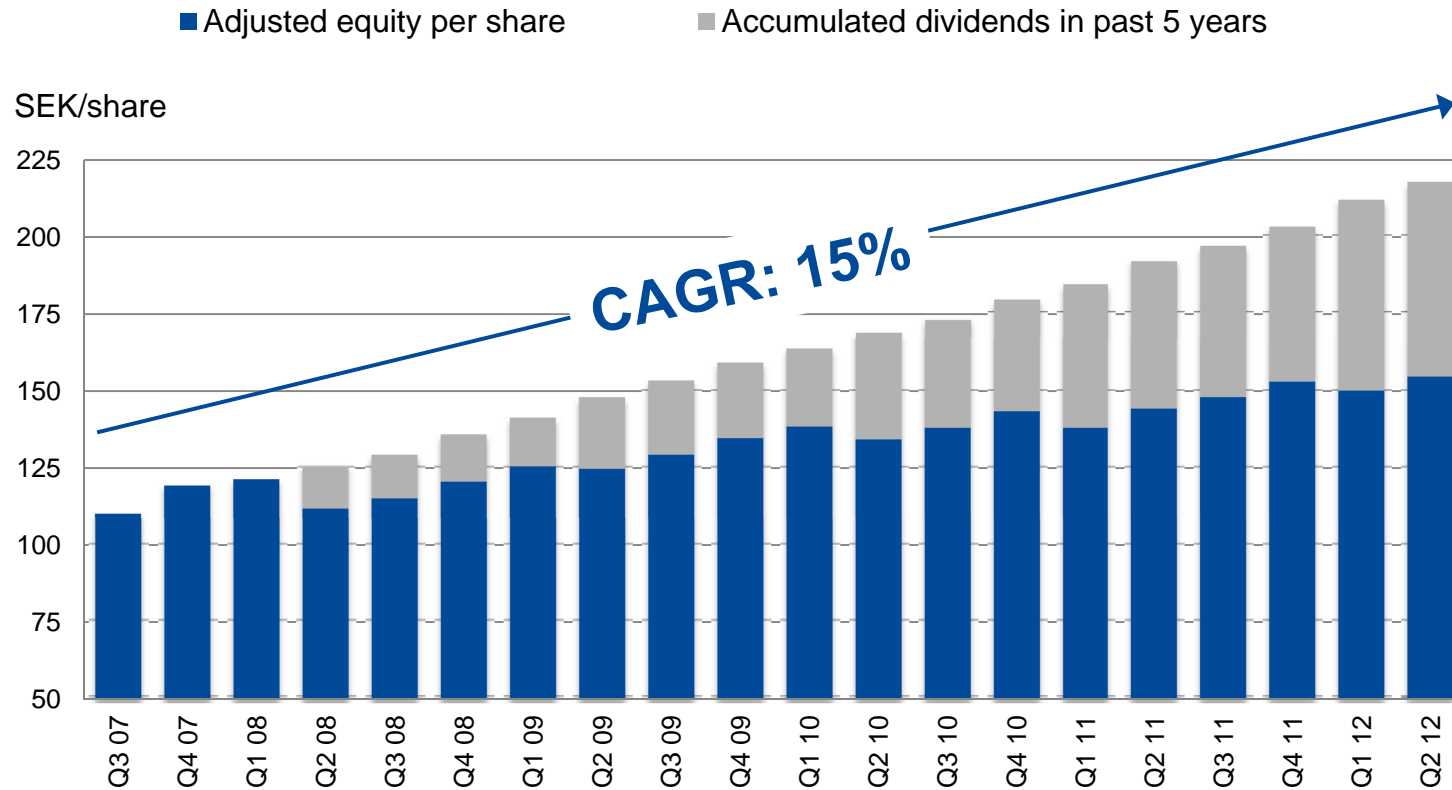


# Handelsbanken

January – June 2012

17 July 2012

# Average annual growth in equity including dividends



Dividends reinvested in RoE per quarter  
 CAGR, compounded annual growth rate

## Summary

- Operating profit increased by 13 per cent compared to last year
  - Branch office operations outside Sweden increased operating profit by 64 per cent
  - Operating profit in the UK more than doubled and exceeded SEK 0.5 billion
- Earnings per share rose by 11 per cent and return on equity increased to 14.0 per cent
- The C/I ratio decreased by 2.0 percentage points to 45.3 per cent and expenses remained largely unchanged for the third quarter running
- The Bank's bond issues are refinanced up to the first half of 2013
- The liquidity reserve was increased to over SEK 750 billion
- The tier 1 ratio according to Basel II rose to 19.4 per cent. The core tier 1 (common equity) ratio rose to 16.8 per cent according to Basel II and to 15.0 per cent according to Basel III

## Basic financial data, January – June 2012

| <b>SEK m</b>                     | <b>2012</b> | <b>Change<br/>y-o-y</b> |
|----------------------------------|-------------|-------------------------|
| Income                           | 17,705      | + 10%                   |
| Expenses                         | -8,027      | +5%                     |
| C/I ratio, continuing operations | 45.3        | -2.0% points            |
| Operating profit                 | 9,099       | + 13%                   |
| Return on equity                 | 14.0%       | + 0.4% points           |
| Tier I ratio, Basel II           | 19.4%       | + 2.0% points           |
| Core tier I ratio, Basel II      | 16.8%       | + 2.0% points           |
| Equity, SEK bn                   | 97          | +8bn                    |

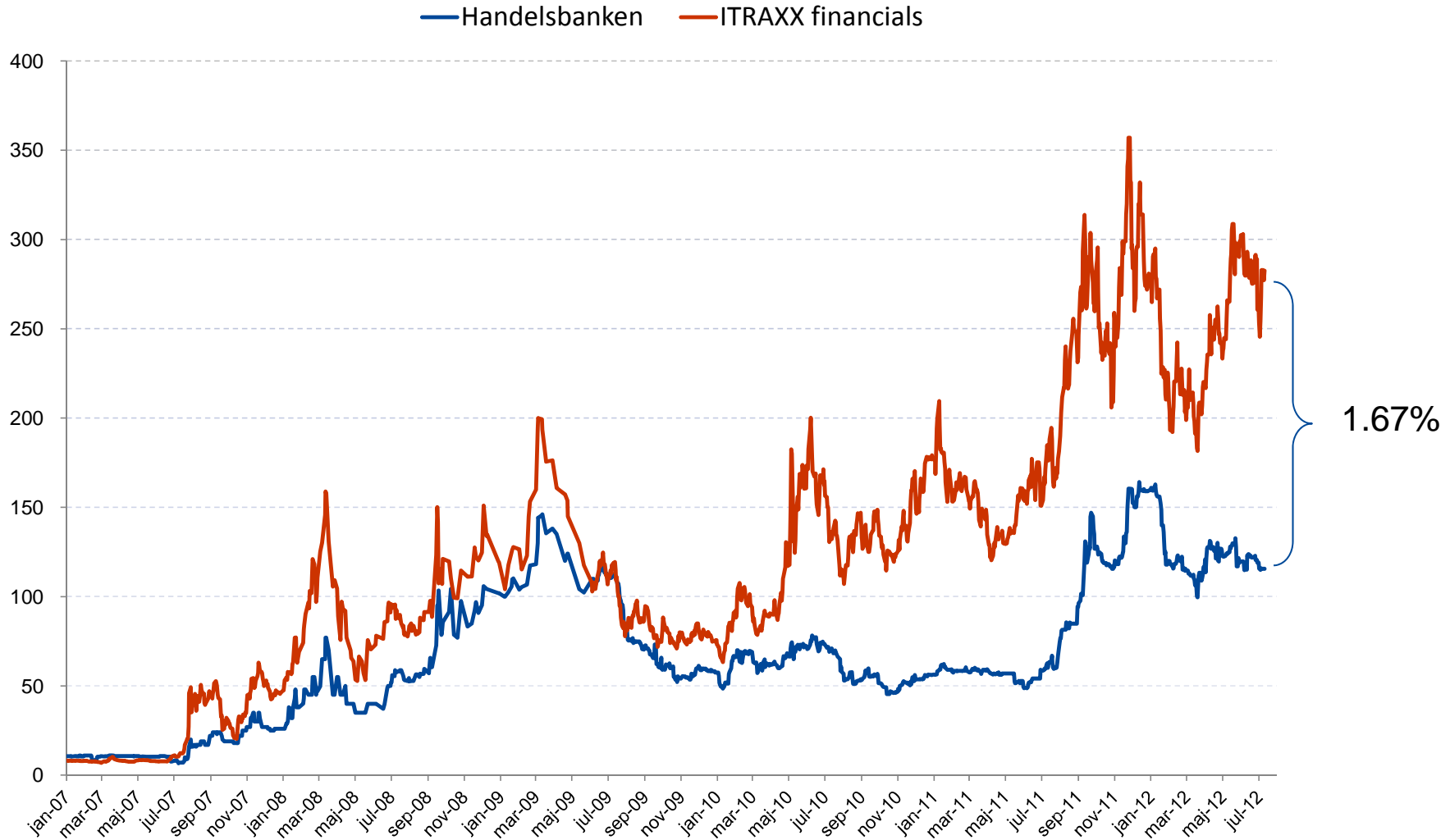
## Income statement, January – June

| SEK m  | Jan-Jun<br>2012 | Jan-Jun<br>2011 | Change     |
|--|-----------------|-----------------|------------|
| Net interest income  | 13,135          | 11,190          | 17%        |
| Net fee and commission income  | 3,717           | 3,893           | -5%        |
| Net gains/losses on financial<br>items at fair value                     | 563             | 669             | -16%       |
| Risk result - insurance  | 75              | 119             | -37%       |
| Other income   | 215             | 236             | -9%        |
| <b>Total income</b>  | <b>17,705</b>   | <b>16,107</b>   | <b>10%</b> |
| Staff costs  | -5,338          | -4,934          | 8%         |
| Other expenses   | -2,689          | -2,692          | 0%         |
| <b>Total expenses</b>  | <b>-8,027</b>   | <b>-7,626</b>   | <b>5%</b>  |
| Profit before loan losses  | 9,678           | 8,481           | 14%        |
| Net loan losses  | -579            | -416            | 39%        |
| Gains/losses on disposal of property,<br>equipment and intangible assets | 0               | 1               |            |
| <b>Operating profit</b>  | <b>9,099</b>    | <b>8,066</b>    | <b>13%</b> |
| Taxes  | -2,415          | -2,095          | 15%        |
| Net profit from discontinued operations                                  | 78              | 97              | -20%       |
| <b>Profit for the period</b>   | <b>6,762</b>    | <b>6,068</b>    | <b>11%</b> |

## Income statement, quarterly change

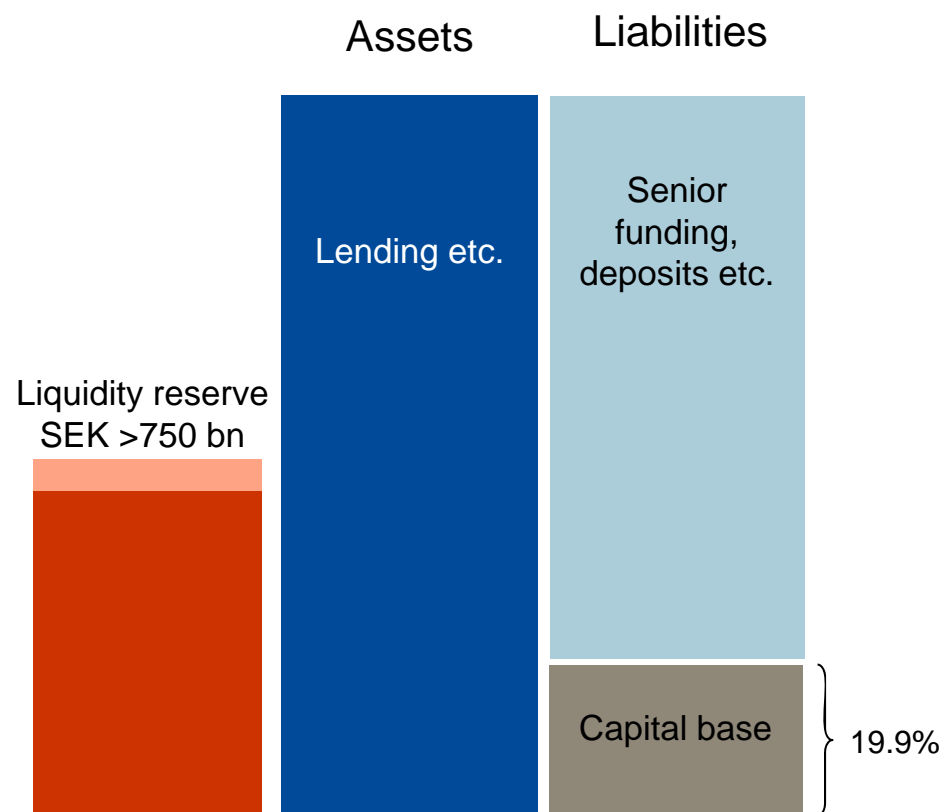
| SEK m  | Q2<br>2012   | Q1<br>2012   | Change    |
|--|--------------|--------------|-----------|
| Net interest income  | 6,575        | 6,560        | 0%        |
| Net fee and commission income  | 1,825        | 1,892        | -4%       |
| Net gains/losses on financial<br>items at fair value                     | 219          | 344          | -36%      |
| Risk result - insurance  | 39           | 36           | 8%        |
| Other income   | 181          | 34           |           |
| Total income   | 8,839        | 8,866        | 0%        |
| Staff costs  | -2,670       | -2,668       | 0%        |
| Other expenses   | -1,353       | -1,336       | 1%        |
| Total expenses   | -4,023       | -4,004       | 0%        |
| Profit before loan losses  | 4,816        | 4,862        | -1%       |
| Net loan losses  | -288         | -291         | -1%       |
| Gains/losses on disposal of property,<br>equipment and intangible assets | 0            | 0            |           |
| Operating profit   | 4,528        | 4,571        | -1%       |
| Taxes  | -1,143       | -1,272       | -10%      |
| Net profit from discontinued operations                                  | 29           | 49           | -41%      |
| <b>Profit for the period</b>   | <b>3,414</b> | <b>3,348</b> | <b>2%</b> |

# ITRAXX Senior Financials 5-yr and Handelsbanken's CDS spread 5-yr



Source: Ecwin, Bloomberg

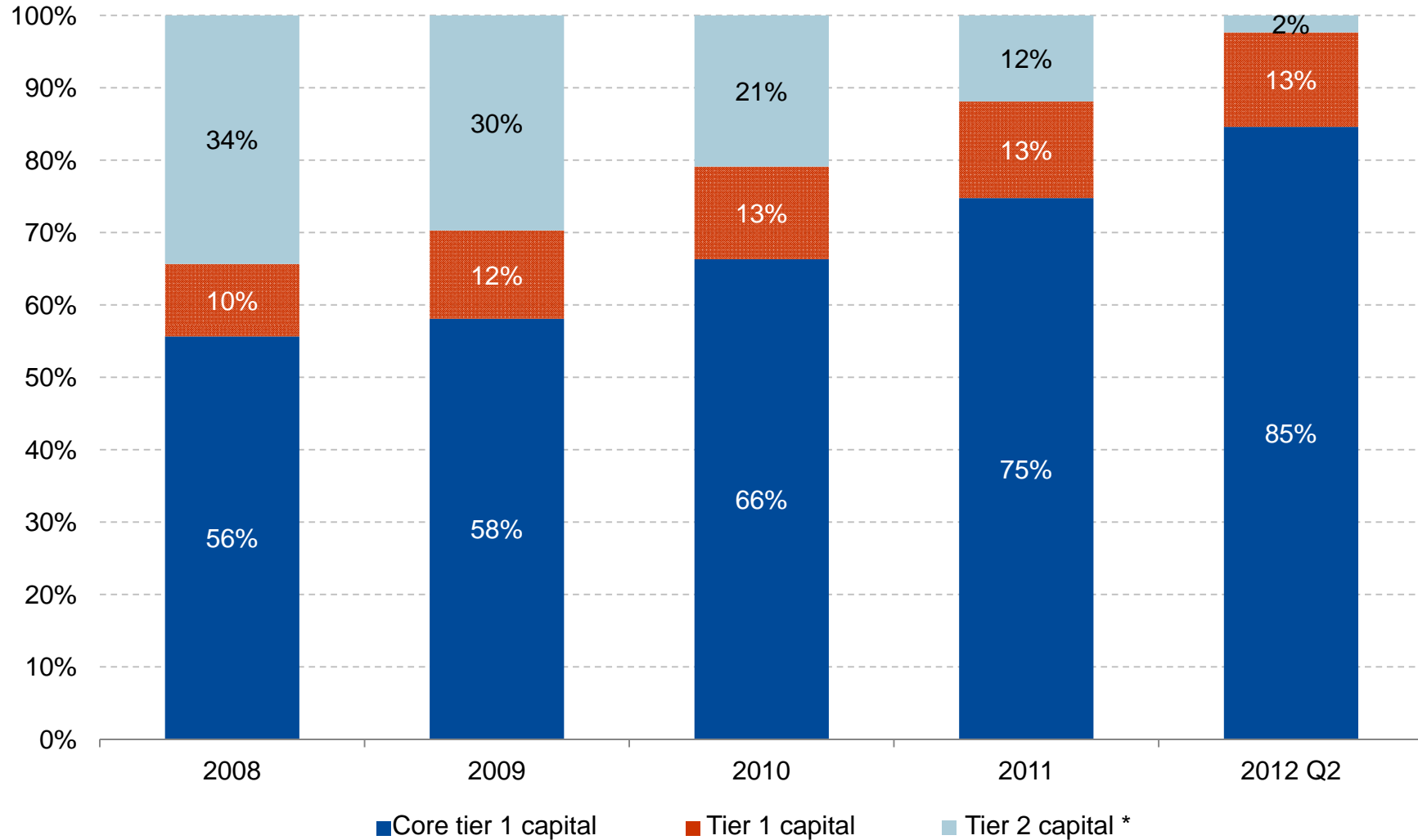
# Financial strength



| <b>Key ratios, capital</b>      | <b>Q2<br/>2012</b> | <b>Q2<br/>2011</b> |      |
|---------------------------------|--------------------|--------------------|------|
| Capital ratio, Basel II, %      | 19.9               | 19.7               | +0.2 |
| Tier I ratio, Basel II, %       | 19.4               | 17.4               | +2.0 |
| Core tier 1 ratio, Basel II, %  | 16.8               | 14.8               | +2.0 |
| Tier I capital, SEK bn          | 99                 | 91                 | +8   |
| Equity, SEK bn                  | 97                 | 89                 | +8   |
| <b>Liquidity coverage ratio</b> |                    | <b>Q2<br/>2012</b> |      |
| Total                           |                    | 178                |      |
| USD                             |                    | 281                |      |
| EUR                             |                    | 166                |      |



# Composition of capital base – proportion of capital base



\* Includes deduction against total capital base

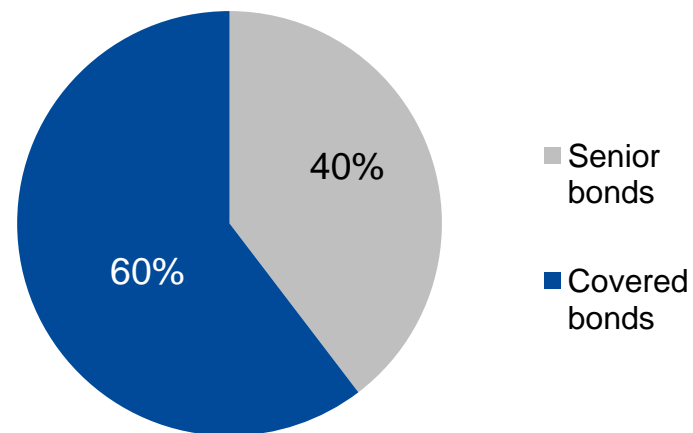
# Funding first half 2012

| <b>Bond issuance, SEK bn</b> | <b>Jan – Jun 2012</b> |
|------------------------------|-----------------------|
| Senior bonds                 | 42                    |
| Covered bonds                | 82                    |
| <b>Total</b>                 | <b>124</b>            |

Issues include:

- EUR 1.25bn 6Y senior
- USD 1.25bn 5Y senior

Bonds Q2 2012



All bonds maturing up to and including the first half of 2013 are pre-funded

## Branch office operations in Sweden

### January – June 2012

|                              |       |
|------------------------------|-------|
| Operating profit SEK m       | 6,649 |
| RoE                          | 19.3% |
| C/I ratio before loan losses | 33.7% |
| Number of branch offices     | 461   |
| Average number of employees  | 4,327 |

### *Average volumes, SEK bn*

|          |       |
|----------|-------|
| Loans    | 1,065 |
| Deposits | 369   |



Handelsbanken

## Branch office operations outside Sweden

### January – June 2012

|                              |       |
|------------------------------|-------|
| Operating profit SEK m       | 2,165 |
| RoE, including new branches  | 11.1% |
| C/I ratio before loan losses | 49.0% |
| Number of branch offices     | 299   |
| Average number of employees  | 3,252 |

### *Average volumes, SEK bn*

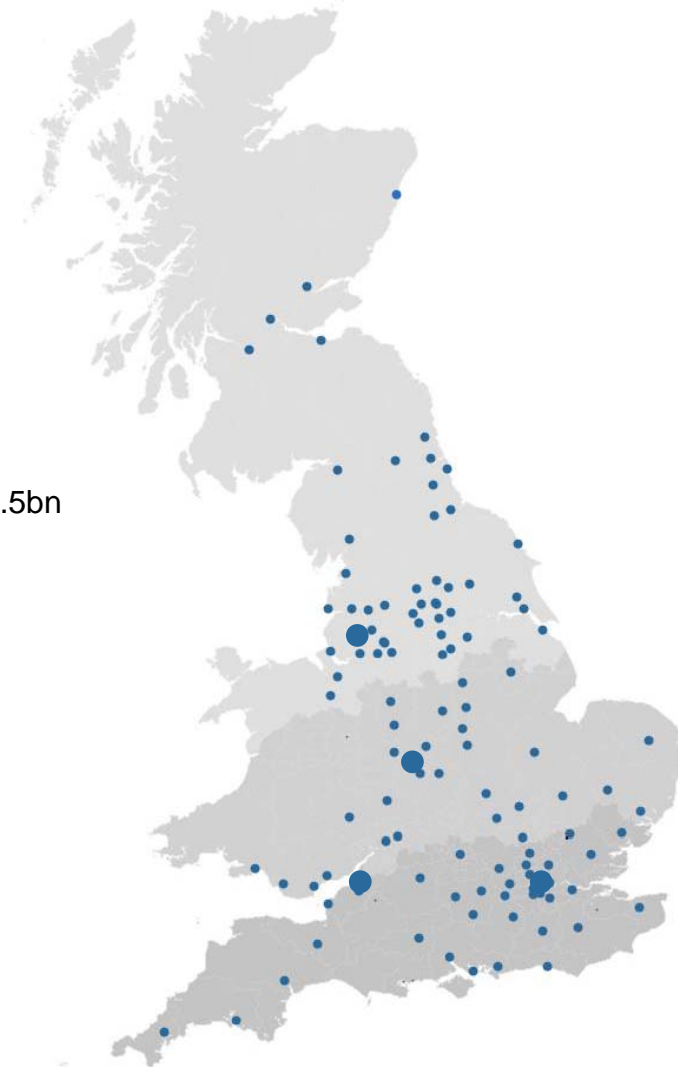
|          |     |
|----------|-----|
| Loans    | 507 |
| Deposits | 174 |



Handelsbanken

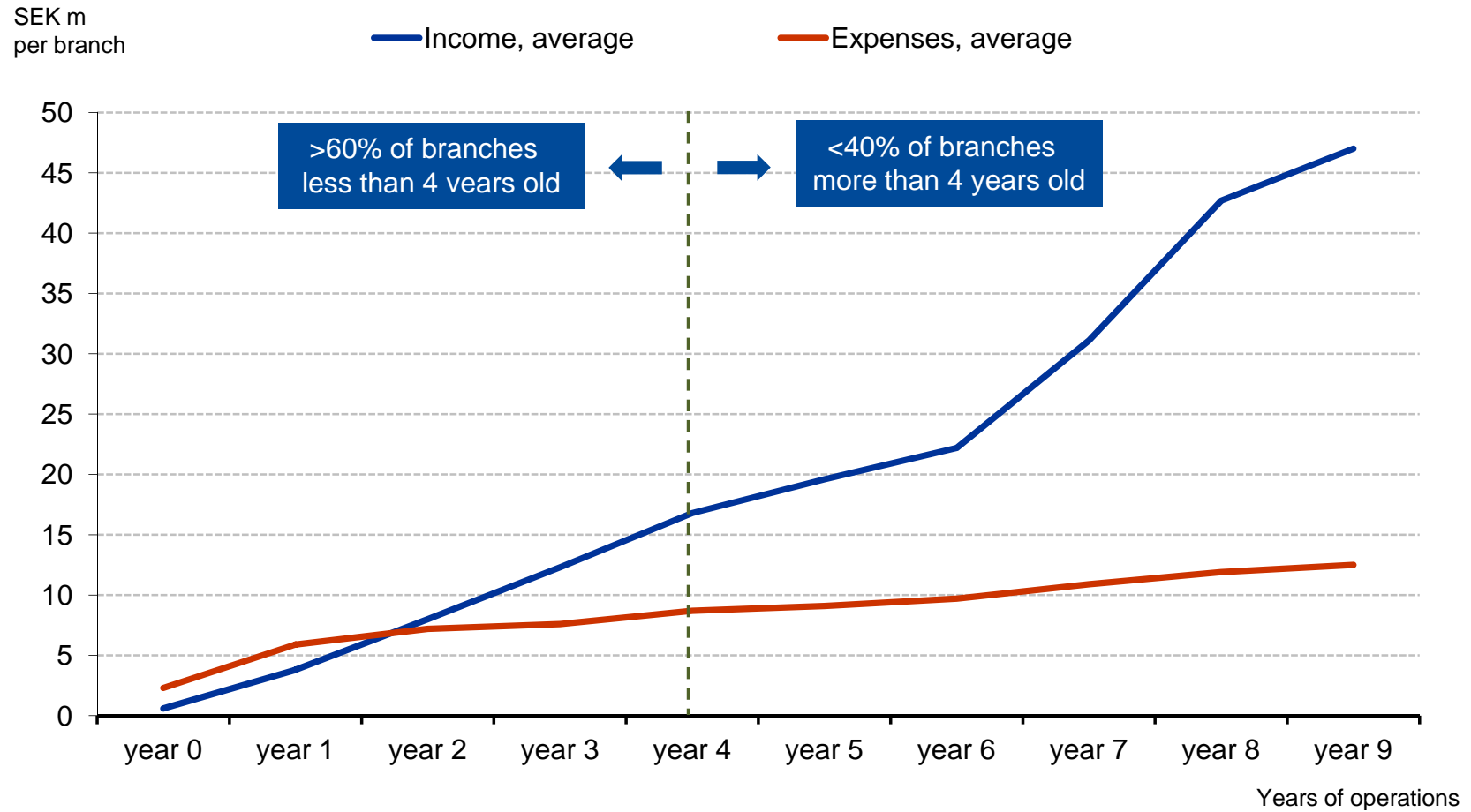
## Branch operations in the UK

- Continued expansion and increased availability
- 129 branches including recruited branch managers
- Over 1,000 employees in the UK
  
- January – June 2012
  - Operating income more than doubled and exceeded SEK 0.5bn
  - Net interest income grew by 45 per cent to SEK 1.0bn
  - Average deposits rose by 59 per cent in local currency
  - Average lending rose by 29 per cent in local currency



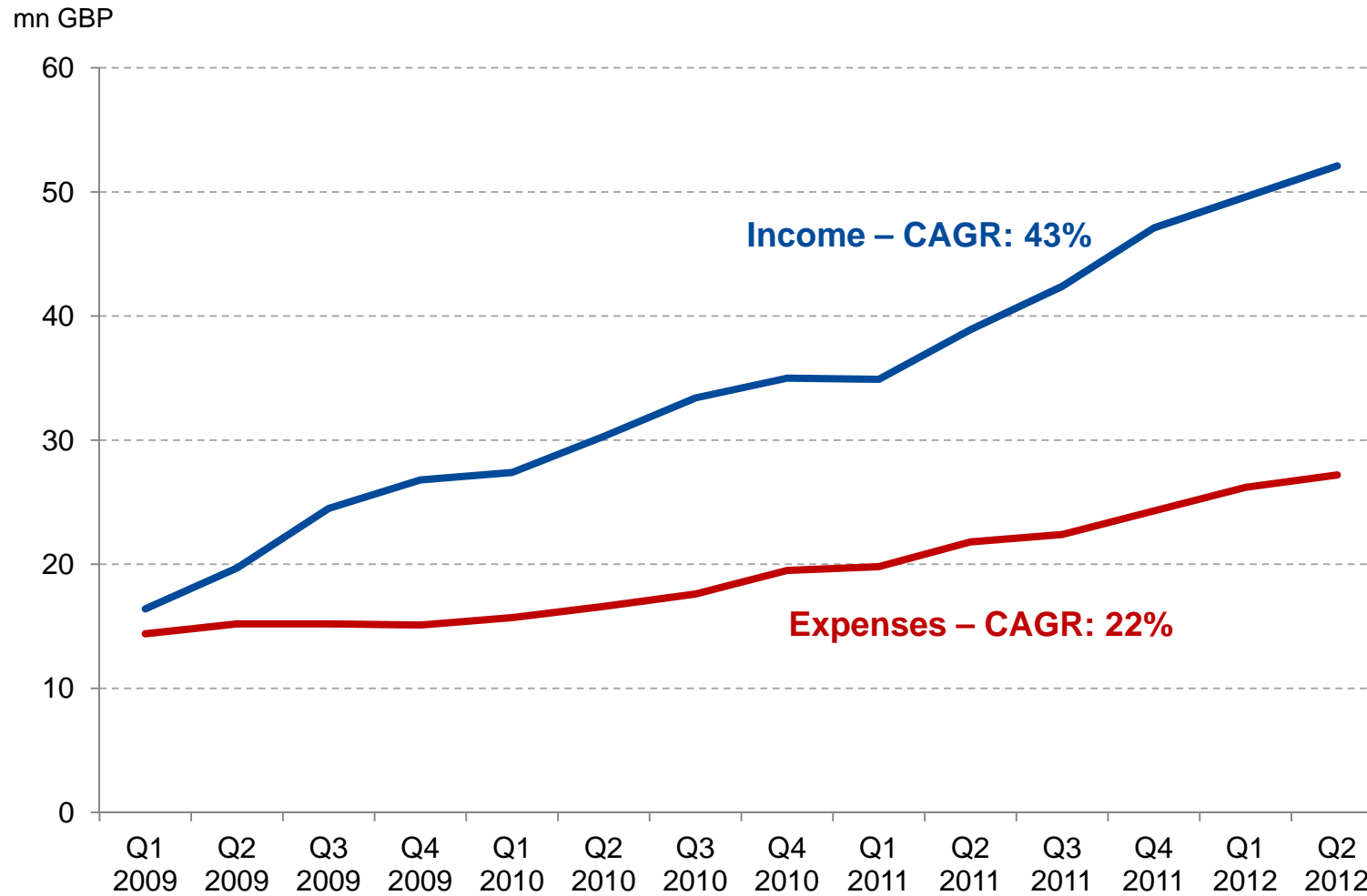
# Income and expenses trend, newly opened branches in the UK

Refers to the average of 114 branches opened in the UK 2000 – 2012:Q2

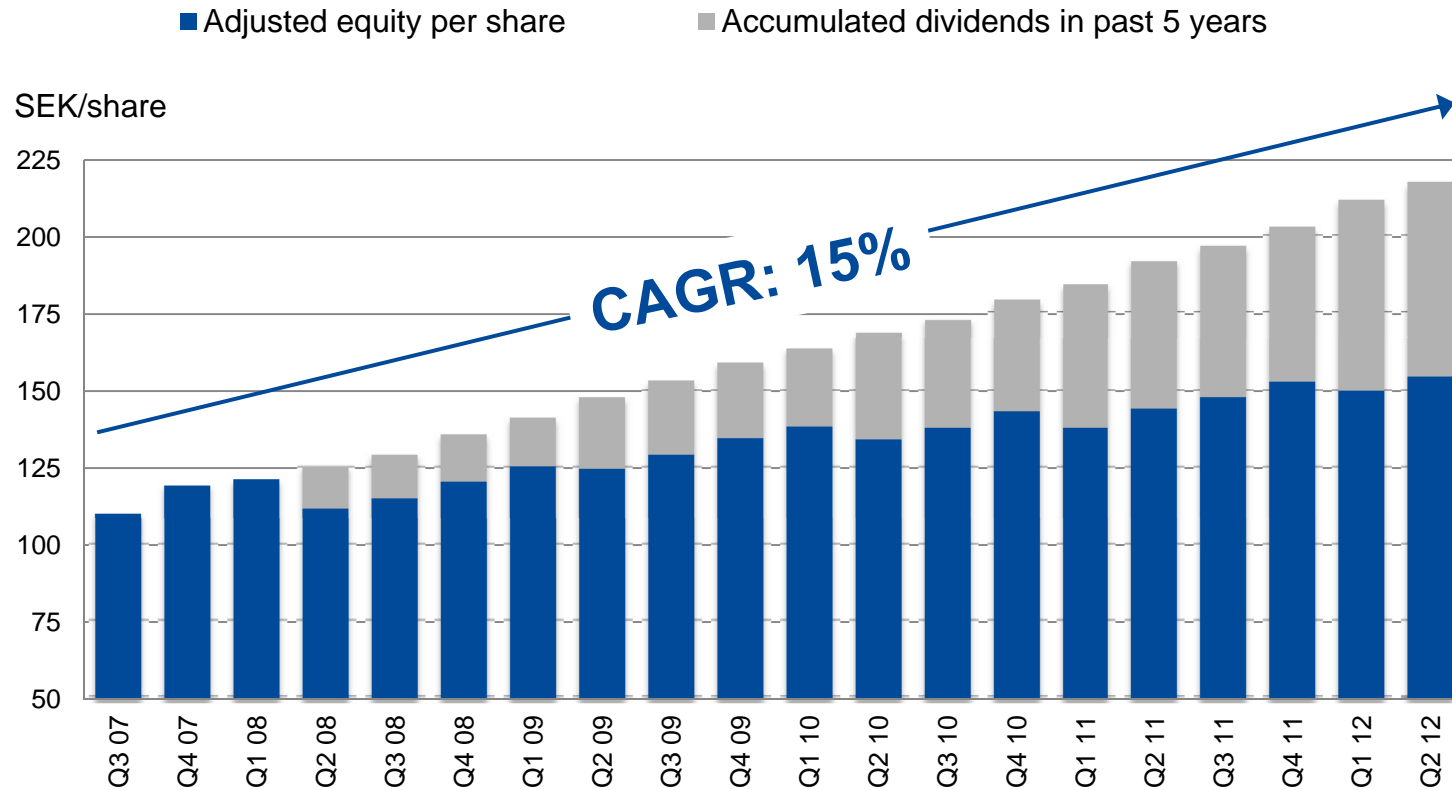


In order to eliminate the effects of exchange rate movements, the GBP exchange rate = SEK 11.00 for the whole period.

## Income and expenses trend, branches in the UK



# Average annual growth in equity including dividends



Dividends reinvested in RoE per quarter  
 CAGR, compounded annual growth rate



# Appendix

## Income statement, five quarters

| <b>SEK m</b>  | <b>Q2<br/>2012</b> | <b>Q1<br/>2012</b> | <b>Q4<br/>2011</b> | <b>Q3<br/>2011</b> | <b>Q2<br/>2011</b> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Net interest income   | 6,575              | 6,560              | 6,357              | 6,066              | 5,683              |
| Net fee and commission income   | 1,825              | 1,892              | 1,877              | 1,903              | 1,949              |
| Net gains/losses on financial items at fair value                     | 219                | 344                | 63                 | 284                | 308                |
| Risk result - insurance   | 39                 | 36                 | 38                 | 52                 | 38                 |
| Other income  | 181                | 34                 | 39                 | 23                 | 191                |
| <b>Total income</b>   | <b>8,839</b>       | <b>8,866</b>       | <b>8,374</b>       | <b>8,328</b>       | <b>8,169</b>       |
| Staff costs   | -2,670             | -2,668             | -2,510             | -2,498             | -2,477             |
| Other expenses  | -1,353             | -1,336             | -1,512             | -1,318             | -1,385             |
| <b>Total expenses</b>   | <b>-4,023</b>      | <b>-4,004</b>      | <b>-4,022</b>      | <b>-3,816</b>      | <b>-3,862</b>      |
| <b>Profit before loan losses</b>                                      | <b>4,816</b>       | <b>4,862</b>       | <b>4,352</b>       | <b>4,512</b>       | <b>4,307</b>       |
| Net loan losses   | -288               | -291               | -243               | -157               | -172               |
| Gains/losses on disposal of property, equipment and intangible assets | 0                  | 0                  | 1                  | 5                  | 1                  |
| <b>Operating profit</b>   | <b>4,528</b>       | <b>4,571</b>       | <b>4,110</b>       | <b>4,360</b>       | <b>4,136</b>       |
| Operating profit discontinued operations                              | 37                 | 48                 | 37                 | 39                 | 60                 |
| <b>Total operating profit</b>   | <b>4,565</b>       | <b>4,619</b>       | <b>4,147</b>       | <b>4,399</b>       | <b>4,196</b>       |

## Change in net interest income

SEK m

|   |              |           |
|---|--------------|-----------|
| <b>Net interest income Q1 2012</b>                                    | <b>6,560</b> |           |
| Deposits, branch offices in Sweden - margins                          | -195         |           |
| - volumes   | 2            |           |
| Lending, branch offices in Sweden – margins                           | 59           |           |
| - volumes   | 15           |           |
| Deposits & lending, branch offices outside Sweden                     | 86           |           |
| Mandatory government fees (deposit insurance, stabilisation fund etc) | -13          |           |
| Exchange rate movements   | 32           |           |
| Benchmark effect  | 28           |           |
| Other   | 1            |           |
| <b>Change in net interest income</b>                                  | <b>15</b>    |           |
| <b>Net interest income Q2 2012</b>                                    | <b>6,575</b> | <b>0%</b> |

## Change in net interest income

SEK m

|   |               |            |
|---|---------------|------------|
| <b>Net interest income, January – June 2011</b>                       | <b>11,190</b> |            |
| Deposits, branch offices in Sweden – margins                          | -482          |            |
| - volumes   | 116           |            |
| Lending, branch offices in Sweden – margins                           | 772           |            |
| - volumes   | 182           |            |
| Deposits & lending, branch offices outside Sweden                     | 797           |            |
| Mandatory government fees (deposit insurance, stabilisation fund etc) | -70           |            |
| Exchange rate movements   | 73            |            |
| Benchmark effect  | 23            |            |
| Other   | 534           |            |
| <b>Change in net interest income</b>                                  | <b>1,945</b>  |            |
| <b>Net interest income, January – June 2012</b>                       | <b>13,135</b> | <b>17%</b> |

## Fee to the Stabilisation Fund, January – June

| <b>SEK bn</b>   | <b>2012</b>  |
|---|--------------|
| Total liabilities and equity  | 2,869        |
| Reduction for total equity, untaxed reserves and subordinated loans | -174         |
| Reduction for intercompany liabilities                              | -329         |
| <b>Basis for calculation of fee</b>                                 | <b>2,366</b> |
| <b>SEK m</b>  |              |
| Fee 0.036%  | 852          |
| <b>Total fee, January - June 2012</b>                               | <b>426</b>   |

## Fees and commissions

| <b>SEK m</b>                               | <b>Jan-Jun<br/>2012</b> | <b>Jan-Jun<br/>2011</b> | <b>Change</b> |
|--|-------------------------|-------------------------|---------------|
| Brokerage and other securities commissions | 621                     | 775                     | -20%          |
| Mutual funds                               | 817                     | 867                     | -6%           |
| Custody                                    | 174                     | 197                     | -12%          |
| Advisory services                          | 118                     | 99                      | 19%           |
| Insurance                                  | 304                     | 320                     | -5%           |
| Payments                                   | 1,282                   | 1,241                   | 3%            |
| Lending and deposits                       | 609                     | 574                     | 6%            |
| Guarantees                                 | 250                     | 238                     | 5%            |
| Other                                      | 210                     | 208                     | 1%            |
| <b>Commission income</b>                   | <b>4,385</b>            | <b>4,519</b>            | <b>-3%</b>    |
| Commission expense                         | -668                    | -626                    | 7%            |
| <b>Net fee and commission income</b>       | <b>3,717</b>            | <b>3,893</b>            | <b>-5%</b>    |

## Fees and commissions, quarterly change

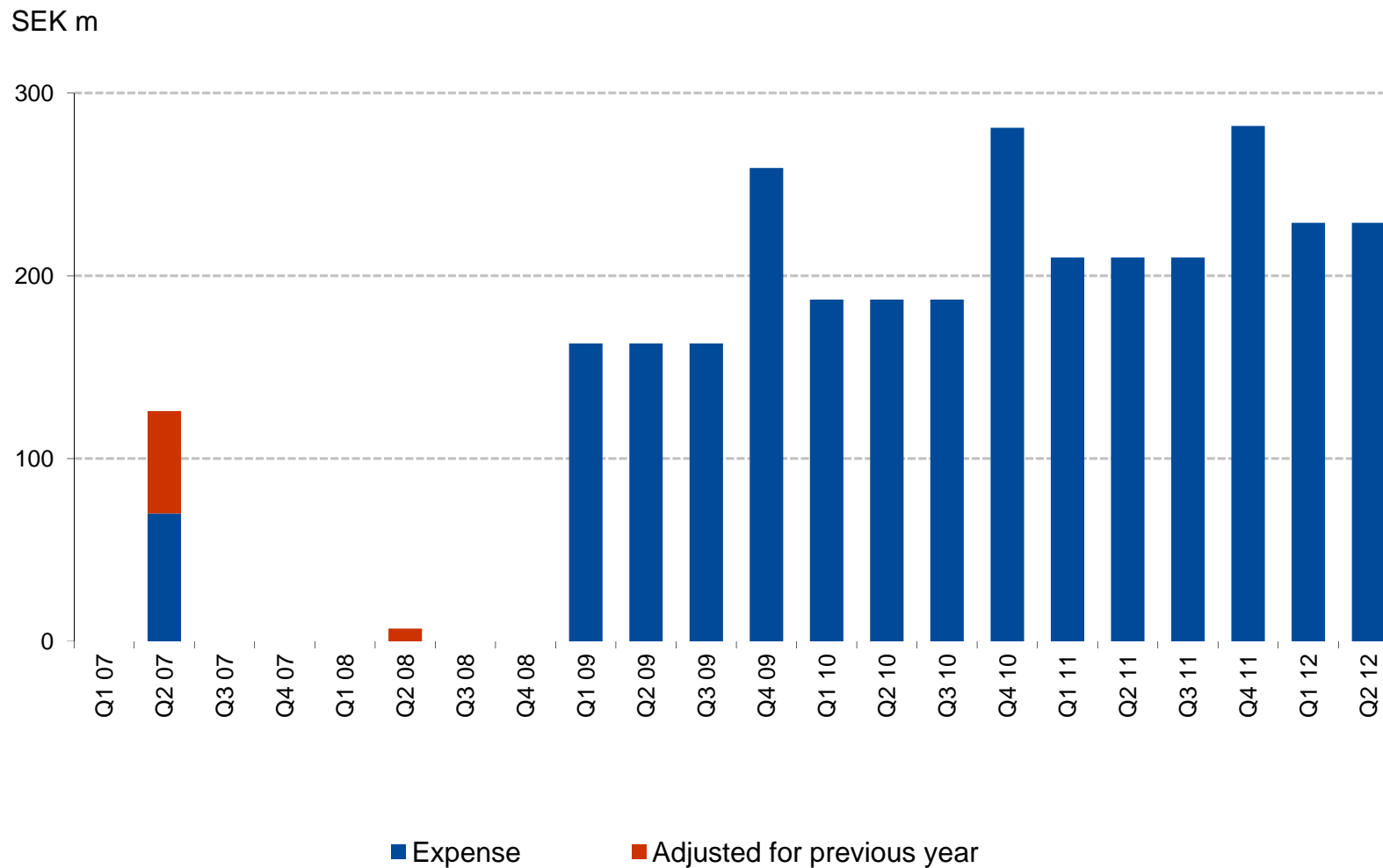
| <b>SEK m</b>                               | <b>Q2<br/>2012</b> | <b>Q1<br/>2012</b> | <b>Change</b> |
|--|--------------------|--------------------|---------------|
| Brokerage and other securities commissions | 266                | 355                | -25%          |
| Mutual funds                               | 422                | 395                | 7%            |
| Custody                                    | 85                 | 89                 | -4%           |
| Advisory services                          | 48                 | 70                 | -31%          |
| Insurance                                  | 142                | 162                | -12%          |
| Payments                                   | 670                | 612                | 9%            |
| Lending and deposits                       | 311                | 298                | 4%            |
| Guarantees                                 | 124                | 126                | -2%           |
| Other                                      | 102                | 108                | -6%           |
| <b>Commission income</b>                   | <b>2,170</b>       | <b>2,215</b>       | <b>-2%</b>    |
| Commission expense                         | -345               | -323               | 7%            |
| <b>Net fee and commission income</b>       | <b>1,825</b>       | <b>1,892</b>       | <b>-4%</b>    |

## Expenses – trend

| <b>SEK m</b>                  | <b>Jan-Jun<br/>2012</b> | <b>Jan-Jun<br/>2011</b> | <b>Change</b> | <b>Q2/Q1</b> |
|-------------------------------|-------------------------|-------------------------|---------------|--------------|
| Staff costs                   | -5,338                  | -4,934                  | 8%            |              |
| Other administrative expenses | -2,450                  | -2,462                  | 0%            |              |
| Depreciation and amortisation | -239                    | -230                    | 4%            |              |
| <b>Total expenses</b>         | <b>-8,027</b>           | <b>-7,626</b>           | <b>5%</b>     | <b>0%</b>    |



# Oktagonen quarterly 2007 – 2012



## Key ratios

|   | <b>Q2<br/>2012</b> | <b>Q2<br/>2011</b> |
|---|--------------------|--------------------|
| Return on equity, total operations        | 14.4%              | 14.0%              |
| Return on equity, continuing operations   | 14.3%              | 13.8%              |
| C/l ratio, continuing operations          | 45.5%              | 47.3%              |
| Earnings per share, total operations, SEK | 5.44               | 5.04               |
| - after dilution                          | 5.34               | 4.95               |

## Effective tax rate

|                     |       |
|---------------------|-------|
| Q2 2012             | 25.2% |
| Q1 2012             | 27.8% |
| Q2 2011             | 25.3% |
| January – June 2012 | 26.5% |
| January – June 2011 | 26.0% |

## Balance sheet

| <b>SEK bn</b>                          | <b>30 Jun<br/>2012</b> | <b>30 Jun<br/>2011</b> | <b>Change</b> |
|--|------------------------|------------------------|---------------|
| Loans to the public                    | 1,632                  | 1,567                  | 4%            |
| Loans to other credit institutions     | 91                     | 104                    | -13%          |
| Interest-bearing securities            | 112                    | 112                    | 0%            |
| Other assets                           | 712                    | 467                    | 53%           |
| <b>Total assets</b>                    | <b>2,547</b>           | <b>2,250</b>           | <b>13%</b>    |
| Deposits and borrowing from the public | 724                    | 646                    | 12%           |
| Due to credit institutions             | 266                    | 219                    | 21%           |
| Issued securities                      | 1,168                  | 1,020                  | 14%           |
| Other liabilities                      | 292                    | 276                    | 6%            |
| Total equity                           | 97                     | 89                     | 9%            |
| <b>Total liabilities and equity</b>    | <b>2,547</b>           | <b>2,250</b>           | <b>13%</b>    |

## Loans to the public, quarterly

| <b>Average volumes, SEK bn</b>                 | <b>Q2<br/>2012</b> | <b>Q1<br/>2012</b> | <b>Q4<br/>2011</b> | <b>Q3<br/>2011</b> | <b>Q2<br/>2011</b> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Household                                      | 584                | 582                | 580                | 575                | 566                |
| Corporate                                      | 483                | 480                | 489                | 487                | 479                |
| <b>Branch office operations in Sweden</b>      | <b>1,067</b>       | <b>1,062</b>       | <b>1,069</b>       | <b>1,062</b>       | <b>1,045</b>       |
| Household                                      | 172                | 167                | 166                | 161                | 153                |
| Corporate                                      | 345                | 328                | 327                | 317                | 304                |
| <b>Branch office operations outside Sweden</b> | <b>517</b>         | <b>495</b>         | <b>493</b>         | <b>478</b>         | <b>457</b>         |
| <b>Other operations</b>                        | <b>38</b>          | <b>33</b>          | <b>32</b>          | <b>34</b>          | <b>50</b>          |
| Household                                      | 756                | 750                | 746                | 736                | 720                |
| Corporate                                      | 866                | 840                | 848                | 838                | 832                |
| <b>Total loans to the public</b>               | <b>1,622</b>       | <b>1,590</b>       | <b>1,594</b>       | <b>1,574</b>       | <b>1,552</b>       |

## Deposits from the public, quarterly

| <b>Average volumes, SEK bn</b>                 | <b>Q2<br/>2012</b> | <b>Q1<br/>2012</b> | <b>Q4<br/>2011</b> | <b>Q3<br/>2011</b> | <b>Q2<br/>2011</b> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Household                                      | 204                | 203                | 201                | 198                | 194                |
| Corporate                                      | 165                | 166                | 162                | 157                | 155                |
| <b>Branch office operations in Sweden</b>      | <b>369</b>         | <b>369</b>         | <b>363</b>         | <b>355</b>         | <b>349</b>         |
| Household                                      | 46                 | 44                 | 44                 | 43                 | 41                 |
| Corporate                                      | 127                | 131                | 118                | 109                | 103                |
| <b>Branch office operations outside Sweden</b> | <b>173</b>         | <b>175</b>         | <b>162</b>         | <b>152</b>         | <b>144</b>         |
| <b>Other operations</b>                        | <b>138</b>         | <b>148</b>         | <b>186</b>         | <b>153</b>         | <b>122</b>         |
| Household                                      | 251                | 246                | 245                | 241                | 235                |
| Corporate                                      | 429                | 446                | 466                | 419                | 380                |
| <b>Total deposits from the public</b>          | <b>680</b>         | <b>692</b>         | <b>711</b>         | <b>660</b>         | <b>615</b>         |

## Home markets outside Sweden – average lending volumes

| <b>Private, local currency</b>   | <b>Q2<br/>2012</b> | <b>Q1<br/>2012</b> | <b>Change</b> |
|----------------------------------|--------------------|--------------------|---------------|
| Denmark, DKK bn                  | 25.0               | 23.9               | 4.6%          |
| Finland, EUR m                   | 3,447              | 3,260              | 5.7%          |
| Norway, NOK bn                   | 67.3               | 66.1               | 1.8%          |
| UK, GBP m                        | 2,441              | 2,318              | 5.3%          |
| <b>Corporate, local currency</b> |                    |                    |               |
| Denmark, DKK bn                  | 27.6               | 26.9               | 2.6%          |
| Finland, EUR m                   | 7,066              | 6,823              | 3.6%          |
| Norway, NOK bn                   | 106.5              | 105.4              | 1.0%          |
| UK, GBP m                        | 6,978              | 6,468              | 7.9%          |

## Home markets outside Sweden – average lending volumes

| <b>Private, local currency</b>   | <b>Jan-Jun<br/>2012</b> | <b>Jan-Jun<br/>2011</b> | <b>Change</b> |
|----------------------------------|-------------------------|-------------------------|---------------|
| Denmark, DKK bn                  | 24.8                    | 21.5                    | 15.3%         |
| Finland, EUR m                   | 3,450                   | 3,220                   | 7.1%          |
| Norway, NOK bn                   | 67.0                    | 61.8                    | 8.4%          |
| UK, GBP m                        | 2,380                   | 1,759                   | 35.3%         |
| <b>Corporate, local currency</b> |                         |                         |               |
| Denmark, DKK bn                  | 26.9                    | 20.9                    | 28.7%         |
| Finland, EUR m                   | 6,847                   | 6,664                   | 2.7%          |
| Norway, NOK bn                   | 105.7                   | 100.8                   | 4.8%          |
| UK, GBP m                        | 6,722                   | 5,271                   | 27.5%         |



## Home markets outside Sweden – average deposit volumes

| <b>Private, local currency</b>   | <b>Q2<br/>2012</b> | <b>Q1<br/>2012</b> | <b>Change</b> |
|----------------------------------|--------------------|--------------------|---------------|
| Denmark, DKK bn                  | 8.7                | 8.4                | 3.6%          |
| Finland, EUR m                   | 1,272              | 1,324              | -3.9%         |
| Norway, NOK bn                   | 13.6               | 12.1               | 12.4%         |
| UK, GBP m                        | 446                | 415                | 7.5%          |
| <b>Corporate, local currency</b> |                    |                    |               |
| Denmark, DKK bn                  | 11.0               | 13.2               | -16.7%        |
| Finland, EUR m                   | 2,222              | 2,318              | -4.1%         |
| Norway, NOK bn                   | 33.7               | 38.8               | -13.1%        |
| UK, GBP m                        | 2,228              | 1,926              | 15.7%         |

## Home markets outside Sweden – average deposit volumes

| <b>Private, local currency</b>   | <b>Jan-Jun<br/>2012</b> | <b>Jan-Jun<br/>2011</b> | <b>Change</b> |
|----------------------------------|-------------------------|-------------------------|---------------|
| Denmark, DKK bn                  | 8.5                     | 8.2                     | 3.8%          |
| Finland, EUR m                   | 1,298                   | 1,220                   | 6.4%          |
| Norway, NOK bn                   | 12.9                    | 11.0                    | 17.2%         |
| UK, GBP m                        | 430                     | 359                     | 19.8%         |
| <b>Corporate, local currency</b> |                         |                         |               |
| Denmark, DKK bn                  | 12.1                    | 11.2                    | 8.1%          |
| Finland, EUR m                   | 2,270                   | 1,977                   | 14.8%         |
| Norway, NOK bn                   | 36.2                    | 39.0                    | -7.2%         |
| UK, GBP m                        | 2,077                   | 1,222                   | 70.0%         |