



HELIX SECURITIES

SHBA SS Dividend Update

Handelsbanken have no official dividend policy, just that their dividend should be competitive in relation to other Nordic listed banks. Despite having no specific payout policy, **in the last three years Handelsbanken has paid a dividend that averages at 50.25% of their full year net income per share**, as shown in the table on the left. On top of this, they have sometimes paid special dividends, paying one last year, which gave a **total dividend payout of 72.46% of full year net income per share**.

	Net Income (Billion SEK)	FY Dividend (SEK)	Special Dividend (SEK)	Ordinary Dividend Payout of Net Income (%)
2020	15.59	4.10	-	51.15
2021	19.53	5.00	-	49.79
2022	21.47	5.50	2.50	49.82

So far in 2023 Handelsbanken’s net income sits at **21.86 Billion SEK**, shown in the table at the bottom.

Using a calculation of $(21.86 \text{ Billion SEK}/3)*4$ gives a forecasted full year net income of **29.147 Billion SEK**.

Using the calculation below, we can **forecast a a total dividend payout that follows the pattern of last year of 72.46% of their full year net income per share**.

$$29,146,666,667 \text{ Billion SEK} / 1,944,777,165 \text{ shares} = 14.987 \text{ net income per share. } 14.987 \text{ net income per share} * 0.7246 = 10.86 \text{ SEK forecasted total dividend.}$$

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023 (forecast)
Net Income (Billion SEK)	5.65	4.18	5.72	5.92	6.81	7.10	7.95	7.29

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Using the calculation on the right, we can **forecast an ordinary dividend payout that follows the historical trend of 50.25% of their full year net income per share.**

29,146,666,667 Billion SEK / 1,944,777,165 shares = 14.987 net income per share. 14.987 net income per share * 0.5025 = 7.53 SEK forecasted total dividend.

Based on the reported and forecasted figures in the table on the previous page, Handelsbanken's net income for 2023 so far has already exceeded that of 2022's full year figures, and they look on track for their strongest ever year.

During conversation with Handelsbanken's Investor Relations, we presented our findings and asked if this forecast of a 10.86 SEK total dividend payout met their expectations. In response, IR stated, "We do not communicate any estimates or guidelines for the coming year, since it is a discretionary decision by the board. The ambition has been to increase the ordinary dividend per share in SEK in a stable way in order to avoid cutting the ordinary dividend per share compared to the previous year. That's why you have seen Handelsbanken also pay a "extra" or "special" dividend during some years."

Despite Handelsbanken's strong forecasted results, IR's quote on increasing dividends in a stable way may mean that the ordinary dividend is not as high as our 7.53 SEK forecasted amount, as that would be by far a larger year on year increase in ordinary dividend than Handelsbanken has ever done. However, following IR's specific mention of the use of specials in the past, as well as looking at historical trends, it seems likely that Handelsbanken will pay a special dividend alongside their ordinary dividend for FY2023, which can take the overall dividend payment amount up to our forecasted amount of 10.86 SEK per share total dividend payment

Forecasted ordinary dividend yield on current share price (98.36 SEK): 7.66%

Forecasted total dividend yield on current share price (98.36 SEK): 11.04%