEK 274 million (234), chiefly due to higher commissions on lending and payments.

Expenses increased by 2% to SEK -939 million (-917). Expenses, adjusted for the effects of exchange rate movements, increased by 6%. Staff costs decreased by 3%. The total increase in expenses was mainly attributable to higher IT expenses and costs for other internally purchased services.

Loan losses went down to SEK -126 million (-141), and the loan loss ratio was 0.08% (0.10).

### Business development

As in previous years, Handelsbanken had private and corporate customers that were significantly more satisfied that the average among commercial banks in Norway, according to the EPSI customer satisfaction survey. Private customers gave the Bank an index value of 75.0 compared with a sector average of 69.8.

Business volumes continued to grow. The average volume of lending rose by 5%, with household lending increasing by 6% and corporate lending by 4%.

The average volume of deposits from households increased by 4%, while corporate deposits went down by 3%.

## Q3 2013 COMPARED WITH Q2 2013

Operating profit rose by 5% to SEK 704 million (672), the highest ever figure for an individual quarter. Exchange rate effects reduced operating profit by SEK 17 million.

Net interest income rose by 1%, or SEK 13 million, to SEK 918 million (905), due to higher lending margins and greater lending volumes. In local currency, the increase was 4%.

Net fee and commission income increased by 14% to SEK 100 million (88), largely due to increased payment commissions.

Expenses increased by 1% to SEK -312 million (-308). Staff costs increased by SEK 12 million, mainly as a result of lower pension costs during the second quarter.

Loan losses went down to SEK -25 million (-38), and the loan loss ratio was 0.05% (0.07).

## Branch office operations in the Netherlands

Since 1 January 2013, branch operations in the Netherlands are organised as a separate regional bank. At Handelsbanken, the branches are the base of all operations, with responsibility for all customers of the Bank. The regional bank offers banking services at 16 branches in the Netherlands.

### INCOME STATEMENT

SEK m	Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
Net interest income	61	47	30%	53	15%	164	129	27%	177
Net fee and commission income	6	5	20%	5	20%	17	20	-15%	26
Net gains/losses on financial transactions	0	0		1	-100%	1	1	0%	2
Other income	-	-		-		-	-		-
<b>Total income</b>	<b>67</b>	<b>52</b>	<b>29%</b>	<b>59</b>	<b>14%</b>	<b>182</b>	<b>150</b>	<b>21%</b>	<b>205</b>
Staff costs	-25	-19	32%	-23	9%	-70	-56	25%	-77
Other administrative expenses	-5	-3	67%	-5	0%	-15	-12	25%	-18
Internal purchased and sold services	-13	-10	30%	-15	-13%	-39	-25	56%	-37
Depreciation, amortisation and impairments of property, equipment and intangible assets	-1	0		0		-1	-1	0%	-7
<b>Total expenses</b>	<b>-44</b>	<b>-32</b>	<b>38%</b>	<b>-43</b>	<b>2%</b>	<b>-125</b>	<b>-94</b>	<b>33%</b>	<b>-139</b>
<b>Profit before loan losses</b>	<b>23</b>	<b>20</b>	<b>15%</b>	<b>16</b>	<b>44%</b>	<b>57</b>	<b>56</b>	<b>2%</b>	<b>66</b>
Net loan losses	0	-		-1		-1	-		-
Gains/losses on disposal of property, equipment and intangible assets	-	-		-		-	-		-
<b>Operating profit</b>	<b>23</b>	<b>20</b>	<b>15%</b>	<b>15</b>	<b>53%</b>	<b>56</b>	<b>56</b>	<b>0%</b>	<b>66</b>
Profit allocation	0	0		1	-100%	3	1	200%	1
<b>Operating profit after profit allocation</b>	<b>23</b>	<b>20</b>	<b>15%</b>	<b>16</b>	<b>44%</b>	<b>59</b>	<b>57</b>	<b>4%</b>	<b>67</b>
Internal income	-35	-57	39%	-37	5%	-107	-178	40%	-235
Cost/income ratio, %	65.7	61.5		71.7		67.6	62.3		67.5
Loan loss ratio, %	0.01	-		0.02		0.01	-		-
Allocated capital	805	506	59%	739	9%	805	506	59%	540
Return on allocated capital, %	8.9	11.4		6.6		8.0	12.2		10.4
Average number of employees	103	86	20%	100	3%	99	79	25%	82
Number of branches	16	12	33%	15	7%	16	12	33%	13

### BUSINESS VOLUMES

Average volumes, EUR m	Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
Loans to the public									
Household	515	265	94%	442	17%	448	217	106%	240
Corporate	1,256	1,523	-18%	1,255	0%	1,246	1,447	-14%	1,417
<b>Total</b>	<b>1,771</b>	<b>1,788</b>	<b>-1%</b>	<b>1,697</b>	<b>4%</b>	<b>1,694</b>	<b>1,664</b>	<b>2%</b>	<b>1,657</b>
Deposits and borrowing from the public									
Household	26	23	13%	26	0%	25	15	67%	17
Corporate	836	784	7%	935	-11%	803	678	18%	633
<b>Total</b>	<b>862</b>	<b>807</b>	<b>7%</b>	<b>961</b>	<b>-10%</b>	<b>828</b>	<b>693</b>	<b>19%</b>	<b>650</b>

## JANUARY – SEPTEMBER 2013 COMPARED WITH JANUARY – SEPTEMBER 2012

### Financial performance

Operating profit was SEK 56 million (56). Income rose by 21%, while continuing investments in operations caused a 33% increase in expenses.

Net interest income rose by 27% to SEK 164 million (129) due to improved margins and larger business volumes, mainly from private customers.

Expenses increased to SEK -125 million (-94), as a result of the expansion of the regional head office and the branch network. The average number of employees rose to 99 (79).

Loan losses were SEK -1 million (-), and the loan loss ratio was 0.01% (-).

### Business development

At the beginning of 2013 the Bank decided to establish a regional bank in the Netherlands, at the same time designating this market as the Group's sixth home market. A new branch office was opened during the quarter, bringing the number of branches in the Netherlands to 16 at the end of the third quarter. In addition, managers have been recruited for another two new branches.

Average deposit volumes grew by 19% to EUR 828 million (693), while lending volumes increased by 2% to EUR 1,694 million (1,664). Household deposits grew by 67%, and the average volume of lending to households increased by 106%.

## Q3 2013 COMPARED WITH Q2 2013

Operating profit increased to SEK 23 million (15) due to higher income.

Net interest income increased to SEK 61 million (53), and total income grew by 14% to SEK 67 million (59).

Expenses were more or less unchanged at SEK -44 million (-43).

Loan losses were SEK 0 million (-1), which corresponds to a loan loss ratio of 0.01% (0.02).

# Handelsbanken International

*Handelsbanken International's main task is to support the Bank's home market customers internationally. The Bank has operations in 28 locations (19 branches and 9 representative offices) in 18 countries outside its home markets.*

## INCOME STATEMENT

SEK m	Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
Net interest income	170	186	-9%	161	6%	484	600	-19%	766
Net fee and commission income	75	71	6%	79	-5%	235	247	-5%	328
Net gains/losses on financial transactions	22	18	22%	27	-19%	65	68	-4%	86
Other income	0	1	-100%	1	-100%	4	3	33%	2
<b>Total income</b>	<b>267</b>	<b>276</b>	<b>-3%</b>	<b>268</b>	<b>0%</b>	<b>788</b>	<b>918</b>	<b>-14%</b>	<b>1,182</b>
Staff costs	-125	-119	5%	-129	-3%	-384	-386	-1%	-526
Other administrative expenses	-42	-45	-7%	-43	-2%	-123	-142	-13%	-192
Internal purchased and sold services	-34	-23	48%	-37	-8%	-106	-82	29%	-108
Depreciation, amortisation and impairments of property, equipment and intangible assets	-2	-4	-50%	-3	-33%	-8	-11	-27%	-13
<b>Total expenses</b>	<b>-203</b>	<b>-191</b>	<b>6%</b>	<b>-212</b>	<b>-4%</b>	<b>-621</b>	<b>-621</b>	<b>0%</b>	<b>-839</b>
<b>Profit before loan losses</b>	<b>64</b>	<b>85</b>	<b>-25%</b>	<b>56</b>	<b>14%</b>	<b>167</b>	<b>297</b>	<b>-44%</b>	<b>343</b>
Net loan losses	-44	-45	-2%	-11	300%	-51	-49	4%	16
Gains/losses on disposal of property, equipment and intangible assets	0	-1		0	0%	0	-1		-2
<b>Operating profit</b>	<b>20</b>	<b>39</b>	<b>-49%</b>	<b>45</b>	<b>-56%</b>	<b>116</b>	<b>247</b>	<b>-53%</b>	<b>357</b>
Profit allocation	9	3	200%	3	200%	20	11	82%	20
<b>Operating profit after profit allocation</b>	<b>29</b>	<b>42</b>	<b>-31%</b>	<b>48</b>	<b>-40%</b>	<b>136</b>	<b>258</b>	<b>-47%</b>	<b>377</b>
Internal income	-3	-10	70%	-21	86%	-52	-36	-44%	-44
Cost/income ratio, %	73.6	68.5		78.2		76.9	66.8		69.8
Loan loss ratio, %	0.58	0.48		0.15		0.23	0.18		-0.04
Allocated capital	4,507	4,126	9%	4,202	7%	4,507	4,126	9%	4,001
Return on allocated capital, %	2.0	3.0		3.6		3.3	6.2		6.8
Average number of employees	511	534	-4%	517	-1%	516	537	-4%	536
Number of branches	19	20	-5%	19	0%	19	20	-5%	19

## BUSINESS VOLUMES

Average volumes, SEK bn	Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
Loans to the public									
Household	3.4	3.4	0%	3.4	0%	3.4	3.6	-6%	3.6
Corporate	29.7	32.7	-9%	30.0	-1%	29.9	33.7	-11%	33.1
<b>Total</b>	<b>33.1</b>	<b>36.1</b>	<b>-8%</b>	<b>33.4</b>	<b>-1%</b>	<b>33.3</b>	<b>37.3</b>	<b>-11%</b>	<b>36.7</b>
Deposits and borrowing from the public									
Household	2.3	2.7	-15%	2.4	-4%	2.4	3.0	-20%	2.9
Corporate	25.1	24.4	3%	21.7	16%	23.5	24.3	-3%	23.8
<b>Total</b>	<b>27.4</b>	<b>27.1</b>	<b>1%</b>	<b>24.1</b>	<b>14%</b>	<b>25.9</b>	<b>27.3</b>	<b>-5%</b>	<b>26.7</b>

## JANUARY – SEPTEMBER 2013 COMPARED WITH JANUARY – SEPTEMBER 2012

### Financial performance

Operating profit decreased by 53% to SEK 116 million (247), due to lower business volumes.

Net interest income decreased by 19% to SEK 484 million (600), due to lower lending volumes and lower margins, principally in Luxembourg and the US.

Net fee and commission income fell by 5% to SEK 235 million (247), mainly due to lower commissions from lending, payments and guarantees.

Net gains/losses on financial transactions, which mainly consist of foreign exchange-related earnings and early redemption charges, decreased to SEK 65 million (68).

Expenses remained unchanged, amounting to SEK -621 million (-621). The average number of employees fell to 516 (537).

Loan losses were SEK -51 million (-49), which corresponds to a loan loss ratio of 0.23% (0.18).

### Business development

The average volume of lending decreased by 11% to SEK 33.3 billion (37.3) compared with the corresponding period of the previous year. At the same time, deposits fell by 5% to SEK 25.9 billion (27.3).

## Q3 2013 COMPARED WITH Q2 2013

Operating profit decreased by SEK 25 million to SEK 20 million (45) due to higher loan losses. Profit before loan losses rose by 14% to SEK 64 million (56).

Income was unchanged and expenses fell by 4%.

Loan losses were SEK -44 million (-11).



## Handelsbanken Capital Markets

*Capital Markets comprises Handelsbanken's investment bank and asset management operations, including insurance savings. The unit has a function and product responsibility throughout the Group for trading in financial instruments, structured products, cash management, corporate finance and debt capital markets, economic and financial research, and for all savings products except bank account savings.*

In the table below, the income figures and comments for Capital Markets' products throughout the Group are presented first, followed by the equivalent figures and comments for the Handelsbanken Capital Markets segment.

### INCOME DISTRIBUTION IN THE GROUP FOR HANDELSBANKEN CAPITAL MARKETS' PRODUCTS

January - September 2013				Total income in the group from Capital Market's products	Change Jan-Sep 2013 / Jan-Sep 2012
SEK m	Capital Markets	Branch office operations	Other		
Net interest income	123			123	-74%
Commission income	2,421	1,201	-88	3,534	12%
of which brokerage income	575	331	-29	877	2%
of which mutual funds and custody	972	842	-40	1,774	18%
of which insurance	414	28	-19	423	-5%
Net fee and commission income	1,951	1,163	-30	3,084	11%
Net gains/losses on financial trans.	724	389	-1	1,112	40%
Risk result - insurance	107			107	-1%
Other income	8			8	
<b>Total income</b>	<b>2,913</b>	<b>1,552</b>	<b>-31</b>	<b>4,434</b>	<b>6%</b>

#### JANUARY – SEPTEMBER 2013 COMPARED WITH JANUARY – SEPTEMBER 2012

The Group's brokerage income increased by 1% to SEK 877 million (864). Asset management commissions increased by 18% to SEK 1,774 million (1,498), of which fund commissions increased by 18% to SEK 1,471 million (1,242), mainly due to positive value changes in the funds.

Insurance commissions went down to SEK 423 million (446), due to fewer policies with guaranteed rates of return.

Net gains/losses on financial transactions increased by 40% to SEK 1,112 million (795). Currency transactions related to branch operations, which are included in net gains/losses on financial transactions, resulted in a currency gain of SEK 389 million (380).

#### Q3 2013 COMPARED WITH Q2 2013

Brokerage income went down by 22% to SEK 250 million (321). Asset management commissions rose by 4% to SEK 624 million (601), chiefly due to larger asset management volumes.

Net gains/losses on financial transactions fell by SEK 102 million to SEK 337 million (439), mainly as a result of lower customer activity during the summer months.

Currency transactions for customers in the branch operations gave a net gain of SEK 122 million (141).

#### Business development

Inflows continued to the Bank's mutual funds. Total fund volume, including exchange-traded funds, increased during the first nine months of the year by 13% or SEK 28 billion to SEK 252 billion (224), the highest ever volume. Net new savings in the Group's funds during the period amounted to SEK 8.3 billion. Xact is the largest player on the Nordic market for exchange-traded funds, with a market share of 87% of assets under management. Morningstar, an independent mutual fund research company, gave Handelsbanken's funds the highest average grade in their three-year rating of the 30 largest mutual fund companies in the Swedish market.

There was a high level of interest in capital market funding and the Bank made 115 bond issues during the first three quarters of the year for a value of more than EUR 14 billion.

In the area of corporate finance, the Bank maintained its strong position and remained the leading adviser in acquisition and sales of companies in Sweden.

## INCOME STATEMENT IN HANDELSBANKEN CAPITAL MARKETS BUSINESS SEGMENT

All results for Handelsbanken Capital Markets products which are attributable to customers in branch office operations are reported in branch office operations. In the Capital Markets segment, only the results of transactions with institutional counterparties and corporate finance are reported, together with the risk result and yield split in the insurance operations.

SEK m	Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
Net interest income	34	98	-65%	46	-26%	123	473	-74%	517
Net fee and commission income	588	539	9%	703	-16%	1,951	1,801	8%	2,438
Net gains/losses on financial transactions	215	119	81%	298	-28%	724	416	74%	658
Risk result - insurance	30	33	-9%	26	15%	107	108	-1%	196
Other income	10	1		-6		8	8	0%	11
<b>Total income</b>	<b>877</b>	<b>790</b>	<b>11%</b>	<b>1,067</b>	<b>-18%</b>	<b>2,913</b>	<b>2,806</b>	<b>4%</b>	<b>3,820</b>
Staff costs	-505	-516	-2%	-509	-1%	-1,521	-1,672	-9%	-2,255
Other administrative expenses	-164	-158	4%	-208	-21%	-557	-579	-4%	-768
Internal purchased and sold services	13	-47		13	0%	31	-96		-127
Depreciation, amortisation and impairments of property, equipment and intangible assets	-14	-13	8%	-11	27%	-39	-40	-3%	-54
<b>Total expenses</b>	<b>-670</b>	<b>-734</b>	<b>-9%</b>	<b>-715</b>	<b>-6%</b>	<b>-2,086</b>	<b>-2,387</b>	<b>-13%</b>	<b>-3,204</b>
<b>Profit before loan losses</b>	<b>207</b>	<b>56</b>	<b>270%</b>	<b>352</b>	<b>-41%</b>	<b>827</b>	<b>419</b>	<b>97%</b>	<b>616</b>
Net loan losses									
Gains/losses on disposal of property, equipment and intangible assets	0	-		0	0%	0	-		0
<b>Operating profit</b>	<b>207</b>	<b>56</b>	<b>270%</b>	<b>352</b>	<b>-41%</b>	<b>827</b>	<b>419</b>	<b>97%</b>	<b>616</b>
Profit allocation	-233	-170	37%	-239	-3%	-673	-527	28%	-779
<b>Operating profit after profit allocation</b>	<b>-26</b>	<b>-114</b>	<b>77%</b>	<b>113</b>		<b>154</b>	<b>-108</b>		<b>-163</b>
Internal income	-290	-257	-13%	-340	15%	-1,002	-870	-15%	-1,167
Cost/income ratio, %	104.0	118.4		86.4		93.1	104.7		105.4
Allocated capital	3,241	4,581	-29%	3,926	-17%	3,241	4,581	-29%	4,187
Return on allocated capital, %	-	-		9.0		4.3	-		-
Average number of employees	1,486	1,553	-4%	1,458	2%	1,469	1,574	-7%	1,550

## INCOME DISTRIBUTION

SEK m	Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
Asset management and custody	248	212	17%	231	7%	685	611	12%	838
Handelsbanken Liv	164	202	-19%	152	8%	501	625	-20%	846
Investment banking	465	376	24%	684	-32%	1,727	1,570	10%	2,136
<b>Total income</b>	<b>877</b>	<b>790</b>	<b>11%</b>	<b>1,067</b>	<b>-18%</b>	<b>2,913</b>	<b>2,806</b>	<b>4%</b>	<b>3,820</b>

## JANUARY – SEPTEMBER 2013 COMPARED WITH JANUARY – SEPTEMBER 2012

Operating profit increased by 97% to SEK 827 million (419). The earnings of the asset management operations, excluding Handelsbanken Liv, increased to SEK 293 million (220) and those of the investment bank increased to SEK 316 million (-109).

Net interest income went down to SEK 123 million (473). However, the decrease should be seen together with net gains/losses on financial transactions, which at the same time increased to SEK 724 million (416).

Net fee and commission income grew by 8% to SEK 1,951 million (1,801), chiefly due to higher mutual fund and advisory commissions.

The risk result in Handelsbanken Liv was SEK 107 million (108).

In total, income rose by 4% to SEK 2,913 million (2,806), while expenses fell by 13% to SEK -2,086 million (-2,387). The decrease in expenses derived from

all expense categories. The average number of employees fell by 7% to 1,469 (1,574).

## Q3 2013 COMPARED WITH Q2 2013

Operating profit decreased by 41% to SEK 207 million (352) due to seasonally lower levels of activity. Income fell by 18% to SEK 877 million (1,067), mainly due to lower fee and commission income. Asset Management, excluding Handelsbanken Liv, increased its income to SEK 248 million (231).

Net fee and commission income fell by 16% to SEK 588 million (703), and net gains/losses on financial transactions declined by 28% to SEK 215 million (298), mainly as a result of lower customer activity during the summer months.

Expenses fell by 6% to SEK -670 million (-715). Staff costs were more or less unchanged. The average number of employees during the quarter rose to 1,486 (1,458) as a result of the employment of temporary holiday staff.

## Other units not reported in the business segments

Reported below are the income and expenses related to treasury and the central head office departments and also allocations to the Oktogonen profit-sharing foundation. Capital gains/losses, dividends, and other income and expenses that are not attributable to any of the segments are also reported here.

### INCOME STATEMENT

SEK m	Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
Net interest income	21	21	0%	57	-63%	220	226	-3%	209
Net fee and commission income	-12	46		-13	8%	-12	71		114
Net gains/losses on financial transactions	-66	-145	54%	-158	58%	-367	-356	-3%	-468
Share of profit of associates	5	1	400%	2	150%	2	1	100%	8
Other income	14	19	-26%	164	-91%	228	179	27%	203
<b>Total income</b>	<b>-38</b>	<b>-58</b>	<b>34%</b>	<b>52</b>		<b>71</b>	<b>121</b>	<b>-41%</b>	<b>66</b>
Staff costs	-680	-653	4%	-692	-2%	-2,048	-1,986	3%	-2,745
Other administrative expenses	-531	-462	15%	-557	-5%	-1,642	-1,441	14%	-2,144
Internal purchased and sold services	1,028	944	9%	1,092	-6%	3,197	2,918	10%	4,022
Depreciation, amortisation and impairments of property, equipment and intangible assets	-62	-61	2%	-64	-3%	-191	-189	1%	-239
<b>Total expenses</b>	<b>-245</b>	<b>-232</b>	<b>6%</b>	<b>-221</b>	<b>11%</b>	<b>-684</b>	<b>-698</b>	<b>-2%</b>	<b>-1,106</b>
<b>Profit before loan losses</b>	<b>-283</b>	<b>-290</b>	<b>2%</b>	<b>-169</b>	<b>-67%</b>	<b>-613</b>	<b>-577</b>	<b>-6%</b>	<b>-1,040</b>
Net loan losses									
Gains/losses on disposal of property, equipment and intangible assets	-1	0		1		0	0	0%	0
<b>Operating profit</b>	<b>-284</b>	<b>-290</b>	<b>2%</b>	<b>-168</b>	<b>-69%</b>	<b>-613</b>	<b>-577</b>	<b>-6%</b>	<b>-1,040</b>
Profit allocation	0	0	0%	0	0%	0	0	0%	0
<b>Operating profit after profit allocation</b>	<b>-284</b>	<b>-290</b>	<b>2%</b>	<b>-168</b>	<b>-69%</b>	<b>-613</b>	<b>-577</b>	<b>-6%</b>	<b>-1,040</b>
Internal income	1,985	2,447	-19%	2,037	-3%	6,228	8,168	-24%	10,290
Average number of employees	1,980	1,945	2%	1,973	0%	1,976	1,935	2%	1,941

### JANUARY – SEPTEMBER 2013 COMPARED WITH JANUARY – SEPTEMBER 2012

Operating profit was SEK -613 million (-577). This figure includes the allocation to the Oktogonen profit-sharing foundation, which increased to SEK -768 million (-687). Adjusted for this, operating profit was SEK 155 million (110).

### Q3 2013 COMPARED WITH Q2 2013

Operating profit was SEK -284 million (-168). Adjusted for the allocation to the Oktogonen profit-sharing foundation, the profit was SEK 28 million (88).

Net interest income decreased to SEK 21 million (57). Other income declined to SEK 150 million, which results from the period of comparison containing dividend income.

## KEY FIGURES – GROUP

	Q3 2013	Q3 2012	Q2 2013	Jan-Sep 2013	Jan-Sep 2012	Full year 2012
Return on equity, total operations *	14.2%	13.5%	15.1%	14.2%	14.0%	14.9%
Return on equity, continuing operations *	14.0%	13.5%	14.9%	14.0%	13.9%	14.8%
C/I ratio, continuing operations	46.1%	46.1%	45.6%	46.4%	46.4%	47.6%
C/I ratio, continuing operations, incl. loan losses	49.3%	49.3%	48.9%	49.6%	49.7%	51.2%
Earnings per share, total operations, SEK	5.68	5.01	5.82	16.97	15.55	22.34
- after dilution	5.61	4.94	5.75	16.77	15.20	21.85
Dividend, SEK						10.75
Adjusted equity per share, SEK **	169.01	153.21	162.81	169.01	153.21	162.63
Capital ratio, Basel II	21.7%	20.7%	21.1%	21.7%	20.7%	20.7%
Tier 1 ratio, Basel II	21.5%	19.8%	20.4%	21.5%	19.8%	20.4%
Capital base in relation to capital requirement Basel II	271%	259%	264%	271%	259%	258%
Average number of employees, continuing operations	11,825	11,381	11,361	11,476	11,204	11,192
Number of branches in Sweden	461	461	461	461	461	461
Number of branches outside Sweden	335	304	330	335	304	313

\* 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.

\*\* When calculating equity per share, equity is adjusted for the impact of cash flow hedges and for dilution.

## THE HANDELSBANKEN SHARE

	Q3 2013	Q3 2012	Q2 2013	Jan-Sep 2013	Jan-Sep 2012	Full year 2012
Number of converted shares	82,160	3,090,412	792,428	2,665,255	7,921,528	8,744,470
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	635,472,367	631,984,170	635,390,207	635,472,367	631,984,170	632,807,112
Number of outstanding shares after dilution, end of period	647,601,244	648,210,973	647,719,618	647,601,244	648,210,973	648,210,569
Average number of shares converted during the year	2,642,647	6,606,531	2,411,947	1,930,024	3,672,646	4,879,731
Average holdings of own shares (repurchased and holdings in trading book)	-	449,295	280,221	205,696	450,922	444,293
Average number of outstanding shares	635,449,759	630,219,878	634,938,838	634,531,440	627,284,366	628,498,080
- after dilution	647,719,618	647,763,077	647,555,164	647,485,349	649,924,164	649,930,793
Share price ordinary class A, SEK	274.90	246.10	269.20	274.90	246.10	232.40
Market capitalisation, SEK bn	175	156	171	175	156	147

# Condensed set of financial statements – Group

## INCOME STATEMENT – GROUP

SEK m		Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
Interest income		13,569	15,448	-12%	13,544	0%	40,890	48,386	-15%	62,814
Interest expense		-6,886	-8,986	-23%	-6,871	0%	-20,993	-28,789	-27%	-36,733
<b>Net interest income</b>	Note 2	<b>6,683</b>	<b>6,462</b>	<b>3%</b>	<b>6,673</b>	<b>0%</b>	<b>19,897</b>	<b>19,597</b>	<b>2%</b>	<b>26,081</b>
Net fee and commission income	Note 3	1,896	1,742	9%	1,924	-1%	5,697	5,459	4%	7,369
Net gains/losses on financial transactions	Note 4	354	191	85%	440	-20%	1,053	754	40%	1,120
Risk result - insurance		30	33	-9%	26	15%	107	108	-1%	196
Other dividend income		4	8	-50%	155	-97%	160	151	6%	152
Share of profit of associates		5	1	400%	2	150%	2	1	100%	8
Other income		37	29	28%	20	85%	133	101	32%	136
<b>Total income</b>		<b>9,009</b>	<b>8,466</b>	<b>6%</b>	<b>9,240</b>	<b>-3%</b>	<b>27,049</b>	<b>26,171</b>	<b>3%</b>	<b>35,062</b>
Staff costs		-2,845	-2,678	6%	-2,796	2%	-8,424	-8,244	2%	-11,167
Other administrative expenses	Note 5	-1,187	-1,108	7%	-1,304	-9%	-3,770	-3,558	6%	-5,069
Depreciation, amortisation and impairments of property, equipment and intangible assets		-125	-113	11%	-115	9%	-360	-352	2%	-464
<b>Total expenses</b>		<b>-4,157</b>	<b>-3,899</b>	<b>7%</b>	<b>-4,215</b>	<b>-1%</b>	<b>-12,554</b>	<b>-12,154</b>	<b>3%</b>	<b>-16,700</b>
<b>Profit before loan losses</b>		<b>4,852</b>	<b>4,567</b>	<b>6%</b>	<b>5,025</b>	<b>-3%</b>	<b>14,495</b>	<b>14,017</b>	<b>3%</b>	<b>18,362</b>
Net loan losses	Note 6	-284	-277	3%	-306	-7%	-873	-856	2%	-1,251
Gains/losses on disposal of property, equipment and intangible assets		3	-1		4	-25%	8	-1		-3
<b>Operating profit</b>		<b>4,571</b>	<b>4,289</b>	<b>7%</b>	<b>4,723</b>	<b>-3%</b>	<b>13,630</b>	<b>13,160</b>	<b>4%</b>	<b>17,108</b>
Taxes		-997	-1,137	-12%	-1,067	-7%	-2,949	-3,492	-16%	-3,092
<b>Profit for the period from continuing operations</b>		<b>3,574</b>	<b>3,152</b>	<b>13%</b>	<b>3,656</b>	<b>-2%</b>	<b>10,681</b>	<b>9,668</b>	<b>10%</b>	<b>14,016</b>
Profit for the period pertaining to discontinued operations, after tax	Note 7	33	8	313%	39	-15%	87	86	1%	22
<b>Profit for the period</b>		<b>3,607</b>	<b>3,160</b>	<b>14%</b>	<b>3,695</b>	<b>-2%</b>	<b>10,768</b>	<b>9,754</b>	<b>10%</b>	<b>14,038</b>
Attributable to										
Shareholders in Svenska Handelsbanken AB		3,607	3,160	14%	3,695	-2%	10,768	9,754	10%	14,037
Minority interest		0	0		0		0	0		1

## EARNINGS PER SHARE – GROUP

	Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
Profit for the year, attributable to shareholders in Svenska Handelsbanken AB	3,607	3,160	14%	3,695	-2%	10,768	9,754	10%	14,037
- of which interest expense on convertible subordinated loan after tax	-27	-38	-29%	-29	-7%	-91	-127	-28%	-162
Average number of outstanding shares, million	635.4	630.2		634.9		634.5	627.3		628.5
Average number of outstanding shares after dilution, million	647.7	647.8		647.6		647.5	649.9		649.9
Earnings per share, continuing operations, SEK	5.63	5.00	13%	5.76	-2%	16.83	15.42	9%	22.30
- after dilution	5.56	4.93	13%	5.69	-2%	16.63	15.07	10%	21.82
Earnings per share, discontinued operations, SEK	0.05	0.01	400%	0.06	-17%	0.14	0.13	8%	0.04
- after dilution	0.05	0.01	400%	0.06	-17%	0.14	0.13	8%	0.03
Earnings per share, total operations, SEK	5.68	5.01	13%	5.82	-2%	16.97	15.55	9%	22.34
- after dilution	5.61	4.94	14%	5.75	-2%	16.77	15.20	10%	21.85

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

## STATEMENT OF COMPREHENSIVE INCOME – GROUP

SEK m	Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
<b>Profit for the period</b>	<b>3,607</b>	<b>3,160</b>	<b>14%</b>	<b>3,695</b>	<b>-2%</b>	<b>10,768</b>	<b>9,754</b>	<b>10%</b>	<b>14,038</b>
<b>Other comprehensive income</b>									
<b>Items that cannot be reclassified into profit or loss</b>									
Defined-benefit plans	851	461	85%	-933		1,061	1,263	-16%	2,583
Taxes on items that cannot be reclassified into profit or loss	-188	-121	-55%	204		-235	-332	29%	-568
<b>Total items that cannot be reclassified into profit or loss</b>	<b>663</b>	<b>340</b>	<b>95%</b>	<b>-729</b>		<b>826</b>	<b>931</b>	<b>-11%</b>	<b>2,015</b>
<b>Items that can be reclassified into profit or loss</b>									
Cash flow hedges	173	321	-46%	-2,192		-2,365	1,699		2,390
Available-for-sale instruments	308	379	-19%	-268		360	614	-41%	984
Translation differences for the period	-496	-109	-355%	695		-1,179	-420	-181%	-126
<i>of which hedging net investment in foreign operations</i>	<i>238</i>	<i>871</i>	<i>-73%</i>	<i>-628</i>		<i>-499</i>	<i>652</i>		<i>486</i>
Taxes on items that can be reclassified into profit or loss	-149	-423	65%	681		586	-778		-913
<i>of which cash flow hedges</i>	<i>-38</i>	<i>-85</i>	<i>55%</i>	<i>482</i>		<i>520</i>	<i>-447</i>		<i>-565</i>
<i>of which available-for-sale instruments</i>	<i>-58</i>	<i>-110</i>	<i>47%</i>	<i>60</i>		<i>-44</i>	<i>-160</i>	<i>73%</i>	<i>-248</i>
<i>of which hedging net investment in foreign operations</i>	<i>-53</i>	<i>-228</i>	<i>77%</i>	<i>139</i>		<i>110</i>	<i>-171</i>		<i>-100</i>
<b>Total items that can be reclassified into profit or loss</b>	<b>-164</b>	<b>168</b>		<b>-1,084</b>	<b>85%</b>	<b>-2,598</b>	<b>1,115</b>		<b>2,335</b>
<b>Total other comprehensive income for the period</b>	<b>499</b>	<b>508</b>	<b>-2%</b>	<b>-1,813</b>		<b>-1,772</b>	<b>2,046</b>		<b>4,350</b>
<b>Total comprehensive income for the period</b>	<b>4,106</b>	<b>3,668</b>	<b>12%</b>	<b>1,882</b>	<b>118%</b>	<b>8,996</b>	<b>11,800</b>	<b>-24%</b>	<b>18,388</b>
Attributable to									
Shareholders in Svenska Handelsbanken AB	4,106	3,668	12%	1,882	118%	8,996	11,800	-24%	18,387
Minority interest	0	0	0%	0	0%	0	0	0%	1

Discontinued operations only affects Translation differences for the period in Other comprehensive income.

## QUARTERLY PERFORMANCE – GROUP

SEK m	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Interest income	13,569	13,544	13,777	14,428	15,448
Interest expense	-6,886	-6,871	-7,236	-7,944	-8,986
Net interest income	6,683	6,673	6,541	6,484	6,462
Net fee and commission income	1,896	1,924	1,877	1,910	1,742
Net gains/losses on financial transactions	354	440	259	366	191
Risk result - insurance	30	26	51	88	33
Other dividend income	4	155	1	1	8
Share of profit of associates	5	2	-5	7	1
Other income	37	20	76	35	29
<b>Total income</b>	<b>9,009</b>	<b>9,240</b>	<b>8,800</b>	<b>8,891</b>	<b>8,466</b>
Staff costs	-2,845	-2,796	-2,783	-2,923	-2,678
Other administrative expenses	-1,187	-1,304	-1,279	-1,511	-1,108
Depreciation, amortisation and impairments of property, equipment and intangible assets	-125	-115	-120	-112	-113
<b>Total expenses</b>	<b>-4,157</b>	<b>-4,215</b>	<b>-4,182</b>	<b>-4,546</b>	<b>-3,899</b>
<b>Profit before loan losses</b>	<b>4,852</b>	<b>5,025</b>	<b>4,618</b>	<b>4,345</b>	<b>4,567</b>
Net loan losses	-284	-306	-283	-395	-277
Gains/losses on disposal of property, equipment and intangible assets	3	4	1	-2	-1
<b>Operating profit</b>	<b>4,571</b>	<b>4,723</b>	<b>4,336</b>	<b>3,948</b>	<b>4,289</b>
Taxes	-997	-1,067	-885	400	-1,137
<b>Profit for the period from continuing operations</b>	<b>3,574</b>	<b>3,656</b>	<b>3,451</b>	<b>4,348</b>	<b>3,152</b>
Profit for the period pertaining to discontinued operations, after tax	33	39	15	-64	8
<b>Profit for the period</b>	<b>3,607</b>	<b>3,695</b>	<b>3,466</b>	<b>4,284</b>	<b>3,160</b>
Earnings per share, continuing operations, SEK	5.63	5.76	5.45	6.88	5.00
- after dilution	5.56	5.69	5.39	6.77	4.93
Earnings per share, discontinued operations, SEK	0.05	0.06	0.02	-0.10	0.01
- after dilution	0.05	0.06	0.02	-0.10	0.01
Earnings per share, total operations, SEK	5.68	5.82	5.47	6.78	5.01
- after dilution	5.61	5.75	5.41	6.67	4.94



## BALANCE SHEET – GROUP

SEK m		30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
<b>Assets</b>						
Cash and balances with central banks		345,109	211,274	219,746	236,545	341,208
Other loans to central banks	Note 8	34,403	34,327	40,312	12,370	35,777
Interest-bearing securities eligible as collateral with central banks		63,245	54,996	56,866	48,906	50,005
Loans to other credit institutions	Note 8	72,984	71,693	87,206	89,511	84,364
Loans to the public	Note 8	1,682,552	1,685,665	1,655,041	1,680,479	1,620,505
Value change of interest-hedged item in portfolio hedge		2,143	2,396	2,702	5,271	5,792
Bonds and other interest-bearing securities		63,947	65,575	72,049	68,354	69,738
Shares		41,929	38,698	35,488	30,146	25,748
Investments in associates		278	277	219	203	195
Assets where the customer bears the value change risk		81,766	77,144	75,098	69,590	68,788
Derivative instruments	Note 9	74,627	90,141	101,865	110,850	135,490
Reinsurance assets		1	1	1	1	1
Intangible assets	Note 10	7,716	7,747	7,162	7,206	7,068
Property and equipment		2,114	2,183	2,156	2,209	2,201
Current tax assets		785	387	365	129	612
Deferred tax assets		407	480	362	350	63
Net pension assets		1,907	1,043	1,964	766	-
Assets held for sale		1,159	1,084	985	854	1,019
Other assets		32,459	37,144	21,043	12,812	50,924
Prepaid expenses and accrued income		6,705	7,013	8,250	7,399	8,691
<b>Total assets</b>		<b>2,516,236</b>	<b>2,389,268</b>	<b>2,388,880</b>	<b>2,383,951</b>	<b>2,508,189</b>
<b>Liabilities and equity</b>						
Due to credit institutions	Note 11	169,761	197,223	213,004	183,945	227,153
Deposits and borrowing from the public	Note 11	807,630	636,776	642,314	682,223	728,572
Liabilities where the customer bears the value change risk		81,829	77,173	75,118	69,638	68,835
Issued securities		1,180,015	1,209,644	1,158,140	1,151,426	1,150,503
Derivative instruments	Note 9	71,564	73,086	92,369	106,044	133,370
Short positions		18,371	20,098	29,040	16,201	19,504
Insurance liabilities		632	672	679	666	649
Current tax liabilities		1,069	928	1,389	497	1,581
Deferred tax liabilities		7,568	7,363	8,027	8,713	8,540
Provisions		123	110	111	120	49
Net pension liabilities		-	-	-	-	124
Liabilities related to assets held for sale		537	549	442	349	351
Other liabilities		31,302	24,139	24,724	17,848	23,583
Accrued expenses and deferred income		23,412	19,977	23,184	21,264	23,857
Subordinated liabilities		15,911	19,139	19,973	21,167	24,406
<b>Total liabilities</b>		<b>2,409,724</b>	<b>2,286,877</b>	<b>2,288,514</b>	<b>2,280,101</b>	<b>2,411,077</b>
Minority interest		2	2	2	2	1
Share capital		2,955	2,955	2,951	2,943	2,939
Share premium		2,813	2,798	2,659	2,337	2,191
Reserves		568	69	1,882	2,340	36
Retained earnings		89,406	89,406	89,406	82,191	82,191
Profit for the period, attributable to shareholders in Svenska Handelsbanken AB		10,768	7,161	3,466	14,037	9,754
<b>Total equity</b>		<b>106,512</b>	<b>102,391</b>	<b>100,366</b>	<b>103,850</b>	<b>97,112</b>
<b>Total liabilities and equity</b>		<b>2,516,236</b>	<b>2,389,268</b>	<b>2,388,880</b>	<b>2,383,951</b>	<b>2,508,189</b>

## STATEMENT OF CHANGES IN EQUITY – GROUP

January - September 2013 SEK m	Share capital	Share premium	Defined benefit plans	Hedge reserve	Fair value reserve	Translation reserve	Retained earnings	Minority	Total
<b>Opening equity</b>	<b>2,943</b>	<b>2,337</b>		<b>1,149</b>	<b>569</b>	<b>-1,393</b>	<b>101,290</b>	<b>2</b>	<b>106,897</b>
Effects of implementing revised IAS 19			2,015				-5,062		-3,047
<b>Opening equity after adjustment</b>	<b>2,943</b>	<b>2,337</b>	<b>2,015</b>	<b>1,149</b>	<b>569</b>	<b>-1,393</b>	<b>96,228</b>	<b>2</b>	<b>103,850</b>
Profit for the period							10,768	0	10,768
Other comprehensive income			826	-1,845	316	-1,069		0	-1,772
<b>Total comprehensive income for the period</b>			<b>826</b>	<b>-1,845</b>	<b>316</b>	<b>-1,069</b>	<b>10,768</b>	<b>0</b>	<b>8,996</b>
Dividend							-6,822		-6,822
Conversion of convertible subordinated loan issued in 2008	12	476							488
Change of minority interests							0	0	0
<b>Closing equity</b>	<b>2,955</b>	<b>2,813</b>	<b>2,841</b>	<b>-696</b>	<b>885</b>	<b>-2,462</b>	<b>100,174</b>	<b>2</b>	<b>106,512</b>

January - September 2012 SEK m	Share capital	Share premium	Defined benefit plans	Hedge reserve	Fair value reserve	Translation reserve	Retained earnings	Minority	Total
<b>Opening equity</b>	<b>2,902</b>	<b>793</b>		<b>-676</b>	<b>-167</b>	<b>-1,167</b>	<b>92,839</b>	<b>0</b>	<b>94,524</b>
Effects of implementing revised IAS 19							-4,552		-4,552
<b>Opening equity after adjustment</b>	<b>2,902</b>	<b>793</b>		<b>-676</b>	<b>-167</b>	<b>-1,167</b>	<b>88,287</b>	<b>0</b>	<b>89,972</b>
Profit for the period							9,754	0	9,754
Other comprehensive income			931	1,252	454	-591		0	2,046
<b>Total comprehensive income for the period</b>			<b>931</b>	<b>1,252</b>	<b>454</b>	<b>-591</b>	<b>9,754</b>	<b>0</b>	<b>11,800</b>
Dividend							-6,110		-6,110
Conversion of convertible subordinated loan issued in 2008	37	1,398							1,435
Change of own shares in trading book							14		14
Change of minority interests								1	1
<b>Closing equity</b>	<b>2,939</b>	<b>2,191</b>	<b>931</b>	<b>576</b>	<b>287</b>	<b>-1,758</b>	<b>91,945</b>	<b>1</b>	<b>97,112</b>

During the period January to September 2013, convertibles for a nominal value of SEK 500 million (1,486) relating to the 2008 subordinated convertible bond were converted into 2,665,255 Class A shares (7,921,528). At the end of the period, the number of Handelsbanken shares in the trading book was 0 (0).

## CONDENSED STATEMENT OF CASH FLOWS – GROUP

SEK m	Jan-Sep 2013	Jan-Sep 2012	Full year 2012
Cash flow from operating activities	122,732	118,782	10,324
Cash flow from investing activities	-370	1,570	3,912
Cash flow from financing activities	-10,870	-14,754	-18,010
<b>Cash flow for the period</b>	<b>111,492</b>	<b>105,598</b>	<b>-3,774</b>
<b>Liquid funds at beginning of the period</b>	<b>236,545</b>	<b>251,857</b>	<b>251,857</b>
Cash flow for the period	111,492	105,598	-3,774
Exchange rate differences on liquid funds	-2,928	-16,247	-11,538
<b>Liquid funds at end of period</b>	<b>345,109</b>	<b>341,208</b>	<b>236,545</b>

## NOTES

## Note 1 Accounting policies

Information relating to the Group has been stated in accordance with IAS 34. For both the Group and the parent company, the contents of the interim report also comply with the applicable provisions of the Swedish Act on Annual Reports in Credit Institutions and Securities Companies, the Swedish Financial Supervisory Authority's regulations and general guidelines FFFS 2008:25 on annual reports in credit institutions and securities companies and recommendations from the Swedish Financial Reporting Board.

On 1 January 2013, the revised IAS 19 Employee benefits came into effect for application within the EU. This impacts how Handelsbanken reports defined-benefit pension plans since the "corridor" method for accounting of actuarial gains and losses has been removed. In addition, the current assumption for the return on plan assets has been replaced by an estimated yield equivalent to the discount rate for the pension liability. This impacts the calculation of the pension cost reported in the income statement. Accumulated actuarial gains and losses are reported in the transition against retained earnings. The resulting value changes in obligations and assets are reported in other comprehensive income. This change in policy has resulted in the Group's opening equity at the beginning of 2013 decreasing by SEK 3,047 million. The comparative figures for 2012 have been adjusted and were communicated in a press release on 15 April. The adjusted comparison figures are shown in note 22.

IFRS 13 Fair Value Measurement also came into effect for application in the EU on 1 January 2013. The standard deals with common

principles for fair value measurement of most of the assets and liabilities at fair value in the accounts, or for which information about fair value must be provided. IFRS 13 clarifies some of the principles for fair value measurement which were previously applied in accordance with IAS 39 Financial Instruments: Recognition and Measurement. The application of IFRS 13 has not affected the values reported for financial instruments to any significant degree. However, the new standard contains more extensive requirements for disclosures of fair value measurement, in particular for fair values in level 3 of the valuation hierarchy. Disclosures of fair value measurement are provided in note 15. This note also provides information about how the credit risk component in derivative contracts is valued.

As of the 2013 financial year, new disclosures are made concerning the set-off of financial assets and liabilities, in compliance with IFRS 7, Financial instruments: Disclosures, which came into effect for application in the EU on 1 January 2013. See note 17. The revised IAS 1 Presentation of financial statements, which came into effect for application in the EU on 1 January 2013, has affected the Bank's presentation of other comprehensive income. Items which will later be reclassified to the income statement are now separated from those items which are not reclassified.

In other respects, the interim report of the Group and the parent company has been prepared in accordance with the same accounting policies and calculation methods that were applied in the annual report for 2012.

## Note 2 Net interest income

SEK m	Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
<b>Interest income</b>									
Credit institutions and central banks	424	549	-23%	375	13%	1,173	1,793	-35%	2,295
Loans to the public	13,114	14,598	-10%	13,205	-1%	39,512	45,265	-13%	59,084
Interest-bearing securities eligible as collateral with central banks	259	447	-42%	972	-73%	1,865	1,420	31%	1,534
Interest-bearing securities	451	930	-52%	646	-30%	1,609	2,755	-42%	1,967
Derivative instruments	-689	-245	-181%	-719	4%	-1,962	-614	-220%	-1,198
Other interest income	376	339	11%	351	7%	1,110	1,015	9%	1,498
<b>Total interest income</b>	<b>13,935</b>	<b>16,618</b>	<b>-16%</b>	<b>14,830</b>	<b>-6%</b>	<b>43,307</b>	<b>51,634</b>	<b>-16%</b>	<b>65,180</b>
Of which interest income reported in Net gains/losses on financial transactions	366	1,170	-69%	1,286	-72%	2,417	3,248	-26%	2,366
<b>Interest income according to income statement</b>	<b>13,569</b>	<b>15,448</b>	<b>-12%</b>	<b>13,544</b>	<b>0%</b>	<b>40,890</b>	<b>48,386</b>	<b>-15%</b>	<b>62,814</b>
<b>Interest expense</b>									
Credit institutions and central banks	-284	-457	-38%	-358	-21%	-1,027	-1,648	-38%	-2,066
General public	-1,113	-1,766	-37%	-1,094	2%	-3,439	-5,753	-40%	-7,151
Issued securities	-5,735	-6,271	-9%	-5,864	-2%	-17,286	-19,353	-11%	-25,527
Derivative instruments	924	-99		997	-7%	2,589	-880		-319
Subordinated liabilities	-292	-308	-5%	-331	-12%	-941	-1,018	-8%	-1,359
Other interest expense	-627	-1,231	-49%	-1,314	-52%	-2,926	-3,502	-16%	-2,633
<b>Total interest expense</b>	<b>-7,127</b>	<b>-10,132</b>	<b>-30%</b>	<b>-7,964</b>	<b>-11%</b>	<b>-23,030</b>	<b>-32,154</b>	<b>-28%</b>	<b>-39,055</b>
Of which interest expense reported in Net gains/losses on financial transactions	-241	-1,146	-79%	-1,093	-78%	-2,037	-3,365	-39%	-2,322
<b>Interest expense according to income statement</b>	<b>-6,886</b>	<b>-8,986</b>	<b>-23%</b>	<b>-6,871</b>	<b>0%</b>	<b>-20,993</b>	<b>-28,789</b>	<b>-27%</b>	<b>-36,733</b>
<b>Net interest income</b>	<b>6,683</b>	<b>6,462</b>	<b>3%</b>	<b>6,673</b>	<b>0%</b>	<b>19,897</b>	<b>19,597</b>	<b>2%</b>	<b>26,081</b>

During the quarter, improved methods of analysing the item Other interest expense have been implemented. This has resulted in adjustment of the comparative figures between the items Derivatives and Other interest expense. Total net interest income is unchanged.

## Note 3 Net fee and commission income

SEK m	Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
Brokerage and other securities commissions	250	243	3%	321	-22%	877	864	2%	1,137
Mutual funds	513	425	21%	493	4%	1,471	1,242	18%	1,680
Custody and other asset management fees	111	82	35%	108	3%	303	256	18%	348
Advisory services	35	26	35%	71	-51%	210	144	46%	195
Insurance	142	142	0%	140	1%	423	446	-5%	583
Payments	738	685	8%	680	9%	2,037	1,967	4%	2,676
Loans and deposits	272	281	-3%	286	-5%	840	890	-6%	1,195
Guarantees	115	101	14%	107	7%	330	351	-6%	466
Other	108	103	5%	110	-2%	319	313	2%	470
<b>Commission income</b>	<b>2,284</b>	<b>2,088</b>	<b>9%</b>	<b>2,316</b>	<b>-1%</b>	<b>6,810</b>	<b>6,473</b>	<b>5%</b>	<b>8,750</b>
Securities commissions	-63	-47	34%	-60	5%	-181	-162	12%	-216
Payment commissions	-304	-273	11%	-308	-1%	-865	-779	11%	-1,070
Other commission expenses	-21	-26	-19%	-24	-13%	-67	-73	-8%	-95
<b>Commission expense</b>	<b>-388</b>	<b>-346</b>	<b>12%</b>	<b>-392</b>	<b>-1%</b>	<b>-1,113</b>	<b>-1,014</b>	<b>10%</b>	<b>-1,381</b>
<b>Net fee and commission income</b>	<b>1,896</b>	<b>1,742</b>	<b>9%</b>	<b>1,924</b>	<b>-1%</b>	<b>5,697</b>	<b>5,459</b>	<b>4%</b>	<b>7,369</b>

## Note 4 Net gains/losses on financial transactions

SEK m	Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
Trading, derivatives, FX effect etc	465	-354		941	-51%	2,040	-91		80
Other financial instruments at fair value in profit/loss	-101	462		-494	80%	-969	617		732
<i>of which interest-bearing securities</i>	-93	464		-472	80%	-884	643		730
<i>of which loans</i>	-8	-2	-300%	-22	64%	-85	-26	-227%	2
Financial instruments at amortised cost	8	2	300%	27	-70%	17	25	-32%	103
<i>of which loans</i>	73	71	3%	101	-28%	236	201	17%	329
<i>of which liabilities</i>	-65	-69	6%	-74	12%	-219	-176	-24%	-226
Financial instruments available for sale	9	-1		13	-31%	7	14	-50%	18
Hedge accounting	-11	77		-21	48%	20	194	-90%	205
<i>of which net gains/losses on fair value hedges</i>	-23	72		6		-2	193		210
<i>of which hedge ineffectiveness</i>	12	5	140%	-27		22	1		-5
Gains/losses on unbundled insurance contracts	-16	5		-26	38%	-62	-5		-18
<b>Total</b>	<b>354</b>	<b>191</b>	<b>85%</b>	<b>440</b>	<b>-20%</b>	<b>1,053</b>	<b>754</b>	<b>40%</b>	<b>1,120</b>

## Note 5 Other administrative expenses

SEK m	Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
Property and premises	-268	-263	2%	-281	-5%	-830	-832	0%	-1,232
External IT costs	-394	-356	11%	-421	-6%	-1,237	-1,128	10%	-1,588
Communication	-85	-72	18%	-90	-6%	-274	-263	4%	-345
Travel and marketing	-75	-77	-3%	-113	-34%	-270	-264	2%	-392
Purchased services	-227	-244	-7%	-266	-15%	-754	-713	6%	-1,003
Supplies	-47	-40	18%	-51	-8%	-144	-135	7%	-190
Other expenses	-91	-56	63%	-82	11%	-261	-223	17%	-319
<b>Other administrative expenses</b>	<b>-1,187</b>	<b>-1,108</b>	<b>7%</b>	<b>-1,304</b>	<b>-9%</b>	<b>-3,770</b>	<b>-3,558</b>	<b>6%</b>	<b>-5,069</b>

## Note 6 Loan losses and impaired loans

## Loan losses

SEK m	Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
<b>Specific provision for individually valued loan receivables</b>									
Provision for the period	-272	-325	-16%	-291	-7%	-875	-946	-8%	-1,460
Reversal of previous provisions	68	51	33%	69	-1%	174	193	-10%	344
<b>Total</b>	<b>-204</b>	<b>-274</b>	<b>-26%</b>	<b>-222</b>	<b>-8%</b>	<b>-701</b>	<b>-753</b>	<b>-7%</b>	<b>-1,116</b>
<b>Collective provisions</b>									
Net provision for the period for individually valued receivables	2	57	-96%	-57		-50	50		77
Net provision for the period for homogenous loan receivables	8	-8		3	167%	11	-1		5
<b>Total</b>	<b>10</b>	<b>49</b>	<b>-80%</b>	<b>-54</b>		<b>-39</b>	<b>49</b>		<b>82</b>
<b>Other provisions</b>									
Losses on off-balance sheet items	-	-		-		-	-		-
Reversal of losses on off-balance-sheet items	-	-		-		0	0		0
Change in collective provision for off-balance-sheet items	-2	3		0		-3	7		5
<b>Total</b>	<b>-2</b>	<b>3</b>		<b>0</b>		<b>-3</b>	<b>7</b>		<b>5</b>
<b>Write-offs</b>									
Actual loan losses for the period	-376	-198	90%	-311	21%	-1,151	-864	33%	-1,383
Utilised share of previous provisions	236	110	115%	231	2%	884	568	56%	975
Recoveries	52	33	58%	50	4%	137	137	0%	186
<b>Total</b>	<b>-88</b>	<b>-55</b>	<b>60%</b>	<b>-30</b>	<b>193%</b>	<b>-130</b>	<b>-159</b>	<b>-18%</b>	<b>-222</b>
<b>Net loan losses</b>	<b>-284</b>	<b>-277</b>	<b>3%</b>	<b>-306</b>	<b>-7%</b>	<b>-873</b>	<b>-856</b>	<b>2%</b>	<b>-1,251</b>

## Impaired loans

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

SEK m	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
Impaired loans	6,799	7,266	7,006	7,325	7,171
Specific provision for individually assessed loans	-3,467	-3,589	-3,522	-3,725	-3,673
Provision for collectively assessed homogenous groups of loans with limited value	-94	-103	-113	-115	-118
Collective provisions	-347	-350	-280	-288	-313
<b>Impaired loans, net</b>	<b>2,891</b>	<b>3,224</b>	<b>3,091</b>	<b>3,197</b>	<b>3,067</b>
Total impaired loans reserve ratio	57.5%	55.6%	55.9%	56.4%	57.2%
Proportion of impaired loans, %	0.17%	0.19%	0.18%	0.18%	0.18%
Impaired loans reserve ratio excl. collective provisions	52.4%	50.8%	51.9%	52.4%	52.9%
Loan loss ratio as a % of loans, accumulated	0.07%	0.07%	0.06%	0.08%	0.07%
Loans past due > 60 days	6,661	6,834	6,396	6,988	7,029
Loans past due > 60 days, which are not impaired	2,478	2,382	2,136	2,563	2,715

## Impaired loans and loans which are overdue by more than 60 days, by sector

30 September 2013		Impaired loans			Loans past due > 60 days, which are not impaired
SEK m	Gross	Provisions	Net*	Of which past due >60 days	
Private individuals	1,595	-805	790	673	1,509
Housing co-operative associations	92	-31	61	28	14
Property management	1,258	-401	857	513	444
Manufacturing	809	-599	210	145	131
Retail	742	-361	381	344	37
Hotel and restaurant	51	-27	24	24	70
Passenger and goods transport by sea	413	-412	1	1	-
Other transport and communication	125	-73	52	49	5
Construction	180	-103	77	75	128
Electricity, gas and water	50	-22	28	6	7
Agriculture, hunting and forestry	37	-22	15	14	7
Other services	158	-94	64	45	47
Holding, investment and insurance companies, funds etc.	1,137	-545	592	93	2
Other corporate lending	152	-66	86	79	77
Credit institutions	-	-	-	-	-
<b>Total</b>	<b>6,799</b>	<b>-3,561</b>	<b>3,238</b>	<b>2,089</b>	<b>2,478</b>

\* Book value after deduction of specific provisions.

31 December 2012		Impaired loans			Loans past due > 60 days, which are not impaired
SEK m	Gross	Provisions	Net*	Of which past due >60 days	
Private individuals	1,541	-852	689	584	1,611
Housing co-operative associations	32	-17	15	12	46
Property management	1,004	-365	639	365	465
Manufacturing	829	-473	356	174	118
Retail	1,085	-441	644	399	45
Hotel and restaurant	79	-36	43	42	19
Passenger and goods transport by sea	419	-406	13	13	-
Other transport and communication	288	-182	106	105	17
Construction	216	-106	110	107	66
Electricity, gas and water	88	-25	63	1	13
Agriculture, hunting and forestry	26	-15	11	9	36
Other services	415	-213	202	190	59
Holding, investment and insurance companies, funds etc.	1,153	-601	552	25	13
Other corporate lending	150	-108	42	42	55
Credit institutions	-	-	-	-	-
<b>Total</b>	<b>7,325</b>	<b>-3,840</b>	<b>3,485</b>	<b>2,068</b>	<b>2,563</b>

\* Book value after deduction of specific provisions.

## Note 7 Discontinued operations

Discontinued operations comprise the results from the Plastal Industri AB subsidiary, including the acquired parts of the Plastal Group. The Bank intends to divest Plastal Industri AB.

## Note 8 Loans and credit exposure

SEK m	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
Loans to the public	1,682,552	1,685,665	1,655,041	1,680,479	1,620,505
<i>of which reverse repos</i>	22,932	24,284	16,056	33,799	14,295
Loans to other credit institutions	72,984	71,693	87,206	89,511	84,364
<i>of which reverse repos</i>	38,562	42,463	53,826	59,241	56,132
Other loans to central banks	34,403	34,327	40,312	12,370	35,777
<i>of which reverse repos</i>	2,326	505	1,389	2,820	1,440

## Loans to the public, by sector

SEK m	30 September 2013			31 December 2012		
	Loans gross	Provisions	Loans net	Loans gross	Provisions	Loans net
Private individuals	771,964	-805	771,159	743,454	-852	742,602
<i>of which mortgage loans</i>	631,194	-41	631,153	607,163	-44	607,119
<i>of which other loans with property mortgages</i>	73,269	-23	73,246	67,031	-115	66,916
<i>of which other loans to private individuals</i>	67,501	-741	66,760	69,260	-693	68,567
Housing co-operative associations	136,966	-31	136,935	129,131	-17	129,114
<i>of which mortgage loans</i>	125,029	-9	125,020	105,421	-4	105,417
Property management	448,020	-401	447,619	436,694	-365	436,329
Manufacturing	40,699	-599	40,100	45,170	-473	44,697
Retail	32,877	-361	32,516	33,646	-441	33,205
Hotels and restaurants	7,497	-27	7,470	8,234	-36	8,198
Passenger and goods transport by sea	15,337	-412	14,925	17,839	-406	17,433
Other transport and communication	27,745	-73	27,672	32,406	-182	32,224
Construction	13,434	-103	13,331	13,395	-106	13,289
Electricity, gas, water	23,203	-22	23,181	23,965	-25	23,940
Agriculture, hunting and forestry	9,283	-22	9,261	8,917	-15	8,902
Other services	24,568	-94	24,474	25,558	-213	25,345
Holding, investment, insurance, funds, etc.	85,225	-545	84,680	89,219	-601	88,618
Government and municipalities	20,743	-	20,743	36,711	-	36,711
Other corporate lending	28,899	-66	28,833	40,268	-108	40,160
<b>Total loans to the public, before collective provisions</b>	<b>1,686,460</b>	<b>-3,561</b>	<b>1,682,899</b>	<b>1,684,607</b>	<b>-3,840</b>	<b>1,680,767</b>
Collective provisions			-347			-288
<b>Total loans to the public</b>			<b>1,682,552</b>			<b>1,680,479</b>



## Specification of Loans to the public – Property management

SEK m	30 September 2013			31 December 2012		
	Loans gross	Provisions	Loans net	Loans gross	Provisions	Loans net
<b>Loans in Sweden</b>						
State-owned property companies	8,448	-	8,448	9,213	-	9,213
Municipal-owned property companies	15,747	-	15,747	14,468	-	14,468
Residential property companies	74,842	-8	74,834	72,894	-13	72,881
<i>of which mortgage loans</i>	58,077	-1	58,076	52,759	-3	52,756
Other property management	145,279	-106	145,173	145,066	-129	144,937
<i>of which mortgage loans</i>	65,122	-2	65,120	61,097	-5	61,092
<b>Total loans in Sweden</b>	<b>244,316</b>	<b>-114</b>	<b>244,202</b>	<b>241,641</b>	<b>-142</b>	<b>241,499</b>
<b>Loans outside Sweden</b>						
Denmark	77,236	-78	77,158	10,623	-96	10,527
Finland	11,574	-102	11,472	19,481	-10	19,471
Norway	22,405	-12	22,393	80,549	-74	80,475
UK	76,529	-66	76,463	69,699	-20	69,679
The Netherlands	8,681	-	8,681			
Other countries	7,279	-29	7,250	14,701	-23	14,678
<b>Total loans outside Sweden</b>	<b>203,704</b>	<b>-287</b>	<b>203,417</b>	<b>195,053</b>	<b>-223</b>	<b>194,830</b>
<b>Total loans - Property management</b>	<b>448,020</b>	<b>-401</b>	<b>447,619</b>	<b>436,694</b>	<b>-365</b>	<b>436,329</b>

## Credit risk exposure

SEK m	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
Loans to the public	1,682,552	1,685,665	1,655,041	1,680,479	1,620,505
<i>of which reverse repos</i>	22,932	24,284	16,056	33,799	14,295
Loans to other credit institutions	72,984	71,693	87,206	89,511	84,364
<i>of which reverse repos</i>	38,562	42,463	53,826	59,241	56,132
Unutilised part of granted overdraft facilities	121,733	120,103	120,386	132,534	125,266
Committed loan offers	247,486	247,482	240,965	239,774	238,672
Other commitments	16,248	10,637	21,851	20,779	8,214
Guarantees, credits	9,002	10,145	10,364	10,723	10,702
Guarantees, other	58,623	59,186	56,416	39,913	39,310
Documentary credits	7,559	8,187	9,609	30,164	33,686
Derivative instruments *	74,627	90,141	101,865	110,850	135,490
Treasury bills and other eligible bills	63,245	54,996	56,866	48,906	50,005
Bonds and other interest-bearing securities	63,947	65,575	72,049	68,354	69,738
<b>Total</b>	<b>2,418,006</b>	<b>2,423,810</b>	<b>2,432,618</b>	<b>2,471,987</b>	<b>2,415,952</b>

\* Refers to the total of positive market values.

## Note 9 Derivatives

SEK m	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
<b>Positive market values</b>					
Trading	53,015	68,361	77,735	83,357	105,761
Fair value hedges	9,644	9,589	13,143	21,702	23,255
Cash flow hedges	11,968	12,191	10,987	5,791	6,474
<b>Total</b>	<b>74,627</b>	<b>90,141</b>	<b>101,865</b>	<b>110,850</b>	<b>135,490</b>
<b>Negative market values</b>					
Trading	56,608	59,636	74,343	85,933	111,150
Fair value hedges	2,014	2,503	2,814	12,112	13,495
Cash flow hedges	12,942	10,947	15,212	7,999	8,725
<b>Total</b>	<b>71,564</b>	<b>73,086</b>	<b>92,369</b>	<b>106,044</b>	<b>133,370</b>
<b>Nominal value</b>					
Trading	6,776,464	7,106,437	7,116,556	7,185,555	9,714,008
Fair value hedges	240,982	272,337	308,575	518,885	552,160
Cash flow hedges	543,797	510,452	392,017	268,215	269,158
<b>Total</b>	<b>7,561,243</b>	<b>7,889,226</b>	<b>7,817,148</b>	<b>7,972,655</b>	<b>10,535,326</b>

## Note 10 Goodwill and other intangible assets

SEK m	Total			Other intangible assets			Total		
	Jan-Sep 2013	Jan-Sep 2012	Full year 2012	Jan-Sep 2013	Jan-Sep 2012	Full year 2012	Jan-Sep 2013	Jan-Sep 2012	Full year 2012
Opening residual value	6,273	6,352	6,352	933	727	727	7,206	7,079	7,079
Additional during the period	144	-	-	510	226	333	654	226	333
The period's amortisation	-	-	-	-104	-90	-118	-104	-90	-118
The period's impairments	-	-	-	-2	-3	-3	-2	-3	-3
Foreign exchange effect	-44	-137	-79	6	-7	-6	-38	-144	-85
<b>Closing residual value</b>	<b>6,373</b>	<b>6,215</b>	<b>6,273</b>	<b>1,343</b>	<b>853</b>	<b>933</b>	<b>7,716</b>	<b>7,068</b>	<b>7,206</b>

## Note 11 Due to credit institutions, deposits and borrowing from the public

SEK m	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
Due to credit institutions	169,761	197,223	213,004	183,945	227,153
<i>of which repos</i>	816	2,097	3,200	2,391	1,326
Deposits and borrowing from the public	807,630	636,776	642,314	682,223	728,572
<i>of which repos</i>	10,442	12,289	5,204	12,294	9,004

## Note 12 Turnover of own debt instruments and shares

The Handelsbanken Group issues and repurchases debt instruments and equity-related securities which it has issued on its own account. This turnover is mainly intended as part of the Bank's securities operations and also as a component in financing its operations. During the period January to September 2013, the turnover was:

	Group	Parent company
<b>Interest-bearing securities, bonds and certificates (SEK billion):</b>		
Issued (sold):	1,323	717
Repurchased (bought):	226	21
Repaid:	1,026	655
<b>Equity-related securities (SEK billion):</b>		
Issued (sold):	1.2	1.2
Repurchased (bought):	1.1	1.1

## Note 13 Assets pledged, contingent liabilities and other commitments

SEK m	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
Assets pledged for own debt	751,303	763,360	747,573	750,684	747,190
Other pledged assets	36,265	35,612	33,027	2,564	5,154
Contingent liabilities	75,184	77,556	76,389	80,823	83,708
Other commitments	385,467	378,222	383,202	393,087	372,152

The total contingent liabilities mainly consist of credit guarantees.

## Note 14 Classification of financial assets and liabilities

The tables show valuation categories for financial instruments in accordance with IAS 39.

30 September 2013	At fair value in income statement divided into		Derivatives identified as hedge instruments	Investments held to maturity	Loans and other receivables	Financial assets available for sale	Other financial assets/ liabilities	Non-financial assets / liabilities	Total carrying amount	Fair value
	Trading	Other								
SEK m										
<b>Assets</b>										
Cash and balances with central banks					345,109				345,109	345,109
Other loans to central banks					34,403				34,403	34,403
Interest-bearing securities eligible as collateral with central banks	31,644	26,489		3,486		1,626			63,245	63,101
Loans to other credit institutions					72,984				72,984	74,149
Loans to the public		2,952			1,679,600				1,682,552	1,691,777
Value change of interest hedged item in portfolio hedge					2,143				2,143	
Bonds and other interest-bearing securities	27,093	35,013		929		912			63,947	63,944
Shares	34,967	1,421				5,541			41,929	41,929
Investments in associates							278		278	278
Assets where the customer bears the value change risk		79,055			2,711				81,766	81,766
Derivative instruments	53,015		21,612						74,627	74,627
Other assets	25				32,129		305		32,459	32,459
Prepaid expenses and accrued income	847	486		74	3,960			1,338	6,705	6,705
<b>Total financial assets</b>	<b>147,591</b>	<b>145,416</b>	<b>21,612</b>	<b>4,489</b>	<b>2,173,039</b>	<b>8,079</b>	<b>583</b>	<b>1,338</b>	<b>2,502,147</b>	<b>2,510,247</b>
Other non-financial assets									14,089	
<b>Total assets</b>									<b>2,516,236</b>	
<b>Liabilities</b>										
Due to credit institutions							169,761		169,761	173,479
Deposits and borrowing from the public							807,630		807,630	807,666
Liabilities where the customer bears the value change risk		79,118					2,711		81,829	81,829
Issued securities	16,196						1,163,819		1,180,015	1,196,274
Derivative instruments	56,608		14,956						71,564	71,564
Short positions	18,371								18,371	18,371
Other liabilities	16						31,230	56	31,302	31,302
Accrued expenses and deferred income	347						18,035	5,030	23,412	23,412
Subordinated liabilities							15,911		15,911	17,777
<b>Total financial liabilities</b>	<b>91,538</b>	<b>79,118</b>	<b>14,956</b>				<b>2,209,097</b>	<b>5,086</b>	<b>2,399,795</b>	<b>2,421,674</b>
Other non-financial liabilities									9,929	
<b>Total liabilities</b>									<b>2,409,724</b>	

31 December 2012	At fair value in income statement divided into		Derivatives identified as hedge instruments	Investments held to maturity	Loans and other receivables	Financial assets available for sale	Other financial assets / liabilities	Non-financial assets / liabilities	Total carrying amount	Fair value
	Trading	Other								
SEK m										
<b>Assets</b>										
Cash and balances with central banks					234,932			1,613	236,545	236,545
Other loans to central banks					12,370				12,370	12,370
Interest-bearing securities eligible as collateral with central banks	26,474	17,622		3,759		1,051			48,906	48,973
Loans to other credit institutions					89,511				89,511	89,292
Loans to the public		4,078			1,676,401				1,680,479	1,689,938
Value change of interest hedged item in portfolio hedge					5,271				5,271	
Bonds and other interest-bearing securities	30,535	35,073		1,340		1,406			68,354	68,351
Shares	23,078	1,863				5,205			30,146	30,146
Investments in associates							203		203	203
Assets where the customer bears the value change risk		68,565			1,025				69,590	69,590
Derivative instruments	83,357		27,493						110,850	110,850
Other assets	28				12,774			10	12,812	12,812
Prepaid expenses and accrued income	229	1,043		118	4,454	0		1,555	7,399	7,399
<b>Total financial assets</b>	<b>163,701</b>	<b>128,244</b>	<b>27,493</b>	<b>5,217</b>	<b>2,036,738</b>	<b>7,662</b>	<b>203</b>	<b>3,178</b>	<b>2,372,436</b>	<b>2,376,469</b>
Other non-financial assets									11,515	
<b>Total assets</b>									<b>2,383,951</b>	
<b>Liabilities</b>										
Due to credit institutions							183,945		183,945	186,259
Deposits and borrowing from the public							682,223		682,223	682,320
Liabilities where the customer bears the value change risk		68,613					1,025		69,638	69,638
Issued securities	13,756						1,137,670		1,151,426	1,167,175
Derivative instruments	85,933		20,111						106,044	106,044
Short positions	16,201								16,201	16,201
Other liabilities	19						17,206	623	17,848	17,848
Accrued expenses and deferred income	54						16,445	4,765	21,264	21,264
Subordinated liabilities							21,167		21,167	22,507
<b>Total financial liabilities</b>	<b>115,963</b>	<b>68,613</b>	<b>20,111</b>				<b>2,059,681</b>	<b>5,388</b>	<b>2,269,756</b>	<b>2,289,256</b>
Other non-financial liabilities									10,345	
<b>Total liabilities</b>									<b>2,280,101</b>	

## Note 15 Fair value measurement of financial instruments

Handelsbanken's independent risk control unit is responsible for checking and validating the fair value measurement of financial instruments. In general, the valuations are based on externally generated data as far as is possible based on the circumstances in each case. When choosing the valuation model, models that are established in the market are mainly used. The models and input data which form the basis of the valuations are regularly validated to ensure that they are consistent with market practice and established financial theory.

Financial instruments are valued at their current market price at the balance sheet date, providing that price information is easily available and that it is representative of real and frequently occurring transactions in an active market. The current bid price is used for financial assets and the current ask price is used for financial liabilities. For groups of financial instruments which are managed on the basis of the Bank's net exposure to market risk, the current market price is treated as being the same as the mid-market price on the balance sheet date, if the Bank's overall risk positions essentially balance each other.

For financial instruments where there is no reliable information about market prices, fair value is established using valuation models. These models may be based on comparisons with recently performed transactions in the same instrument or instruments with similar characteristics. Where such a market approach is not possible or appropriate, valuation models based on the present value calculation of expected cash flows or option valuation models are generally used, depending on the nature of the instrument. The valuations are based on input data in the form of market interest rates and equity prices together with adjustments for other variables which a market player would be expected to take into consideration when pricing.

In the model valuation of derivatives, the positive differences between the value calculated at initial recognition and the transaction price (day -1 effect), are distributed over the life of the financial instrument. Such differences occur when the applied valuation model does not capture all the components in the value of the derivative in full. As a consequence of the application of this principle, SEK 59 million has been amortised in net gains/losses on financial transactions during the period January – September 2013. At the end of the period, non-amortised day -1 gains amounted to SEK 402 million (341). In addition, the Bank makes an independent valuation of the total credit risk component (own credit risk as well as counterparty risk) in outstanding OTC derivatives. Changes in fair value due to changed credit risk are recognised in profit/loss to the extent that the overall effect exceeds non-amortised day -1 effects.

### Valuation hierarchy

Financial instruments at fair value have been categorised in terms of how the valuations have been carried out and the extent of market data used in the valuation. The categorisation is shown as levels 1-3 in the table. The categorisation is based on the valuation method used on the balance sheet date. If the valuation method on the balance sheet date has changed since the year-end, the instrument will have moved between the levels in the table.

Financial instruments which are valued at the current market price are categorised as level 1. These financial instruments mainly comprise government instruments and other interest-bearing securities that are traded actively, listed equities and short positions in corresponding assets. Level 1 also includes shares in mutual funds and other assets related to unit-linked contracts and similar agreements and the corresponding liabilities (assets and liabilities where the customer bears the value change risk).

Financial instruments which are valued using valuation models which substantially are based on market data are categorised as level 2. Level 2 mainly includes interest-bearing securities and fixed-income and currency-related derivatives. During the period January – September 2013, interest-bearing securities worth SEK 1,127 million were moved from level 2 to level 1 due to increased market activity. In addition, interest-bearing securities worth SEK 577 million were moved from level 1 to level 2 due to decreased trading.

Financial instruments valued using a model where input data that has not been possible to verify using external market information has had a material effect on the valuation, are categorised as level 3. These holdings mainly comprise investments in private equity funds in the insurance operations and unlisted shares.

Investments in private equity funds are valued using valuation models mainly based on a relative valuation of comparable listed companies in the same sector. The measurements of profit used in the comparison are adjusted for factors which distort the comparison between the investment and the company used for comparison. After this, the valuation is based on earnings multiples, e.g. P/E ratios. All investments in private equity funds are plan assets in the Group's insurance operations. Value changes and capital gains on these holdings are therefore included in the basis for calculating the yield split in the insurance operations.

The Group's holdings of unlisted securities mainly consist of the Bank's participating interests in various types of jointly owned operations which are related to the Bank's business. For example, these may be participating interests in clearing organisations and infrastructure collaboration on Handelsbanken's home markets. In general, such holdings are valued at the Bank's share of the company's net asset value, or alternatively at the price of the last completed transaction. Changes in level 3 holdings during the period are shown in a separate table. In all material respects, unlisted shares are classified as available for sale. Value changes for these holdings are thus reported in other comprehensive income.

Level 3 also includes loans at fair value and for which the valuation has largely been affected by a credit risk assumption which cannot be verified with externally generated data. A reasonable possible change in these credit risk assumptions would not have any significant effect on the Group's financial position or profit. Changes in value of loans at fair value are reported in net gains/losses on financial transactions.

30 September 2013 SEK m	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Interest-bearing securities eligible as collateral with central banks	58,619	1,140	-	59,759
Loans to the public	-	2,934	18	2,952
Bonds and other interest-bearing securities	43,687	19,331	-	63,018
Shares	38,941	1,659	1,329	41,929
Assets where the customer bears the value change risk	79,055	-	-	79,055
Derivative instruments	1,051	73,576	-	74,627
<b>Total financial assets at fair value</b>	<b>221,353</b>	<b>98,640</b>	<b>1,347</b>	<b>321,340</b>
<b>Liabilities</b>				
Liabilities where the customer bears the value change risk	79,118	-	-	79,118
Issued securities	4	16,110	82	16,196
Derivative instruments	1,753	69,811	-	71,564
Short positions	17,158	1,213	-	18,371
<b>Total financial liabilities at fair value</b>	<b>98,033</b>	<b>87,134</b>	<b>82</b>	<b>185,249</b>
<b>31 December 2012 SEK m</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Interest-bearing securities eligible as collateral with central banks	44,808	339	-	45,147
Loans to the public	-	4,054	24	4,078
Bonds and other interest-bearing securities	53,204	13,810	-	67,014
Shares	28,060	526	1,560	30,146
Assets where the customer bears the value change risk	68,565	-	-	68,565
Derivative instruments	1,242	109,608	-	110,850
<b>Total financial assets at fair value</b>	<b>195,879</b>	<b>128,337</b>	<b>1,584</b>	<b>325,800</b>
<b>Liabilities</b>				
Liabilities where the customer bears the value change risk	68,613	-	-	68,613
Issued securities	5	13,674	77	13,756
Derivative instruments	2,508	103,536	-	106,044
Short positions	15,430	771	-	16,201
<b>Total financial liabilities at fair value</b>	<b>86,556</b>	<b>117,981</b>	<b>77</b>	<b>204,614</b>

**Reconciliation of financial instruments in level 3**

January - September 2013 SEK m	Shares	Derivatives, net position	Loans to the public	Issued securities
Carrying amount at beginning of year	1,560	-	24	-77
New acquisition	80	-	-	-
Sold during the period	-296	-	-	-
Matured during the period	-	-	-1	-
The period's value change realised in the income statement	-	-	-	-
Unrealised value change in income statement	-20	-	-	-5
Value change recognised in other comprehensive income	6	-	-	-
Transfer from level 1 or 2	-	-	3	-
Transfer to level 1 or 2	-1	-	-8	-
<b>Carrying amount at end of period</b>	<b>1,329</b>	<b>-</b>	<b>18</b>	<b>-82</b>

January - December 2012 SEK m	Shares	Derivatives, net position	Loans to the public	Issued securities
Carrying amount at beginning of year	1,802	-3	25	-77
New acquisition	84	-	-	-
Sold during the period	-397	-	-	2
Matured during the period	-	-	-6	-
The period's value change realised in the income statement	76	-	-	-
Unrealised value change in income statement	23	-	0	-2
Value change recognised in other comprehensive income	-28	-	-1	-
Transfer from level 1 or 2	-	-	6	-
Transfer to level 1 or 2	-	3	-	-
<b>Carrying amount at end of period</b>	<b>1,560</b>	<b>-</b>	<b>24</b>	<b>-77</b>

## Note 16 Business combinations

On 24 May 2013, the acquisition of Heartwood Wealth Group Limited was completed with pertaining rights, asset management agreements and subsidiaries, etc. Heartwood Wealth Group Limited thus became a wholly owned subsidiary of Handelsbanken. The reason for the acquisition is to allow the Bank to expand its customer offering in the UK and take a major step forward for further growth in its savings business.

Heartwood manages around GBP 1.7 billion and has some 90 employees. The company has operations in London and Tunbridge Wells. It offers services such as discretionary management, financial advice and pension solutions.

To establish a preliminary acquisition balance sheet at the time of consolidation, the cost of acquisition at fair value reported in accordance with IFRS 3 was set at approximately GBP 44 million. The acquisition analysis includes fair value measurement of the assets and liabilities in Heartwood, identifiable intangible assets, valuation of contingent liabilities, deferred taxes and maximum additional purchase price subject to certain conditions.

The table below shows how the cost of acquisition reported in the acquisition balance sheet was allocated over the acquired assets and liabilities in Heartwood at the time of the acquisition. The lower part of the table shows the carrying amounts and fair values for Heartwood's assets and liabilities.

At the time of the acquisition, a customer-related intangible asset and the Heartwood brand were identified, the values of which can be reliably measured and which are therefore reported separately. Goodwill was also identified. The goodwill arising from the acquisition derives mainly from the synergy benefits from Handelsbanken's established operations in the UK and personnel-related resources.

Since the acquisition, Heartwood has contributed SEK 58 million to the year's income. The contribution to the year's profit is only marginal. If Heartwood had been included in the consolidated accounts from 1 January 2013, the company would have contributed SEK 117 million to the Group's income. The impact on the year's profit would have been only marginal.

SEK m	
<b>Recognised cost of acquisition according to IFRS 3</b>	<b>446</b>
Fair value of carried assets (as specified below)	101
Identifiable intangible assets	260
Deferred tax	-59
<b>Total net assets acquired</b>	<b>302</b>
<b>Acquisition goodwill</b>	<b>144</b>

SEK m	Carrying amount in Heartwood before acquisition	Fair value upon acquisition
Loans to credit institutions	93	93
Intangible assets	58	-
Property and equipment	7	7
Other assets	34	34
<b>Total assets</b>	<b>192</b>	<b>134</b>
Other liabilities	33	33
<b>Total liabilities</b>	<b>33</b>	<b>33</b>
<b>Total net assets</b>	<b>159</b>	<b>101</b>



## Note 17 Offsetting of financial instruments

30 September 2013 SEK m	Derivatives	Repurchase agreements, securities lending/borrowing and similar agreements	Total
<b>Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements</b>			
Gross amounts of recognised financial assets	78,789	65,392	144,181
Gross amounts of recognised financial liabilities set off in the balance sheet	-4,162	-	-4,162
<b>Net amounts of financial assets presented in the balance sheet</b>	<b>74,627</b>	<b>65,392</b>	<b>140,019</b>
<b>Related amounts not set off in the balance sheet</b>			
Financial instruments not set off in the balance sheet	-49,737	-	-49,737
Collateral received	-7,332	-65,383	-72,715
<b>Net amount</b>	<b>17,558</b>	<b>9</b>	<b>17,567</b>
<b>Financial liabilities subject to offsetting, enforceable master netting agreements and similar agreements</b>			
Gross amounts of recognised financial liabilities	75,726	11,258	86,984
Gross amounts of recognised financial assets set off in the balance sheet	-4,162	-	-4,162
<b>Net amounts of financial liabilities presented in the balance sheet</b>	<b>71,564</b>	<b>11,258</b>	<b>82,822</b>
<b>Related amounts not set off in the balance sheet</b>			
Financial instruments not set off in the balance sheet	-49,737	-	-49,737
Assets pledged	-6,119	-9,623	-15,742
<b>Net amount</b>	<b>15,708</b>	<b>1,635</b>	<b>17,343</b>

31 December 2012 SEK m	Derivatives	Repurchase agreements, securities lending/borrowing and similar agreements	Total
<b>Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements</b>			
Gross amounts of recognised financial assets	114,799	96,313	211,112
Gross amounts of recognised financial liabilities set off in the balance sheet	-3,949	-	-3,949
<b>Net amounts of financial assets presented in the balance sheet</b>	<b>110,850</b>	<b>96,313</b>	<b>207,163</b>
<b>Related amounts not set off in the balance sheet</b>			
Financial instruments not set off in the balance sheet	-78,534	-	-78,534
Collateral received	-9,230	-96,290	-105,520
<b>Net amount</b>	<b>23,086</b>	<b>23</b>	<b>23,109</b>
<b>Financial liabilities subject to offsetting, enforceable master netting agreements and similar agreements</b>			
Gross amounts of recognised financial liabilities	109,993	14,686	124,679
Gross amounts of recognised financial assets set off in the balance sheet	-3,949	-	-3,949
<b>Net amounts of financial liabilities presented in the balance sheet</b>	<b>106,044</b>	<b>14,686</b>	<b>120,730</b>
<b>Related amounts not set off in the balance sheet</b>			
Financial instruments not set off in the balance sheet	-78,534	-	-78,534
Assets pledged	-6,647	-14,686	-21,333
<b>Net amount</b>	<b>20,863</b>	<b>-</b>	<b>20,863</b>

Derivatives are set off in the balance sheet if the Bank has a contractual right to set off the items and intends to settle the payments simultaneously with a net amount. The remaining counterparty risk in derivatives is reduced through netting agreements, which involve setting off positive values against negative values for all derivative transactions with the same counterparty. Handelsbanken's policy is to sign netting agreements with all bank counterparties. Netting agreements are supplemented with agreements for issuing collateral for the net exposure. The collateral for these transactions is mainly cash, but government securities are also used. Collateral for repurchase agreements and lending and borrowing of securities is usually in the form of cash or other securities.

## Note 18 Assets and liabilities by currency

30 Sep 2013								
SEK m	SEK	EUR	NOK	DKK	GBP	USD	Other currencies	Total
<b>Assets</b>								
Cash and balances with central banks	290	75,114	6,327	67	29,638	233,326	347	345,109
Other loans to central banks	2,183	3	8,325	23,614	176	102	0	34,403
Loans to other credit institutions	7,356	14,215	492	105	629	48,007	2,180	72,984
Loans to the public	1,126,660	156,289	183,259	58,042	123,277	25,839	9,186	1,682,552
<i>of which corporates</i>	505,813	116,489	103,818	23,760	87,409	25,771	7,955	871,015
<i>of which households</i>	620,847	39,800	79,441	34,282	35,868	68	1,231	811,537
Interest-bearing securities eligible as collateral with central banks	35,763	3,178	1,898	5		20,779	1,622	63,245
Bonds and other interest-bearing securities	53,320	5,651	3,619	142		1,123	92	63,947
Other items not broken down by currency	253,996							253,996
<b>Total assets</b>	<b>1,479,568</b>	<b>254,450</b>	<b>203,920</b>	<b>81,975</b>	<b>153,720</b>	<b>329,176</b>	<b>13,427</b>	<b>2,516,236</b>
<b>Liabilities</b>								
Due to credit institutions	33,704	32,749	5,167	3,706	8,504	78,046	7,885	169,761
Deposits and borrowing from the public	419,392	92,354	49,176	26,786	60,296	153,745	5,881	807,630
<i>of which corporates</i>	187,960	80,339	33,786	16,064	51,927	152,295	5,675	528,046
<i>of which households</i>	231,432	12,015	15,390	10,722	8,369	1,450	206	279,584
Issued securities	471,067	251,233	18,893	373	80,325	337,888	20,236	1,180,015
Subordinated liabilities	10,460	4,321				152	978	15,911
Other items not broken down by currency, incl. Equity	342,919							342,919
<b>Total liabilities and equity</b>	<b>1,277,542</b>	<b>380,657</b>	<b>73,236</b>	<b>30,865</b>	<b>149,125</b>	<b>569,831</b>	<b>34,980</b>	<b>2,516,236</b>
Other assets and liabilities broken down by currency and off-balance sheet items								
		126,237	-130,650	-51,042	-4,580	240,684	21,512	
<b>Net foreign currency position</b>		<b>30</b>	<b>34</b>	<b>68</b>	<b>15</b>	<b>29</b>	<b>-41</b>	<b>135</b>

31 December 2012								
SEK m	SEK	EUR	NOK	DKK	GBP	USD	Other currencies	Total
<b>Assets</b>								
Cash and balances with central banks	1,333	77,689	8,628	73	4	148,320	498	236,545
Other loans to central banks	2,444	-422	375	9,875	98			12,370
Loans to other credit institutions	9,928	11,844	2,845	250	134	60,822	3,688	89,511
Loans to the public	1,126,737	150,201	199,231	54,637	110,953	27,488	11,232	1,680,479
<i>of which corporates</i>	529,830	114,036	115,970	23,374	80,975	27,426	9,808	901,419
<i>of which households</i>	596,907	36,165	83,261	31,263	29,978	62	1,424	779,060
Interest-bearing securities eligible as collateral with central banks	28,612	3,332	183	5		15,727	1,047	48,906
Bonds and other interest-bearing securities	57,812	5,971	3,081	107		1,251	132	68,354
Other items not broken down by currency	247,786							247,786
<b>Total assets</b>	<b>1,474,652</b>	<b>248,615</b>	<b>214,343</b>	<b>64,947</b>	<b>111,189</b>	<b>253,608</b>	<b>16,597</b>	<b>2,383,951</b>
<b>Liabilities</b>								
Due to credit institutions	27,773	46,440	12,076	12,109	3,811	66,438	15,298	183,945
Deposits and borrowing from the public	413,908	65,822	57,421	23,578	43,836	72,803	4,855	682,223
<i>of which corporates</i>	192,469	53,594	41,591	13,088	37,894	71,543	4,631	414,810
<i>of which households</i>	221,439	12,228	15,830	10,490	5,942	1,260	224	267,413
Issued securities	478,244	268,211	15,999	365	64,320	310,628	13,659	1,151,426
Subordinated liabilities	10,896	4,655			4,300	186	1,130	21,167
Other items not broken down by currency, incl. Equity	345,190							345,190
<b>Total liabilities and equity</b>	<b>1,276,011</b>	<b>385,128</b>	<b>85,496</b>	<b>36,052</b>	<b>116,267</b>	<b>450,055</b>	<b>34,942</b>	<b>2,383,951</b>
Other assets and liabilities broken down by currency and off-balance sheet items								
		136,415	-128,745	-28,910	5,010	196,266	18,627	
<b>Net foreign currency position</b>		<b>-98</b>	<b>102</b>	<b>-15</b>	<b>-68</b>	<b>-181</b>	<b>282</b>	<b>22</b>

## Note 19 Related-party transactions

There have been no business transactions of material importance with related parties during the period. All business transactions with associated companies are made on market terms.

## Note 20 Capital base and capital requirement in the banking group

The quantitative information provided in this section follows the directives and general guidelines of the Swedish Financial Supervisory Authority concerning publication of information relating to capital adequacy and risk management. Figures reported in this section refer to the minimum capital requirements under Pillar 1 of Basel II.

### Capital base

SEK m	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
<b>TIER 1 CAPITAL</b>					
Equity, Group	106,512	102,391	100,366	103,850	97,112
Accrued dividend, current year	-5,123	-3,415	-1,707	-6,804	-4,621
Dividend for previous year (unpaid)	-	-	-	-	-
Deduction of equity outside the banking group	1,842	1,829	1,843	-1,018	-1,020
Difference in earnings between the banking group and the Group	-326	-227	-174	2,851	2,930
Minority interests, Group	-2	-2	-2	-2	-1
<b>Equity, capital base</b>	<b>102,903</b>	<b>100,576</b>	<b>100,326</b>	<b>98,877</b>	<b>94,400</b>
Minority interests, banking group	593	569	563	572	559
Deducted items					
Goodwill and other intangible assets	-8,164	-8,136	-7,533	-7,458	-7,285
Revaluation reserve	-102	-104	-106	-108	-109
Deferred tax assets	-62	-64	-66	-61	-72
Price adjustments for positions reported at fair value	-7	-14	-12	-14	-14
Special deduction for IRB institutions	-875	-926	-1,111	-1,094	-1,050
Capital contribution in companies outside the banking group	-3,691	-3,691	-3,691	-1,483	-1,483
Positions in securitisation	-243	-256	-248	-248	-207
Adjustments in accordance with stability filter					
Cash flow hedges	696	831	-879	-1,149	-576
Unrealised accumulated gains, shares	-1,072	-838	-1,043	-797	-524
Unrealised accumulated gains/losses, fixed income instruments	129	147	144	170	178
<b>Total core tier 1 capital</b>	<b>90,105</b>	<b>88,094</b>	<b>86,344</b>	<b>87,207</b>	<b>83,817</b>
Innovative tier 1 capital contributions	7,679	7,785	8,715	9,323	9,513
Non-innovative tier 1 capital contributions	2,898	2,900	2,902	2,903	2,905
<b>Total tier 1 capital</b>	<b>100,682</b>	<b>98,779</b>	<b>97,961</b>	<b>99,433</b>	<b>96,235</b>
<b>TIER 2 CAPITAL</b>					
Perpetual subordinated loans	-	3,062	2,944	3,133	3,155
Dated subordinated loans	4,313	4,300	4,287	4,274	7,588
Additional items					
Unrealised accumulated gains, shares	1,072	838	1,043	797	524
Revaluation reserve	102	104	106	108	109
Deducted items					
Special deduction for IRB institutions	-875	-926	-1,111	-1,094	-1,050
Capital contribution in companies outside the banking group	-3,691	-3,691	-3,691	-1,483	-1,483
Positions in securitisation	-243	-256	-248	-248	-207
<b>Total tier 2 capital</b>	<b>678</b>	<b>3,431</b>	<b>3,330</b>	<b>5,487</b>	<b>8,636</b>
<b>Total tier 1 and tier 2 capital</b>	<b>101,360</b>	<b>102,210</b>	<b>101,291</b>	<b>104,920</b>	<b>104,871</b>
Deductible items from total capital base					
Capital contribution in insurance companies				-4,417	-4,417
Surplus value pension assets	-	-	-174	-	-
<b>Total capital base for capital adequacy purposes</b>	<b>101,360</b>	<b>102,210</b>	<b>101,117</b>	<b>100,503</b>	<b>100,454</b>

## Capital requirement

SEK m	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
Credit risk according to standardised approach	4,089	3,885	3,690	3,654	3,594
Credit risk according to IRB approach	28,385	29,555	29,342	30,174	30,127
Interest rate risk	690	956	1,047	880	888
Equity price risk	11	22	26	26	19
Exchange rate risk	-	-	-	-	-
Commodities risk	10	10	16	9	8
Settlement risk	-	-	0	3	1
Operational risk	4,246	4,246	4,246	4,181	4,181
<b>Total capital requirement according to Basel II</b>	<b>37,431</b>	<b>38,674</b>	<b>38,367</b>	<b>38,927</b>	<b>38,818</b>
Adjustment according to transitional rules	43,363	42,957	41,990	41,454	40,488
<b>Capital requirement according to Basel II, transitional rules</b>	<b>80,794</b>	<b>81,631</b>	<b>80,357</b>	<b>80,381</b>	<b>79,306</b>
Risk-weighted assets, transitional rules	1,009,925	1,020,391	1,004,465	1,004,763	991,325
Risk-weighted assets, Basel II	467,888	483,425	479,588	486,588	485,225

## Capital adequacy analysis

	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
Capital requirement in Basel II compared to transitional rules	46%	47%	48%	48%	49%
Capital ratio, Basel II	21.7%	21.1%	21.1%	20.7%	20.7%
Capital ratio, transitional rules	10.0%	10.0%	10.1%	10.0%	10.1%
Tier 1 ratio, Basel II	21.5%	20.4%	20.4%	20.4%	19.8%
Tier 1 ratio, transitional rules	10.0%	9.7%	9.8%	9.9%	9.7%
Core tier 1 ratio, Basel II	19.3%	18.2%	18.0%	17.9%	17.3%
Core tier 1 ratio, Basel III	18.8%	17.8%	17.5%	16.4%	n.a.
Capital base in relation to capital requirement Basel II	271%	264%	264%	258%	259%
Capital base in relation to capital requirement according to transitional rules	125%	123%	126%	125%	127%

The quantitative information reported in this section refer to the minimum capital requirements under Pillar 1 of the capital adequacy rules, Basel II. In the table, "According to Basel II" means that the figures are based on the minimum capital requirements after the transitional rules have ceased to apply.

## History concerning statutory capital requirements (not adjusted for revised IAS 19)

SEK m	31 Dec 2012	30 Sep 2012
Core tier 1 capital	90,107	87,553
Total tier 1 capital	102,333	99,971
Total capital base for capital adequacy purposes	101,879	102,483
Total capital requirement, Basel II	39,072	39,041
Capital requirement according to Basel II, transitional rules	80,498	79,485
Risk-weighted assets, transitional rules	1,006,219	993,559
Risk-weighted assets, Basel II	488,400	488,007
Capital ratio, Basel II	20.9%	21.0%
Capital ratio, transitional rules	10.1%	10.3%
Tier 1 ratio, Basel II	21.0%	20.5%
Tier 1 ratio, transitional rules	10.2%	10.1%

## Credit risks IRB

SEK m	Exposure after credit risk protection (EAD)		Average risk weight, %		Capital requirement	
	30 Sep 2013	31 Dec 2012	30 Sep 2013	31 Dec 2012	30 Sep 2013	31 Dec 2012
Corporates	924,820	944,987	28.6	30.5	21,196	23,026
<i>of which repos and securities loans</i>	13,584	23,286	0.4	0.6	4	12
<i>of which other loans foundation approach</i>	149,831	341,048	35.6	44.5	4,264	12,137
<i>of which other loans advanced approach</i>	761,405	580,653	27.8	23.4	16,928	10,877
<i>of which large companies</i>	158,606		51.6		6,554	
<i>of which medium-sized companies</i>	71,289	72,467	59.3	61.2	3,385	3,549
<i>of which property companies</i>	396,055	380,147	20.2	21.7	6,392	6,612
<i>of which housing co-operative associations</i>	135,455	128,039	5.5	7.0	598	716
Households	778,483	752,176	7.4	7.5	4,615	4,530
<i>of which property loans</i>	693,925	665,969	5.2	5.4	2,892	2,885
<i>of which other loans</i>	84,558	86,207	25.5	23.8	1,723	1,645
Small companies	28,458	28,596	35.6	38.1	810	872
Institutions	102,976	128,748	11.4	9.5	936	976
<i>of which repos and securities loans</i>	55,991	76,588	0.6	0.6	28	38
<i>of which other loans</i>	46,985	52,160	24.1	22.5	908	938
Equity exposures	5,509	5,206	142.2	140.1	627	584
Exposures without a counterparty	2,499	2,279	100.0	100.0	200	182
Securitisation positions	890	1,323	3.1	3.5	2	4
<i>of which Traditional securitisation</i>	890	1,323	3.1	3.5	2	4
<i>of which Synthetic securitisation</i>	-	-	-	-	-	-
<b>Total IRB</b>	<b>1,843,635</b>	<b>1,863,315</b>	<b>19.2</b>	<b>20.2</b>	<b>28,386</b>	<b>30,174</b>
<i>of which repos and securities loans</i>	69,575	99,874	0.6	0.6	32	50
<i>of which other loans foundation approach</i>	205,714	402,016	36.5	43.0	6,001	13,845
<i>of which other loans advanced approach</i>	1,568,346	1,361,425	17.8	14.9	22,353	16,279

Handelsbanken is implementing the IRB model for its credit exposures in stages. Swedish, Danish, Finnish and Norwegian exposures to households and small companies, and corresponding exposures at Handelsbanken Finans and Stadshypotek have been approved for IRB reporting.

Corporate and institutional exposures at all regional banks, Stadshypotek and Handelsbanken Finans and also large companies and institutional exposures in foreign branches have been approved for calculation of the capital requirement according to the IRB approach. In 2010, Handelsbanken received permission from the Swedish Financial Supervisory Authority to report most of its corporate exposures to medium-sized companies, property companies and housing co-operative associations according to the IRB advanced approach. In 2013, Handelsbanken received permission from the Swedish Financial Supervisory Authority to report most of its corporate exposures to large companies according to the IRB advanced approach, with the first reporting occasion as at 30 June 2013. The table shows corporate exposures as at 30 September 2013 divided into reporting according to the foundation and advanced approaches. In addition, repos and securities loans are reported separately since they give rise to very low capital requirements, while the volume varies considerably over time. The low capital requirement is due to the fact that the exposure in repos and securities loans is reported gross and the exposure is secured.

The average risk weight for the IRB exposures was 19.2% as at 30 September 2013. The risk weight for corporate exposures was positively affected by the implementation of the advanced approach for large companies and negatively affected by updating of the risk measurements. The net effect is a stable average risk weight. The credit quality is very good. Just over 95% of Handelsbanken's corporate exposures were to customers with a repayment capacity assessed as normal or better than normal, i.e. with a risk classification between one and five on the Bank's ten-point risk classification scale.

The advanced IRB models are based on historical losses from both the recent financial crisis and the Swedish banking crisis of the early 1990s. These risk weights reflect the fact that Handelsbanken has reported low loan losses over a long period. The risk measurements applied contain safety margins to ensure that the risk is not underestimated.

The level of the risk weight in the corporate exposures should also be seen in the light of the portfolio composition and how various loans are classified in the different exposure classes. Handelsbanken has classified its lending to housing co-operative associations as companies while some other banks have opted to classify this as retail lending.

## Note 21 Risk and capital management

### Risks and uncertainty factors

Economic developments continue to be characterised by the debt crisis in the eurozone and a weak global business cycle. As long as the imbalances prevail in the global economy with many indebted countries, the unstable situation risks causing turbulence in the financial markets. The political uncertainty and a future neutralisation of the highly expansive monetary policy in the US may create further volatility in the financial markets. Turbulence in the financial markets affects the financial sector's opportunities to access mainly long-term funding.

Handelsbanken has no sovereign exposures and has small other exposures to the "PIIGS" countries, but may be affected indirectly if the European debt crisis were to worsen significantly. Handelsbanken has a strong liquidity situation both as a whole and in all currencies which are of importance for the Bank; it has continually had full access to the capital markets. Handelsbanken's low tolerance of

risks, sound capitalisation and strong liquidity mean that the Bank is well equipped to operate under all these conditions.

Handelsbanken's liquidity situation is healthy and is described in more detail under the heading Funding and liquidity on page 6.

Handelsbanken has low tolerance of market risks. For the third quarter of 2013, the average total exposure in the trading book, measured as Value-at-Risk (VaR), was SEK 16 million (Q3 2012: SEK 18 million). During the period, this risk varied between SEK 12 million (10) and SEK 22 million (26).

Other aspects of the Bank's risk and capital management are described in Handelsbanken's 2012 annual report and in Handelsbanken's Risk and capital management – Information according to Pillar 3 for 2012. No material changes have occurred since the publication of these documents that are not presented in this interim report.

### Liquidity and funding

Handelsbanken's liquidity situation is healthy. For a long period of time, the Bank has actively worked with liquidity measures and has adopted a conservative approach. Part of this work has involved centralising liquidity management with the purpose of strengthening control of the liquidity risks and of guaranteeing and optimising the Bank's funding in all scenarios. The Bank has worked for a long time

on extending the maturities of its funding by increasing bond issues and ensuring that liquidity risks are included in internal pricing. The Bank's funding programme covers the entire maturity spectrum in SEK, EUR and USD that the Bank needs to finance its lending and also creates the opportunity for issues in all currencies that are relevant for the Bank.

### Funding programmes/limits as 30 September 2013 - Group

Programme (in millions)	Programme size	Currency	Unutilised amount	Countervalue SEK m	Latest issue
ECP *	5,000	EUR	2,447	21,270	Sep-13
ECP (Stadshypotek) *	4,000	EUR	2,902	25,225	Sep-13
French Commercial Paper	7,500	EUR	6,015	52,284	Sep-13
EMTCN (Stadshypotek) *	20,000	EUR	6,409	55,709	Apr-13
MTN *	100,000	SEK	74,927	74,927	Sep-13
Swedish Commercial Paper	25,000	SEK	24,805	24,805	Sep-13
Swedish Commercial Paper (Stadshypotek)	90,000	SEK	90,000	90,000	Jun-13
EMTN *	50,000	USD	26,405	169,428	Sep-13
General funding > 1 y *	15,000	USD	12,650	81,169	Jun-13
USCP	15,000	USD	7,682	49,292	Sep-13
Extendible Notes	15,000	USD	7,920	50,819	Sep-13
US 144A / 3(a)(2)	15,000	USD	5,150	33,045	Sep-13
Stadshypotek US 144A	15,000	USD	12,250	78,602	May-13
Stadshypotek AUD Covered Bond Programme	5,000	AUD	4,250	25,401	Oct-12
Samurai	400,000	JPY	349,500	22,822	Jun-13
<b>Total</b>				<b>854,798</b>	
Total programme (or limited) amounts, SEK m	1,390,335				
Unutilised amount, SEK m	854,798				
<b>Available amount</b>	<b>61%</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.

As at 30 September 2013, total liquidity reserves exceeded SEK 800 billion. Balances with central banks and banks, as well as securities that are eligible as collateral with central banks, totalled SEK 480

billion (see table below). In addition, there was an unutilised issue amount for covered bonds and other liquidity-creating measures

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

SEK m	Market value				
	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
Cash and balances with and other lending to central banks	377,187	245,601	258,670	246,094	376,985
Balances with banks & the National Debt Office, overnight (before Dec-12: incl. repos)	1,827	2,770	9,701	17,288	20,836
Securities issued by governments and public entities	48,648	40,947	42,969	36,087	42,326
Covered bonds	49,566	54,449	57,910	73,541	53,878
Securities issued by non-financial companies	929	1,156	1,141	1,233	-
Securities issued by financial companies	2,214	2,785	2,119	2,706	4,155
<b>Total</b>	<b>480,371</b>	<b>347,708</b>	<b>372,510</b>	<b>376,949</b>	<b>498,180</b>
<i>of which in SEK</i>	<i>70,608</i>	<i>76,349</i>	<i>100,384</i>	<i>98,661</i>	<i>116,944</i>
<i>of which in EUR</i>	<i>81,996</i>	<i>69,425</i>	<i>63,374</i>	<i>85,505</i>	<i>102,662</i>
<i>of which in USD</i>	<i>247,795</i>	<i>164,579</i>	<i>187,881</i>	<i>166,328</i>	<i>249,924</i>
<i>of which in other currencies</i>	<i>79,972</i>	<i>37,355</i>	<i>20,871</i>	<i>26,455</i>	<i>28,650</i>

30 September 2013					
Market value, SEK m	SEK	EUR	USD	Other	Total
Cash and balances with and other lending to central banks	746	75,165	233,318	67,958	377,187
Balances with other banks and the National Debt Office, overnight	8	266	125	1,428	1,827
Securities issued by governments	31,177	3,416	12,728	1,324	48,645
Securities issued by municipalities and other public entities	3	-	-	-	3
Covered bonds, external issuers	23,581	1,852	-	8,311	33,744
Own covered bonds	14,270	601	-	951	15,822
Securities issued by non-financial companies	-	3	926	-	929
Securities issued by financial companies	823	693	698	-	2,214
Other securities	-	-	-	-	-
<b>Total</b>	<b>70,608</b>	<b>81,996</b>	<b>247,795</b>	<b>79,972</b>	<b>480,371</b>

## Maturities for financial assets and liabilities

30 September 2013 SEK m	Up to 3 mths	3 - 12 mths	1 - 5 yrs	5 yrs -	Unspecified maturity	Total
Cash and balances with central banks	377,186	-	-	-	-	377,186
Reverse repos with central banks	2,326	-	-	-	-	2,326
Interest bearing securities eligible as collateral with central banks	63,245	-	-	-	-	63,245
Bonds and other interest-bearing securities	63,947	-	-	-	-	63,947
Loans to credit institutions	27,651	768	2,253	2,354	1,396	34,422
Reverse repos with credit institutions	38,562	-	-	-	-	38,562
Loans to the public	155,566	151,715	345,386	1,005,334	1,619	1,659,620
Reverse repos with the public	22,932	-	-	-	-	22,932
Other	67,399	-	-	-	186,597	253,996
-of which shares and participating interests	41,929	-	-	-	-	41,929
-of which claims on investment banking settlements	25,470	-	-	-	-	25,470
<b>Total</b>	<b>818,814</b>	<b>152,483</b>	<b>347,639</b>	<b>1,007,688</b>	<b>189,612</b>	<b>2,516,236</b>
Due to credit institutions	140,968	3,120	402	12,040	12,415	168,945
-of which deposits from central banks	64,472	1,114	-	1,314	68	66,968
Repos with credit institutions	816	-	-	-	-	816
Deposits and borrowing from the public	213,212	24,192	5,067	10,563	544,154	797,188
Repos with the public	10,442	-	-	-	-	10,442
Issued securities	241,161	233,016	616,549	89,289	-	1,180,015
Subordinated liabilities	-	2,866	9,714	3,331	-	15,911
Other	40,002	-	-	-	302,917	342,919
-of which short positions	18,371	-	-	-	-	18,371
-of which investment banking settlement debts	21,631	-	-	-	-	21,631
<b>Total</b>	<b>646,601</b>	<b>263,194</b>	<b>631,732</b>	<b>115,223</b>	<b>859,486</b>	<b>2,516,236</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 USD assets and liabilities

30 September 2013 SEK m	Up to 3 mths	3 - 12 mths	1 - 5 yrs	5 yrs -	Unspecified maturity	Total
Cash and balances with central banks	233,428	-	-	-	-	233,428
Bonds and other interest-bearing securities	21,902	-	-	-	-	21,902
Loans to credit institutions	44,194	492	1,263	2,016	42	48,007
Loans to the public	12,146	1,620	9,879	2,181	13	25,839
Other, including derivatives	155,912	23,085	48,737	25,964	-	253,698
<b>Total assets</b>	<b>467,582</b>	<b>25,197</b>	<b>59,879</b>	<b>30,161</b>	<b>55</b>	<b>582,874</b>
Due to credit institutions	77,403	315	78	0	250	78,046
Deposits and borrowing from the public	144,262	173	-	-	9,310	153,745
Issued securities	127,057	75,264	109,395	26,172	-	337,888
Subordinated liabilities	-	-	152	-	-	152
Other, including derivatives	-	-	-	-	13,014	13,014
<b>Total liabilities</b>	<b>348,722</b>	<b>75,752</b>	<b>109,625</b>	<b>26,172</b>	<b>22,574</b>	<b>582,845</b>

31 December 2012 SEK m	Up to 3 mths	3 - 12 mths	1 - 5 yrs	5 yrs -	Unspecified maturity	Total
Cash and balances with central banks	148,320	-	-	-	-	148,320
Bonds and other interest-bearing securities	16,978	-	-	-	-	16,978
Loans to credit institutions	57,660	319	420	2,423	-	60,822
Loans to the public	5,515	1,742	15,944	4,279	8	27,488
Other, including derivatives	131,535	26,994	25,794	11,943	-	196,266
<b>Total assets</b>	<b>360,008</b>	<b>29,055</b>	<b>42,158</b>	<b>18,645</b>	<b>8</b>	<b>449,874</b>
Due to credit institutions	63,566	724	32	0	2,116	66,438
Deposits and borrowing from the public	60,563	159	-	-	12,081	72,803
Issued securities	199,422	58,008	36,385	16,813	-	310,628
Subordinated liabilities	-	-	186	-	-	186
Other, including derivatives	-	-	-	-	-	-
<b>Total liabilities</b>	<b>323,551</b>	<b>58,891</b>	<b>36,603</b>	<b>16,813</b>	<b>14,197</b>	<b>450,055</b>

## Liquidity Coverage Ratio (LCR)

	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
Liquidity Coverage Ratio (LCR), %					
EUR	119	118	132	301	114
USD	163	190	229	174	209
<b>Total *</b>	<b>139</b>	<b>128</b>	<b>135</b>	<b>136</b>	<b>139</b>

\*Since Q4 2012, calculated according to the new regulations as at 1 January 2013.

	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012
Liquidity Coverage Ratio (LCR) - decomposition, SEK m				
<b>Liquid assets</b>	<b>241,407</b>	<b>155,703</b>	<b>186,891</b>	<b>210,299</b>
Liquid assets level 1	209,400	114,666	154,375	161,442
Liquid assets level 2	32,007	41,037	32,516	48,857
<b>Cash outflows</b>	<b>507,019</b>	<b>420,415</b>	<b>403,258</b>	<b>402,356</b>
Deposits from customers	150,616	133,322	175,906	149,860
Market funding	277,439	200,704	163,881	207,681
Other cash flows	78,964	86,389	63,471	44,815
<b>Cash inflows</b>	<b>333,567</b>	<b>298,888</b>	<b>265,085</b>	<b>247,176</b>
Inflows from maturing lending to non-financial customers	22,827	21,610	29,381	26,122
Other cash inflows	310,740	277,278	235,704	221,054

The components are defined in accordance with the Swedish Financial Supervisory Authority's directives and requirements for the liquidity coverage ratio and reporting of liquid assets and cash flows (FFFS 2012:6). Liquid assets level 1 corresponds to Chapter 3, Section 6. Liquid assets level 2 corresponds to Chapter 3, Section 7. Deposits from customers corresponds to Chapter 4, Sections 4-9. Market funding corresponds to Chapter 4, Sections 10-13. Other cash flows corresponds to Chapter 4, Sections 14-25. Loans to non-financial customers corresponds to Chapter 5 Section 4. Other cash inflows corresponds to Chapter 5, Sections 6-12.

As a measure of sensitivity to short-term disruptions in the funding market, the Basel Committee has proposed a risk measure, Liquidity Coverage Ratio (LCR). The measure will be implemented as a quantitative requirement through CRD IV according to the EU's implementation plan. In Sweden, the Swedish Financial Supervisory Authority's liquidity coverage ratio regulations (FFFS 2012:6) have applied since 1 January 2013.

The Swedish Financial Supervisory Authority's definition differs from the measure proposed by the Basel Committee and which will be introduced as CRD IV in 2015. It is defined as the ratio between the

Bank's liquidity buffer and net cash flows in a very stressed scenario during a 30-day period. The ratio must exceed 100%. A short-term liquidity ratio may display a degree of volatility over time, for example when funding that was originally long term and which is financing mortgage loans is replaced by new long-term funding, or when the composition of counterparty categories varies in the short-term funding. At the end of the quarter, Handelsbanken's LCR according to the Swedish Financial Supervisory Authority's directive was 139%, which shows that the Bank has high resistance to short-term disruptions in the funding market. This also applies in US dollars and euros.

## Stress test with liquidity-creating measures

The Bank's liquidity position is regularly subjected to a stress test. In the test, the Bank's cash flows are stressed, based on certain defined assumptions. The stress test shows resistance to more long-term market disruptions. For example, it is assumed in the stress test that the Bank cannot obtain funding in the financial markets while there is a gradual disappearance of ten% of deposits from households and companies over the first month. It is further assumed that the Bank continues to conduct its core activities, i.e. loans to households and companies and that committed loan offers and other credit facilities

are partly utilised by customers. Account is also taken of the fact that holdings with central banks are utilised and that the Central Treasury liquidity portfolio can provide immediate additional liquidity. In addition, liquidity-creating measures – for example, unutilised facilities to issue covered bonds – are used in order to gradually provide liquidity to the Bank. The result of the stress test shows that also in a stressed scenario, the liquidity reserves cover the Bank's liquidity requirement for over two years, even if access to new funding in the markets were to disappear..

## Non-encumbered assets, NEA

30 September 2013

SEK bn	NEA	Accumulated coverage ratio in % of unsecured funding *
Holdings with central banks and securities in the liquidity portfolio	480	61%
Mortgage loans	323	102%
Other household lending	127	118%
Property company lending lowest risk class (1-3)	201	143%
Other corporate lending lowest risk class (1-3)	180	166%
Loans to credit institutions lowest risk class (1-3)	65	174%
Other corporate lending	223	203%
Other assets	129	219%
<b>Total non-encumbered assets (NEA)</b>	<b>1,728</b>	<b>219%</b>
<b>Encumbered assets without underlying liabilities **</b>	<b>57</b>	
Encumbered assets with underlying liabilities	731	
<b>Total assets, Group</b>	<b>2,516</b>	

31 December 2012

SEK bn	NEA	Accumulated coverage ratio in % of unsecured funding *
Holdings with central banks and securities in the liquidity portfolio	360	46%
Mortgage loans	292	82%
Other household lending	124	98%
Property company lending lowest risk class (1-3)	195	123%
Other corporate lending lowest risk class (1-3)	194	147%
Loans to credit institutions lowest risk class (1-3)	86	158%
Other corporate lending	266	192%
Other assets	118	207%
<b>Total non-encumbered assets (NEA)</b>	<b>1,635</b>	<b>207%</b>
<b>Encumbered assets without underlying liabilities **</b>	<b>51</b>	
Encumbered assets with underlying liabilities	702	
<b>Total assets, Group</b>	<b>2,388</b>	

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

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

## Note 22 Restating of financial reports due to revised IAS 19 – Group

The restatement relates to accounting for defined-benefit pensions in accordance with the revised IAS 19 Employee benefits. The initial effect is recognised against retained earnings as of 1 January 2012. More details about the implications of the change can be found in note 1.

The Group	Q1	Adjustments	Q1	Q2	Adjustments	Q2	Jan-Jun	Adjustments	Jan-Jun
SEK m	2012	IAS 19	2012 adj.	2012	IAS 19	2012 adj.	2012	IAS 19	2012 adj.
<b>Total income</b>	<b>8,866</b>		<b>8,866</b>	<b>8,839</b>		<b>8,839</b>	<b>17,705</b>		<b>17,705</b>
Staff costs	-2,668	-113	-2,781	-2,670	-115	-2,785	-5,338	-228	-5,566
Other administrative expenses	-1,214		-1,214	-1,236		-1,236	-2,450		-2,450
Depreciation, amortisation and impairments of property, equipment and intangible assets	-122		-122	-117		-117	-239		-239
<b>Total expenses</b>	<b>-4,004</b>	<b>-113</b>	<b>-4,117</b>	<b>-4,023</b>	<b>-115</b>	<b>-4,138</b>	<b>-8,027</b>	<b>-228</b>	<b>-8,255</b>
<b>Profit before loan losses</b>	<b>4,862</b>	<b>-113</b>	<b>4,749</b>	<b>4,816</b>	<b>-115</b>	<b>4,701</b>	<b>9,678</b>	<b>-228</b>	<b>9,450</b>
Net loan losses	-291		-291	-288		-288	-579		-579
Gains/losses on disposal of property, equipment and intangible assets	0		0	0		0	0		0
<b>Operating profit</b>	<b>4,571</b>	<b>-113</b>	<b>4,458</b>	<b>4,528</b>	<b>-115</b>	<b>4,413</b>	<b>9,099</b>	<b>-228</b>	<b>8,871</b>
Taxes	-1,272	30	-1,242	-1,143	30	-1,113	-2,415	60	-2,355
<b>Profit for the period from continuing operations</b>	<b>3,299</b>	<b>-83</b>	<b>3,216</b>	<b>3,385</b>	<b>-85</b>	<b>3,300</b>	<b>6,684</b>	<b>-168</b>	<b>6,516</b>
<b>Profit for the period pertaining to discontinued operations, after tax</b>	<b>49</b>		<b>49</b>	<b>29</b>		<b>29</b>	<b>78</b>		<b>78</b>
<b>Profit for the period attributable to</b>	<b>3,348</b>	<b>-83</b>	<b>3,265</b>	<b>3,414</b>	<b>-85</b>	<b>3,329</b>	<b>6,762</b>	<b>-168</b>	<b>6,594</b>
Shareholders in Svenska Handelsbanken AB	3,348	-83	3,265	3,414	-85	3,329	6,762	-168	6,594
Minority interest	0		0	0		0	0		0
Earnings per share, continuing operations, SEK after dilution	5.28	-0.13	5.15	5.40	-0.13	5.27	10.68	-0.27	10.41
Earnings per share, total operations, SEK after dilution	5.15	-0.12	5.03	5.30	-0.13	5.17	10.42	-0.26	10.16
Earnings per share, total operations, SEK after dilution	5.36	-0.13	5.23	5.44	-0.13	5.31	10.81	-0.27	10.54
Earnings per share, total operations, SEK after dilution	5.22	-0.12	5.10	5.34	-0.13	5.21	10.54	-0.26	10.28
<b>Profit for the period</b>	<b>3,348</b>	<b>-83</b>	<b>3,265</b>	<b>3,414</b>	<b>-85</b>	<b>3,329</b>	<b>6,762</b>	<b>-168</b>	<b>6,594</b>
Other comprehensive income									
Cas flow hedges	-311		-311	1,689		1,689	1,378		1,378
Available-for-sale instruments	709		709	-474		-474	235		235
Translation differences for the period	261		261	-572		-572	-311		-311
Defined benefit plans		1,835	1,835	0	-1,033	-1,033		802	802
Tax related to other comprehensive income	-194	-483	-677	-161	272	111	-355	-211	-566
<b>Total other comprehensive income</b>	<b>465</b>	<b>1,352</b>	<b>1,817</b>	<b>482</b>	<b>-761</b>	<b>-279</b>	<b>947</b>	<b>591</b>	<b>1,538</b>
<b>Total comprehensive income for the period</b>	<b>3,813</b>		<b>5,082</b>	<b>3,896</b>		<b>3,050</b>	<b>7,709</b>		<b>8,132</b>
Attributable to									
Shareholders in Svenska Handelsbanken AB	3,813		5,082	3,896		3,050	7,709		8,132
Minority interest	0		0	0		0	0		0

The Group	Q3	Adjustments	Q3	Jan-Sep	Adjustments	Jan-Sep	Q4	Adjustments	Q4	Full year	Adjustments	Full year
SEK m	2012	IAS 19	2012 adj.	2012	IAS 19	2012 adj.	2012	IAS 19	2012 adj.	2012	IAS 19	2012 adj.
<b>Total income</b>	<b>8,466</b>		<b>8,466</b>	<b>26,171</b>		<b>26,171</b>	<b>8,891</b>		<b>8,891</b>	<b>35,062</b>		<b>35,062</b>
Staff costs	-2,562	-116	-2,678	-7,900	-344	-8,244	-2,811	-112	-2,923	-10,711	-456	-11,167
Other administrative expenses	-1,108		-1,108	-3,558		-3,558	-1,511		-1,511	-5,069		-5,069
Depreciation, amortisation and impairments of property, equipment and intangible assets	-113		-113	-352		-352	-112		-112	-464		-464
<b>Total expenses</b>	<b>-3,783</b>	<b>-116</b>	<b>-3,899</b>	<b>-11,810</b>	<b>-344</b>	<b>-12,154</b>	<b>-4,434</b>	<b>-112</b>	<b>-4,546</b>	<b>-16,244</b>	<b>-456</b>	<b>-16,700</b>
<b>Profit before loan losses</b>	<b>4,683</b>	<b>-116</b>	<b>4,567</b>	<b>14,361</b>		<b>14,017</b>	<b>4,457</b>	<b>-112</b>	<b>4,345</b>	<b>18,818</b>		<b>18,362</b>
Net loan losses	-277		-277	-856		-856	-395		-395	-1,251		-1,251
Gains/losses on disposal of property, equipment and intangible assets	-1		-1	-1		-1	-2		-2	-3		-3
<b>Operating profit</b>	<b>4,405</b>	<b>-116</b>	<b>4,289</b>	<b>13,504</b>	<b>-344</b>	<b>13,160</b>	<b>4,060</b>	<b>-112</b>	<b>3,948</b>	<b>17,564</b>	<b>-456</b>	<b>17,108</b>
Taxes	-1,167	30	-1,137	-3,582	90	-3,492	544	-144	400	-3,038	-54	-3,092
<b>Profit for the period from continuing operations</b>	<b>3,238</b>	<b>-86</b>	<b>3,152</b>	<b>9,922</b>	<b>-254</b>	<b>9,668</b>	<b>4,604</b>	<b>-256</b>	<b>4,348</b>	<b>14,526</b>	<b>-510</b>	<b>14,016</b>
<b>Profit for the period pertaining to discontinued operations, after tax</b>	<b>8</b>		<b>8</b>	<b>86</b>		<b>86</b>	<b>-64</b>		<b>-64</b>	<b>22</b>		<b>22</b>
<b>Profit for the period attributable to</b>	<b>3,246</b>	<b>-86</b>	<b>3,160</b>	<b>10,008</b>	<b>-254</b>	<b>9,754</b>	<b>4,540</b>	<b>-256</b>	<b>4,284</b>	<b>14,548</b>	<b>-510</b>	<b>14,038</b>
Shareholders in Svenska Handelsbanken AB	3,246	-86	3,160	10,008	-254	9,754	4,539	-256	4,283	14,547	-510	14,037
Minority interest	0		0	0		0	1		1	1		1
Earnings per share, continuing operations, SEK after dilution	5.14	-0.14	5.00	15.82	-0.40	15.42	7.28	-0.40	6.88	23.11	-0.81	22.30
Earnings per share, total operations, SEK after dilution	5.06	-0.13	4.93	15.46	-0.39	15.07	7.16	-0.39	6.77	22.60	-0.78	21.82
Earnings per share, total operations, SEK after dilution	5.15	-0.14	5.01	15.95	-0.40	15.55	7.18	-0.40	6.78	23.15	-0.81	22.34
Earnings per share, total operations, SEK after dilution	5.07	-0.13	4.94	15.59	-0.39	15.20	7.06	-0.39	6.67	22.63	-0.78	21.85
<b>Profit for the period</b>	<b>3,246</b>	<b>-86</b>	<b>3,160</b>	<b>10,008</b>	<b>-254</b>	<b>9,754</b>	<b>4,540</b>	<b>-256</b>	<b>4,284</b>	<b>14,548</b>	<b>-510</b>	<b>14,038</b>
Other comprehensive income												
Cas flow hedges	321		321	1,699		1,699	691		691	2,390		2,390
Available-for-sale instruments	379		379	614		614	370		370	984		984
Translation differences for the period	-109		-109	-420		-420	294		294	-126		-126
Defined benefit plans		461	461		1,263	1,263		1,320	1,320		2,583	2,583
Tax related to other comprehensive income	-423	-121	-544	-778	-332	-1,110	-135	-236	-371	-913	-568	-1,481
<b>Total other comprehensive income</b>	<b>168</b>	<b>340</b>	<b>508</b>	<b>1,115</b>	<b>931</b>	<b>2,046</b>	<b>1,220</b>	<b>1,084</b>	<b>2,304</b>	<b>2,335</b>	<b>2,015</b>	<b>4,350</b>
<b>Total comprehensive income for the period</b>	<b>3,414</b>		<b>3,668</b>	<b>11,123</b>		<b>11,800</b>	<b>5,760</b>		<b>6,588</b>	<b>16,883</b>		<b>18,388</b>
Attributable to												
Shareholders in Svenska Handelsbanken AB	3,414		3,668	11,123		11,800	5,759		6,587	16,882		18,387
Minority interest	0		0	0		0	1		1	1		1

The Group									
SEK m	31 Dec 2011	Adjustments IAS 19	1 Jan 2012	31 Mar 2012	Adjustments IAS 19	31 Mar 2012 adjusted	30 Jun 2012	Adjustments IAS 19	30 Jun 2012 adjusted
<b>ASSETS</b>									
Net pension assets	4,775	-4,775		4,925	-4,454	471	5,023	-5,023	
Other assets	2,449,591		2,449,591	2,455,007		2,455,007	2,541,560		2,541,560
<b>Total assets</b>	<b>2,454,366</b>	<b>-4,775</b>	<b>2,449,591</b>	<b>2,459,932</b>	<b>-4,454</b>	<b>2,455,478</b>	<b>2,546,583</b>	<b>-5,023</b>	<b>2,541,560</b>
<b>LIABILITIES AND EQUITY</b>									
Deferred tax liabilities	9,466	-1,624	7,842	9,589	-1,171	8,418	9,683	-1,473	8,210
Net pension liabilities		1,401	1,401					579	579
Other liabilities	2,350,376		2,350,376	2,357,616		2,357,616	2,439,886		2,439,886
<b>Total liabilities</b>	<b>2,359,842</b>	<b>-223</b>	<b>2,359,619</b>	<b>2,367,205</b>	<b>-1,171</b>	<b>2,366,034</b>	<b>2,449,569</b>	<b>-894</b>	<b>2,448,675</b>
Other equity	1,685		1,685	2,636		2,636	3,509		3,509
Defined benefit plans					1,352	1,352		591	591
Retained earnings	80,516	-4,552	75,964	86,743	-4,552	82,191	86,743	-4,552	82,191
Profit for the period	12,323		12,323	3,348	-83	3,265	6,762	-168	6,594
<b>Total equity</b>	<b>94,524</b>	<b>-4,552</b>	<b>89,972</b>	<b>92,727</b>	<b>-3,283</b>	<b>89,444</b>	<b>97,014</b>	<b>-4,129</b>	<b>92,885</b>
<b>Total liabilities and equity</b>	<b>2,454,366</b>	<b>-4,775</b>	<b>2,449,591</b>	<b>2,459,932</b>	<b>-4,454</b>	<b>2,455,478</b>	<b>2,546,583</b>	<b>-5,023</b>	<b>2,541,560</b>

The Group						
SEK m	30 Sep 2012	Adjustments IAS 19	30 Sep 2012 adjusted	31 Dec 2012	Adjustments IAS 19	30 Dec 2012 adjusted
<b>ASSETS</b>						
Net pension assets	5,133	-5,133		4,673	-3,907	766
Other assets	2,508,189		2,508,189	2,383,185		2,383,185
<b>Total assets</b>	<b>2,513,322</b>	<b>-5,133</b>	<b>2,508,189</b>	<b>2,387,858</b>	<b>-3,907</b>	<b>2,383,951</b>
<b>LIABILITIES AND EQUITY</b>						
Deferred tax liabilities	9,922	-1,382	8,540	9,573	-860	8,713
Net pension liabilities		124	124			
Other liabilities	2,402,413		2,402,413	2,271,388		2,271,388
<b>Total liabilities</b>	<b>2,412,335</b>	<b>-1,258</b>	<b>2,411,077</b>	<b>2,280,961</b>	<b>-860</b>	<b>2,280,101</b>
Other equity	4,236		4,236	5,607		5,607
Defined benefit plans		931	931		2,015	2,015
Retained earnings	86,743	-4,552	82,191	86,743	-4,552	82,191
Profit for the period	10,008	-254	9,754	14,547	-510	14,037
<b>Total equity</b>	<b>100,987</b>	<b>-3,875</b>	<b>97,112</b>	<b>106,897</b>	<b>-3,047</b>	<b>103,850</b>
<b>Total liabilities and equity</b>	<b>2,513,322</b>	<b>-5,133</b>	<b>2,508,189</b>	<b>2,387,858</b>	<b>-3,907</b>	<b>2,383,951</b>

## Condensed set of financial statements – Parent company

### INCOME STATEMENT – PARENT COMPANY

SEK m	Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
Net interest income	4,045	4,114	-2%	4,035	0%	11,977	12,467	-4%	16,431
Dividends received	21	30	-30%	828	-97%	941	912	3%	9,152
Net fee and commission income	1,426	1,331	7%	1,451	-2%	4,338	4,234	2%	5,724
Net gains/losses on financial transactions	323	126	156%	-181		332	3,543	-91%	3,994
Other operating income	444	198	124%	418	6%	1,351	536	152%	758
<b>Total income</b>	<b>6,259</b>	<b>5,799</b>	<b>8%</b>	<b>6,551</b>	<b>-4%</b>	<b>18,939</b>	<b>21,692</b>	<b>-13%</b>	<b>36,059</b>
Staff costs	-2,632	-2,497	5%	-2,579	2%	-7,802	-7,706	1%	-9,808
Other administrative expenses	-1,177	-1,112	6%	-1,285	-8%	-3,709	-3,699	0%	-5,157
Depreciation, amortisation and impairments of property, equipment and intangible assets	-126	-122	3%	-124	2%	-379	-397	-5%	-518
<b>Total expenses before loan losses</b>	<b>-3,935</b>	<b>-3,731</b>	<b>5%</b>	<b>-3,988</b>	<b>-1%</b>	<b>-11,890</b>	<b>-11,802</b>	<b>1%</b>	<b>-15,483</b>
<b>Profit before loan losses</b>	<b>2,324</b>	<b>2,068</b>	<b>12%</b>	<b>2,563</b>	<b>-9%</b>	<b>7,049</b>	<b>9,890</b>	<b>-29%</b>	<b>20,576</b>
Net loan losses	-297	-258	15%	-307	-3%	-878	-789	11%	-1,154
Impairments of financial assets	-	-		-		-	-98		-820
<b>Operating profit</b>	<b>2,027</b>	<b>1,810</b>	<b>12%</b>	<b>2,256</b>	<b>-10%</b>	<b>6,171</b>	<b>9,003</b>	<b>-31%</b>	<b>18,602</b>
Appropriations	25	25	0%	24	4%	4,242	77		-4,065
<b>Profit before tax</b>	<b>2,052</b>	<b>1,835</b>	<b>12%</b>	<b>2,280</b>	<b>-10%</b>	<b>10,413</b>	<b>9,080</b>	<b>15%</b>	<b>14,537</b>
Taxes	-457	-277	65%	-518	-12%	-2,335	-1,758	33%	-2,985
<b>Profit for the period</b>	<b>1,595</b>	<b>1,558</b>	<b>2%</b>	<b>1,762</b>	<b>-9%</b>	<b>8,078</b>	<b>7,322</b>	<b>10%</b>	<b>11,552</b>

### STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

SEK m	Q3 2013	Q3 2012	Change	Q2 2013	Change	Jan-Sep 2013	Jan-Sep 2012	Change	Full year 2012
<b>Profit for the period</b>	<b>1,595</b>	<b>1,558</b>	<b>2%</b>	<b>1,762</b>	<b>-9%</b>	<b>8,078</b>	<b>7,322</b>	<b>10%</b>	<b>11,552</b>
<b>Other comprehensive income</b>									
<b>Items that can be reclassified into profit or loss</b>									
Cash flow hedges	6	330	-98%	-1,107		-1,537	1,789		2,522
Available-for-sale instruments	309	378	-18%	-263		361	613	-41%	983
Translation differences for the period	-326	92		501		-958	-168	-470%	-10
<i>of which hedging net investment in foreign operations</i>	211	778	-73%	-462		-411	525		481
Tax related to other comprehensive income	-107	-400	73%	406		384	-768		-962
<i>of which cash flow hedges</i>	-2	-85	98%	244		338	-470		-608
<i>of which available-for-sale instruments</i>	-58	-110	47%	60		-44	-160	73%	-248
<i>of which hedging net investment in foreign operations</i>	-47	-205	77%	102		90	-138		-106
<b>Total items that can be reclassified into profit or loss</b>	<b>-118</b>	<b>400</b>		<b>-463</b>	<b>75%</b>	<b>-1,750</b>	<b>1,466</b>		<b>2,533</b>
<b>Total other comprehensive income for the period</b>	<b>-118</b>	<b>400</b>		<b>-463</b>	<b>75%</b>	<b>-1,750</b>	<b>1,466</b>		<b>2,533</b>
<b>Total comprehensive income for the period</b>	<b>1,477</b>	<b>1,958</b>	<b>-25%</b>	<b>1,299</b>	<b>14%</b>	<b>6,328</b>	<b>8,788</b>	<b>-28%</b>	<b>14,085</b>

In an intra-group transaction during the second quarter of 2012, the parent company sold subsidiary shares to Handelsbanken Liv. The subsidiary contains properties. The transaction resulted in a net capital gain in the parent company of SEK 2,815 million, but has no impact on the Group's income statement or on the assets held on behalf of the policyholders. Other information for the parent company with comments concerning financial performance, significant events and risk is covered by the report provided for the whole of the Handelsbanken Group.

## BALANCE SHEET – PARENT COMPANY

SEK m	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
<b>Assets</b>					
Cash and balances with central banks	345,023	211,158	219,496	236,447	341,089
Interest-bearing securities eligible as collateral with central banks	59,515	51,144	52,358	45,259	45,764
Loans to credit institutions	473,074	453,562	460,841	422,897	421,475
Loans to the public	691,725	703,996	694,576	731,967	693,603
Bonds and other interest-bearing securities	58,813	60,273	67,206	62,939	64,192
Shares	40,462	37,263	33,810	28,269	23,117
Shares in subsidiaries and investments in associates	46,161	46,160	45,753	45,734	46,452
Assets where the customer bears the value change risk	2,181	2,243	2,146	2,011	1,950
Derivative instruments	85,847	100,270	115,317	122,525	148,401
Intangible assets	1,705	1,715	1,646	1,643	1,575
Property and equipment	899	957	944	967	956
Current tax assets	642	105	-	-	299
Deferred tax assets	239	265	346	333	41
Other assets	25,631	26,133	14,224	18,428	33,141
Prepaid expenses and accrued income	4,816	4,942	5,875	5,347	6,375
<b>Total assets</b>	<b>1,836,733</b>	<b>1,700,186</b>	<b>1,714,538</b>	<b>1,724,766</b>	<b>1,828,430</b>
<b>Liabilities and equity</b>					
Due to credit institutions	229,132	264,573	284,862	243,332	282,211
Deposits and borrowing from the public	796,090	621,562	626,806	668,683	713,627
Liabilities where the customer bears the value change risk	2,244	2,273	2,166	2,059	1,997
Issued securities	562,521	568,481	530,401	531,284	517,940
Derivative instruments	86,430	87,599	109,121	126,922	154,579
Short positions	18,371	20,098	29,040	16,201	19,504
Current tax liabilities	-	-	635	340	-
Deferred tax liabilities	177	154	577	707	307
Provisions	109	94	104	116	37
Other liabilities	30,859	23,622	20,065	17,154	22,976
Accrued expenses and deferred income	11,879	11,034	10,679	9,531	13,184
Subordinated liabilities	15,911	19,138	19,973	21,167	24,406
<b>Total liabilities</b>	<b>1,753,723</b>	<b>1,618,628</b>	<b>1,634,429</b>	<b>1,637,496</b>	<b>1,750,768</b>
<b>Untaxed reserves</b>	<b>783</b>	<b>823</b>	<b>816</b>	<b>5,038</b>	<b>877</b>
Share capital	2,955	2,955	2,951	2,943	2,939
Share premium	2,813	2,798	2,659	2,337	2,191
Other funds	1,360	1,478	1,941	3,110	2,043
Retained earnings	67,021	67,021	67,021	62,290	62,290
Profit for the period	8,078	6,483	4,721	11,552	7,322
<b>Total equity</b>	<b>82,227</b>	<b>80,735</b>	<b>79,293</b>	<b>82,232</b>	<b>76,785</b>
<b>Total liabilities and equity</b>	<b>1,836,733</b>	<b>1,700,186</b>	<b>1,714,538</b>	<b>1,724,766</b>	<b>1,828,430</b>
<b>Memorandum items</b>					
Assets pledged for own debt	27,348	35,622	28,902	59,195	64,487
Other assets pledged	36,265	35,612	33,027	2,564	5,066
Contingent liabilities and commitments	123,391	129,902	135,041	131,586	124,872
Other commitments	536,427	514,056	550,944	475,287	428,578

## SUBMISSION OF REPORT

I hereby submit this interim report.

Stockholm 23 October 2013

Pär Boman  
President and Group Chief Executive

## PRESS AND PHONE CONFERENCE

A press and analyst conference is being arranged at the Bank's head office at 9.00 a.m. (CET) on 23 October.

A phone conference will be held at 11.15 a.m. (CET) on 23 October.

Press releases, presentations, a fact book and a recording of the phone conference are available at  
[www.handelsbanken.se/ireng](http://www.handelsbanken.se/ireng)

The highlights of the annual report for January – December 2013 will be published on 5 February 2014.

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# Auditors' report concerning review of interim report

*To the Board of Svenska Handelsbanken AB (publ), corporate identity number 502007-7862*

## INTRODUCTION

We have reviewed the interim report for Svenska Handelsbanken AB (publ) as at 30 September 2013 and for the nine-month period ending as at this date. The Board and the Chief Executive are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

## FOCUS AND SCOPE OF THE REVIEW

We have conducted our review in accordance with the Standard on review engagements SÖG 2410, Review of interim financial information performed by the auditors elected by the company. A review consists of making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review differs from and is substantially less in scope than an audit conducted in

accordance with the International Standard on Auditing and generally accepted auditing practices in Sweden.

The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

## CONCLUSION

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

Stockholm 23 October 2013

KPMG AB  
Stefan Holmström, Authorised Public Accountant

Ernst & Young AB  
Erik Åström, Authorised Public Accountant

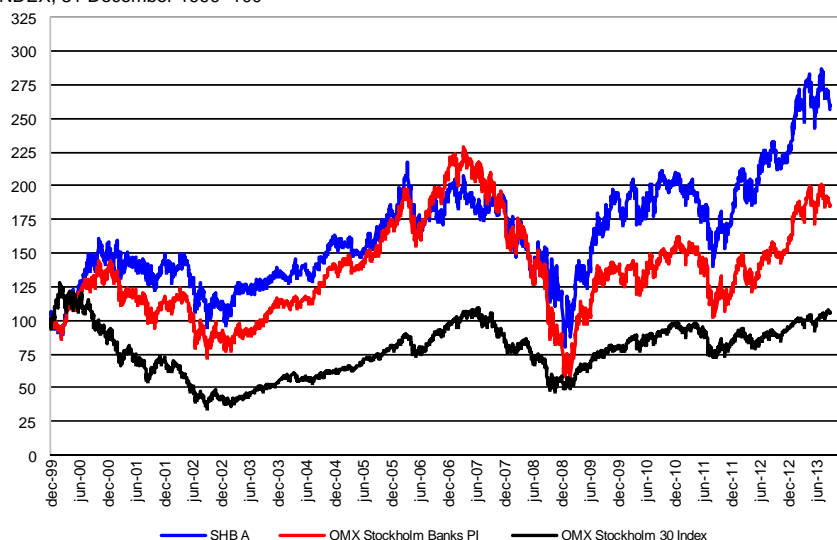


## Share price performance and other information

The Swedish stock market grew by 14% during the first nine months of the year. The Stockholm stock exchange's bank index rose by 22%. Handelsbanken's class A shares closed at SEK 274.90, a rise of 18%, but including dividends paid, the total return was 23%. Since 1 January 2000, Handelsbanken's share price has increased by 157%, excluding dividends, while the Stockholm Stock Exchange has increased by 5%.

### SHARE PRICE PERFORMANCE, 31 DECEMBER 1999 – 30 SEPTEMBER 2013

INDEX, 31 December 1999=100



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