

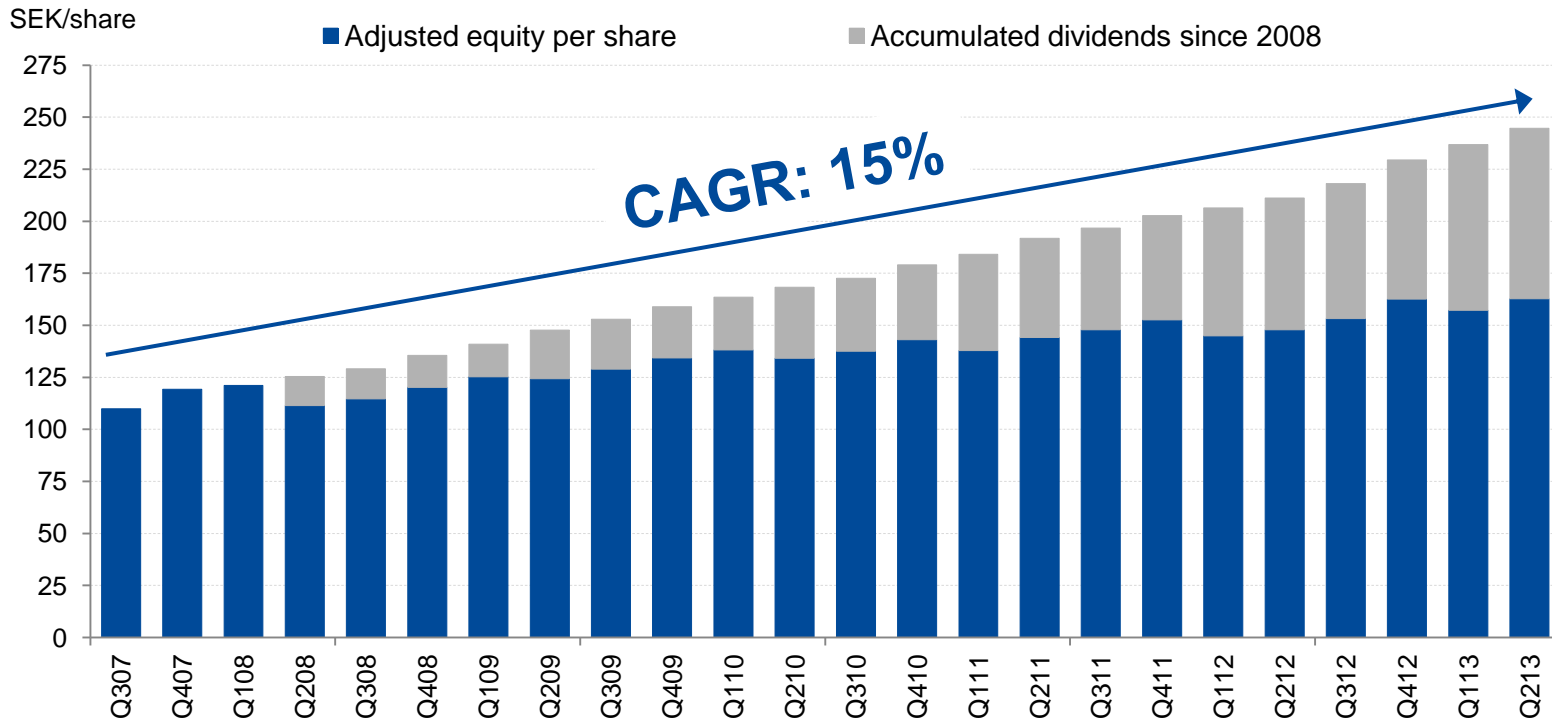
Handelsbanken

January – June 2013

17 July 2013

Average annual growth in equity during the financial crisis

Including dividends



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

Summary

- Return on equity of 15.1 per cent in Q2; the Bank is building up capital
- Net profits for January-June increased by 9 per cent
- Operating profits in Q2 increased by 9 per cent compared to Q1
 - In Sweden by 5 per cent, UK 16 per cent, Norway 17 per cent, Finland 12 per cent and Denmark 10 per cent
- Total capital ratio was 21.1 per cent
- Core tier 1 ratio according to Basel II increased to 18.2 per cent and according to Basel III to 17.8 per cent
- C/I ratio was 45.6 in Q2
- All bond maturities until the end of September 2014 have been pre-funded

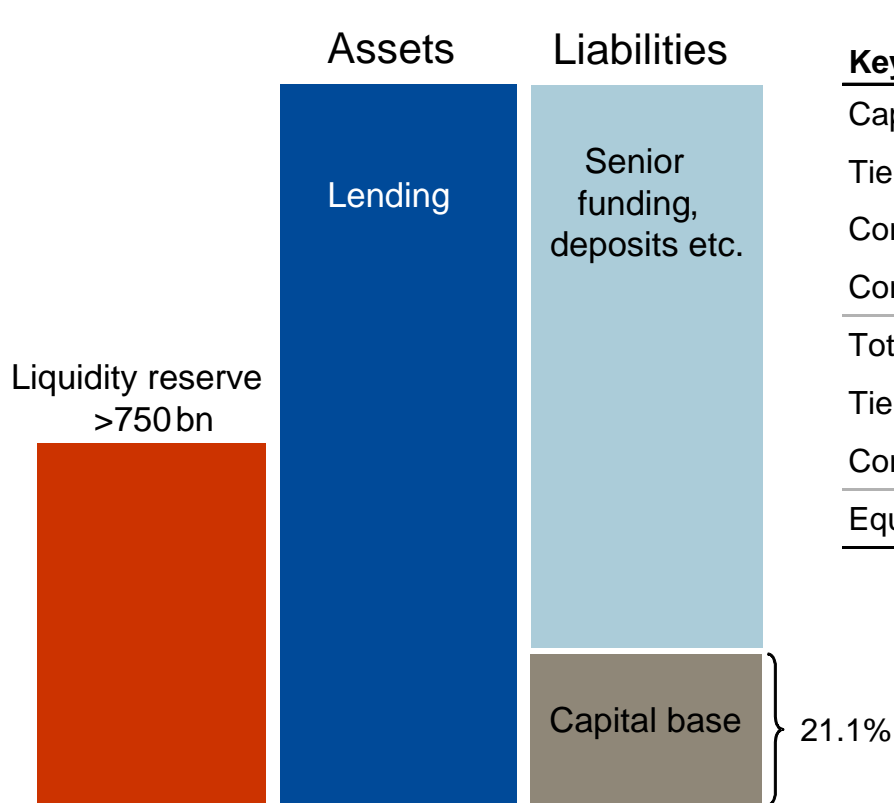
Income statement, quarterly change

SEK m	Q2 2013	Q1 2013	Change	Q2 2012	Change
Net interest income	6,673	6,541	2%	6,575	1%
Net fee and commission income	1,924	1,877	3%	1,825	5%
Net gains/losses on financial transactions	440	259	70%	219	101%
Risk result - insurance	26	51	-49%	39	-33%
Other income	177	72	146%	181	-2%
Total income	9,240	8,800	5%	8,839	5%
Staff costs	-2,796	-2,783	0%	-2,785	0%
Other expenses	-1,419	-1,399	1%	-1,353	5%
Total expenses	-4,215	-4,182	1%	-4,138	2%
Profit before loan losses	5,025	4,618	9%	4,701	7%
Net loan losses	-306	-283	8%	-288	6%
equipment and intangible assets	4	1		0	
Operating profit	4,723	4,336	9%	4,413	7%
Taxes	-1,067	-885	21%	-1,113	4%
Net profit from discontinued operations	39	15	160%	29	34%
Profit for the period	3,695	3,466	7%	3,329	11%

Income statement, January – June

SEK m	Jan-Jun 2013	Jan-Jun 2012	Change
Net interest income	13,214	13,135	1%
Net fee and commission income	3,801	3,717	2%
Net gains/losses on financial transactions	699	563	24%
Risk result - insurance	77	75	3%
Other income	249	215	16%
Total income	18,040	17,705	2%
Staff costs	-5,579	-5,566	0%
Other expenses	-2,818	-2,689	5%
Total expenses	-8,397	-8,255	2%
Profit before loan losses	9,643	9,450	2%
Net loan losses	-589	-579	2%
Gains/losses on disposal of property, equipment and intangible assets	5	0	
Operating profit	9,059	8,871	2%
Taxes	-1,952	-2,355	-17%
Net profit from discontinued operations	54	78	-31%
Profit for the period	7,161	6,594	9%

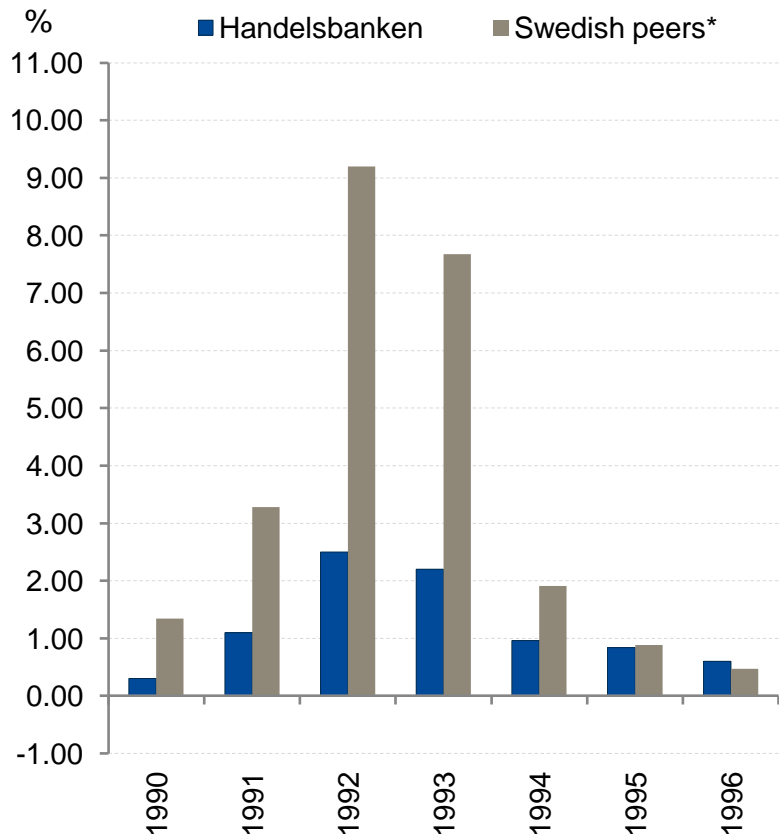
Financial strength



Key capital ratios, %	30 Jun 2013	30 Jun 2012	Change
Capital ratio, Basel II	21.1	19.6	+1.5
Tier 1 ratio, Basel II	20.4	18.7	+1.7
Core tier 1 ratio, Basel II	18.2	16.1	+2.1
Core tier 1 ratio, Basel III	17.8	-	-
Total capital base, SEK bn	102.2	99.0	+3.2
Tier 1 capital, SEK bn	98.8	94.8	+4
Core tier 1 capital, SEK bn	88.1	81.6	+6.5
Equity, SEK bn	102.4	92.9	+9.5

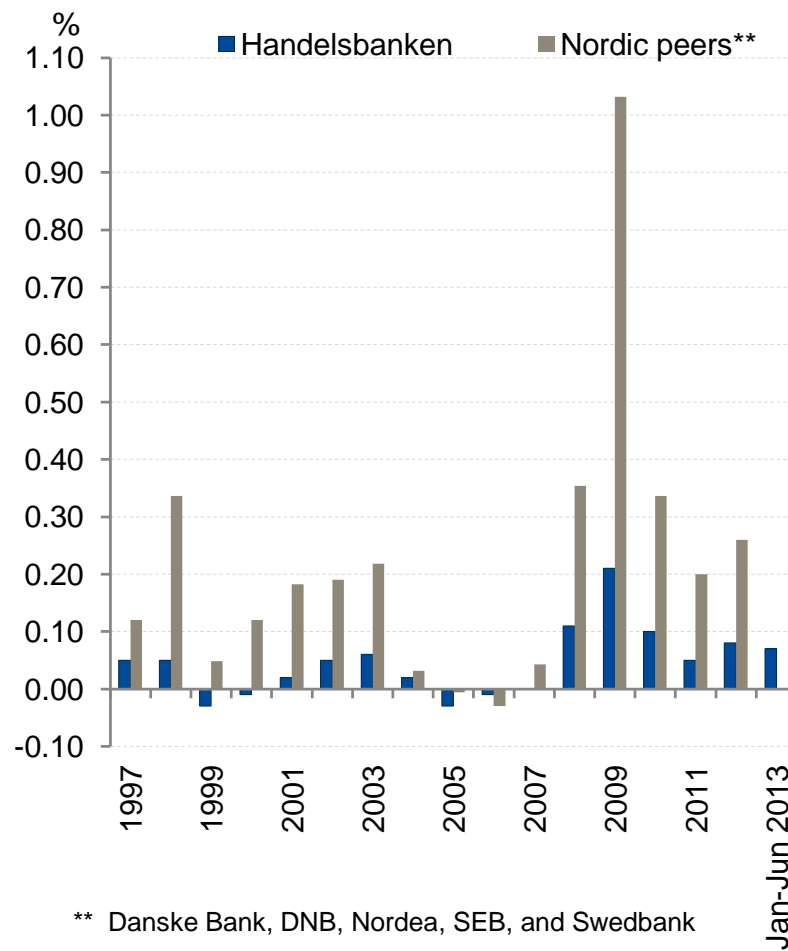
Historical loan losses

1990 – 1996



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

1997 – 2013

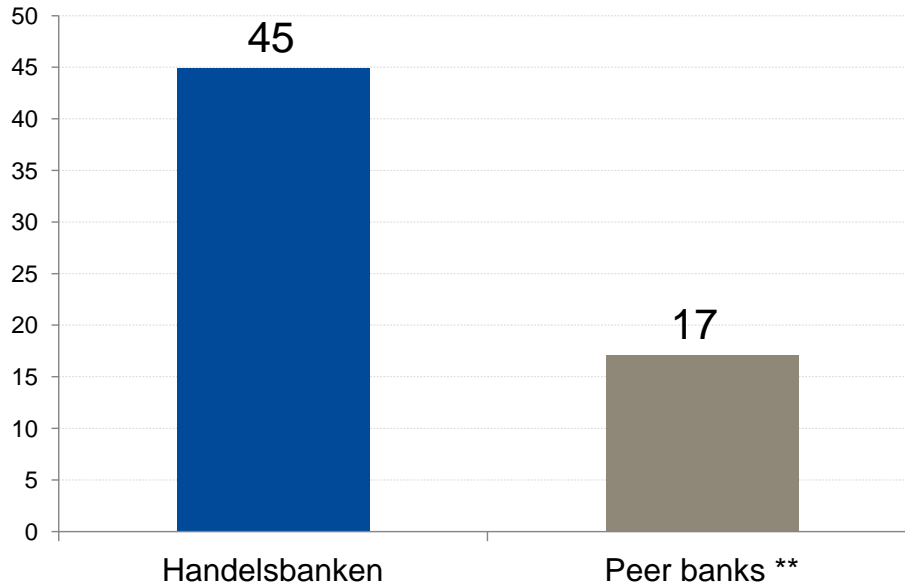


** Danske Bank, DNB, Nordea, SEB, and Swedbank

High capital requirement compared to historical loan losses



Capital requirement in Pillar 1 as a multiple of historical loan losses*



The risk weights in Handelsbanken give a higher capital requirement in Pillar 1 per historical loan loss krona than for the average of peers

* Capital requirement for credit risk 2012 (Basel II) / average loan loss ratios 1997-2012

** Peer banks include Danske Bank, DNB, Nordea, SEB and Swedbank

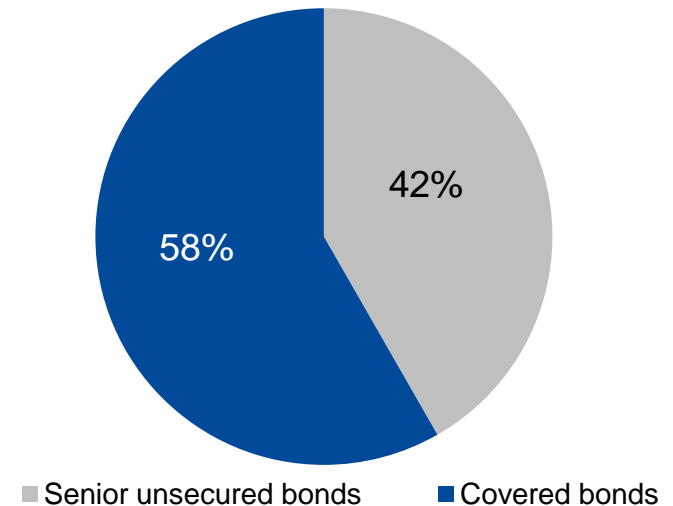
Long-term funding first half of 2013

SEK bn	Jan-Jun 2013	Jan-Jun 2012
Senior bonds	28	42
Extendible notes (X-notes)	40	-
Covered bonds	95	82
Total	163	124

Issues during Q2 include:

- GBP 400m 3Y senior
- USD 1.25bn 5Y covered
- JPY 50.5bn 3Y and 5Y senior (Samurai bonds)

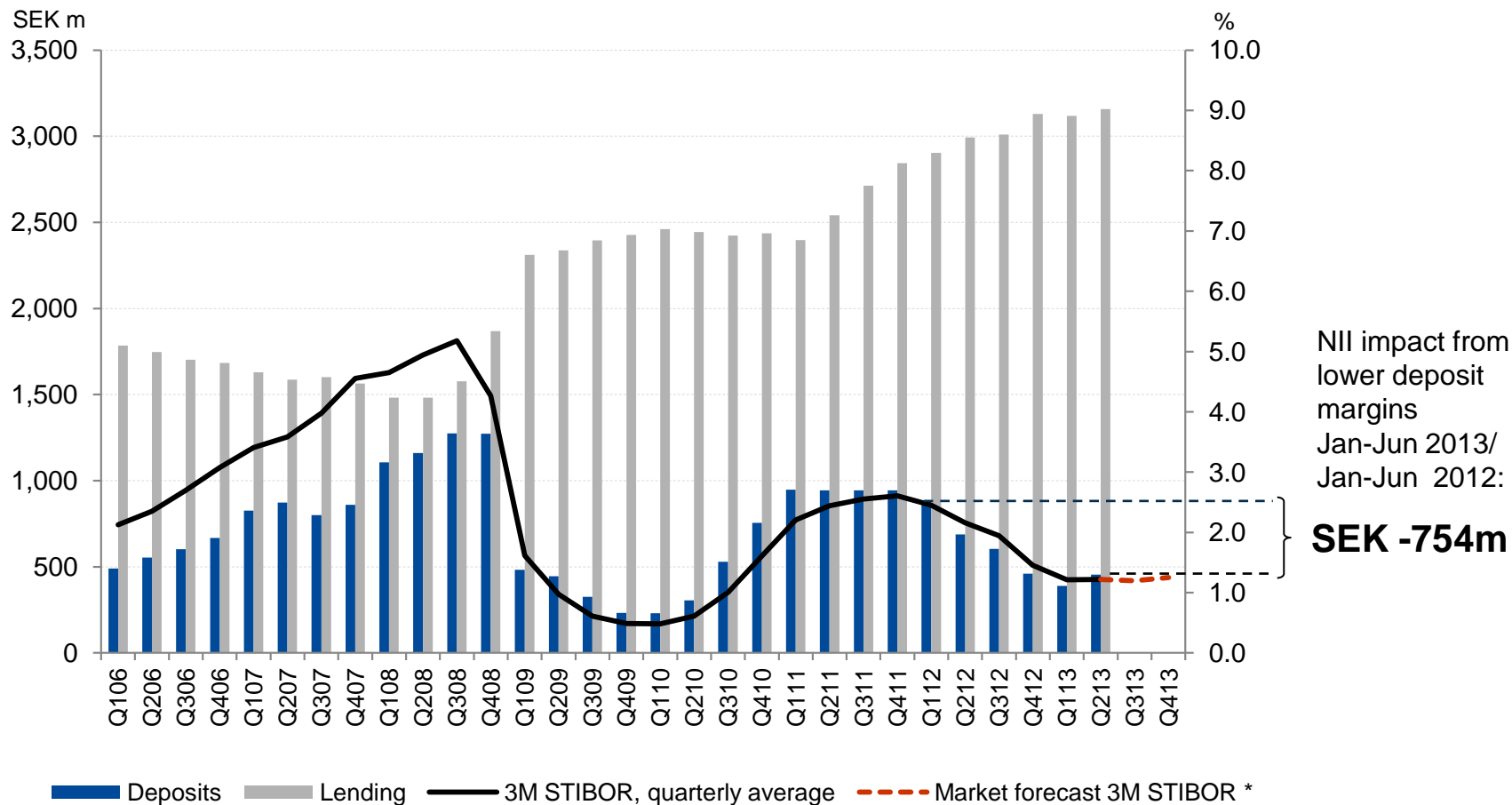
Long-term funding issued in the first half of 2013



- All bonds maturing up to and including September 2014 are pre-funded

Net interest income from lending and deposits

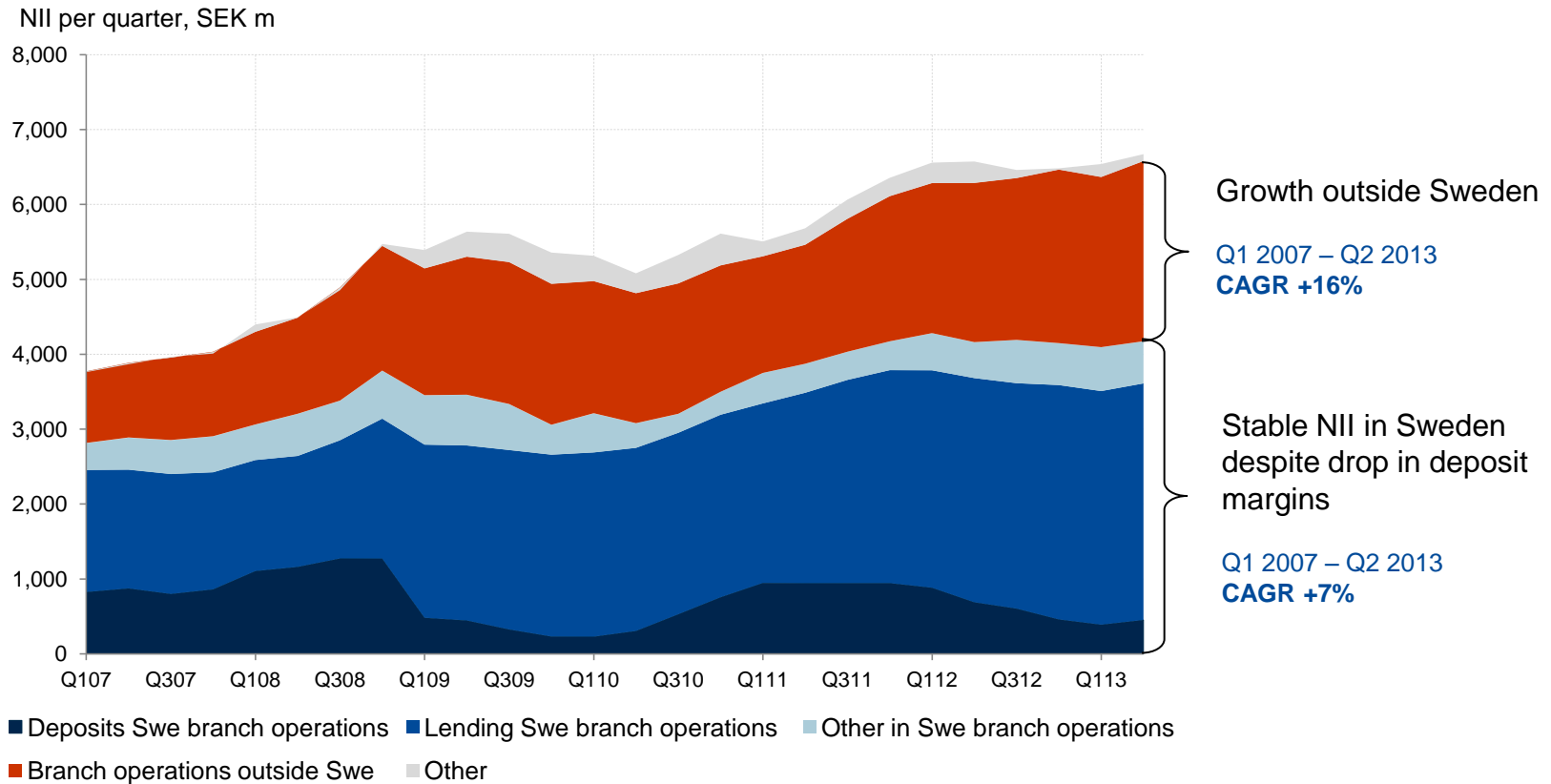
Swedish branch operations



* Source: Bloomberg

Reference rate until 30 June 2008, 1M STIBOR and subsequently 3M STIBOR for variable deposits and lending

Our business model generates stable NII growth



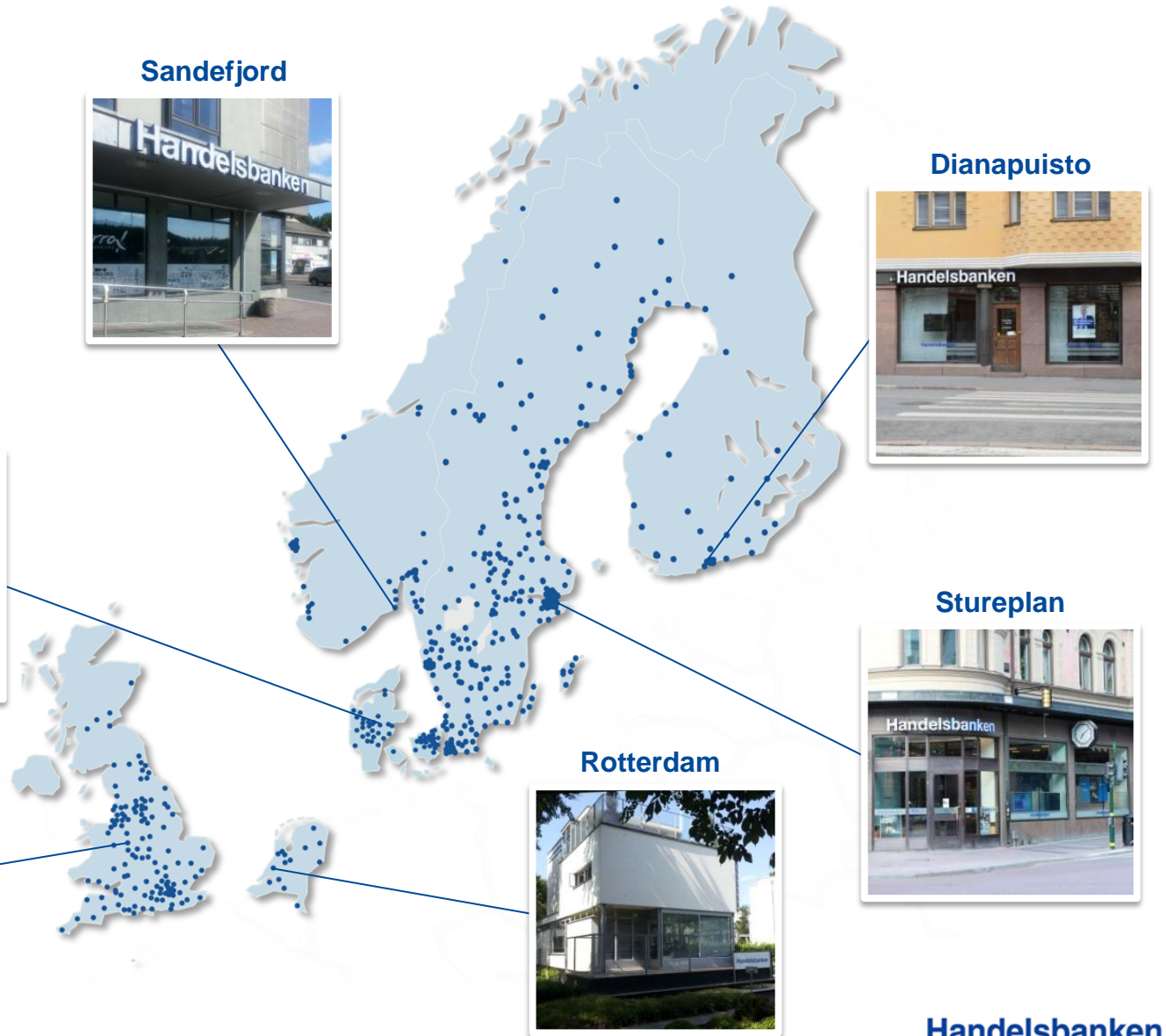
- Quarterly NII up 77% since the start of the financial crisis in 2007

Handelsbanken has six home markets

Number of branches, 30 June 2013:

Sweden	461
UK	159*
Denmark	55
Norway	49
Finland	45
Netherlands	15

* including 12 appointed branch managers



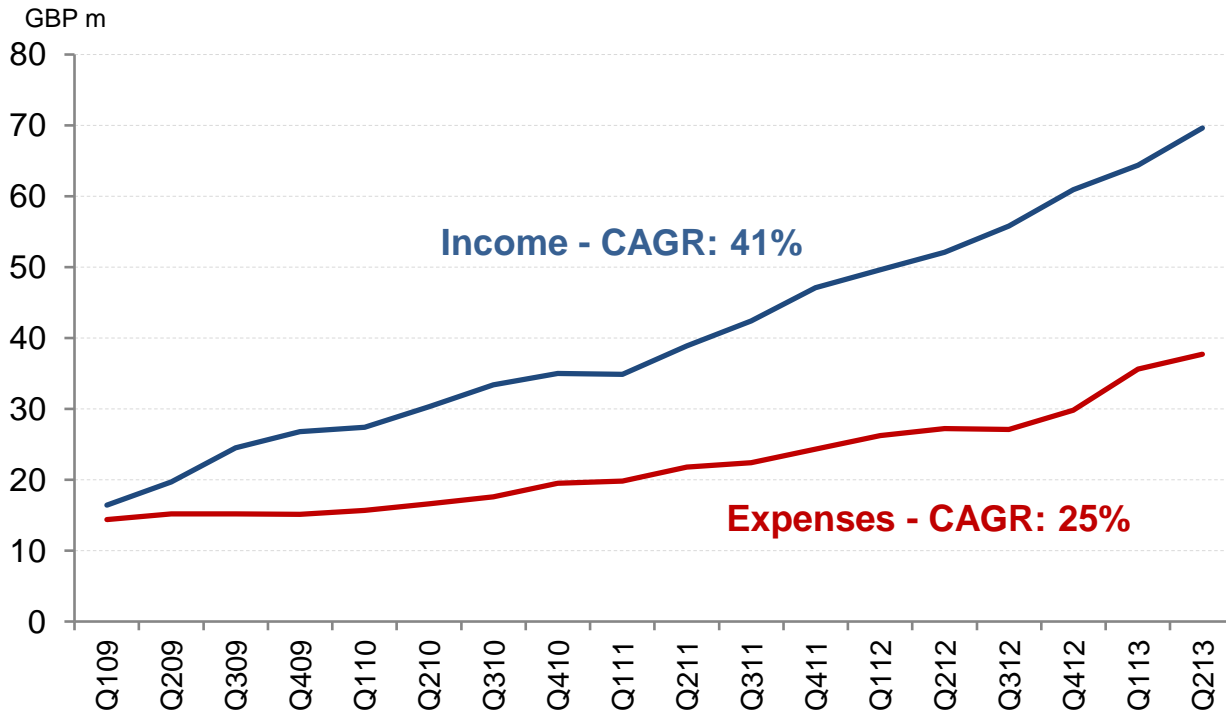
Earnings trend in home markets' branch operations

Q2 / Q1 2013	NII	Income	C/I ratio	Operating profit
Sweden	2%	3%	-1.3 %points	5%
UK	7%	9%	-1.1 %points	16%
Norway	7%	6%	-3.1 %points	17%
Finland	8%	7%	-1.1 %points	12%
Denmark	2%	5%	-2.7 %points	10%
Netherlands	6%	5%	5.0 %points	-17%

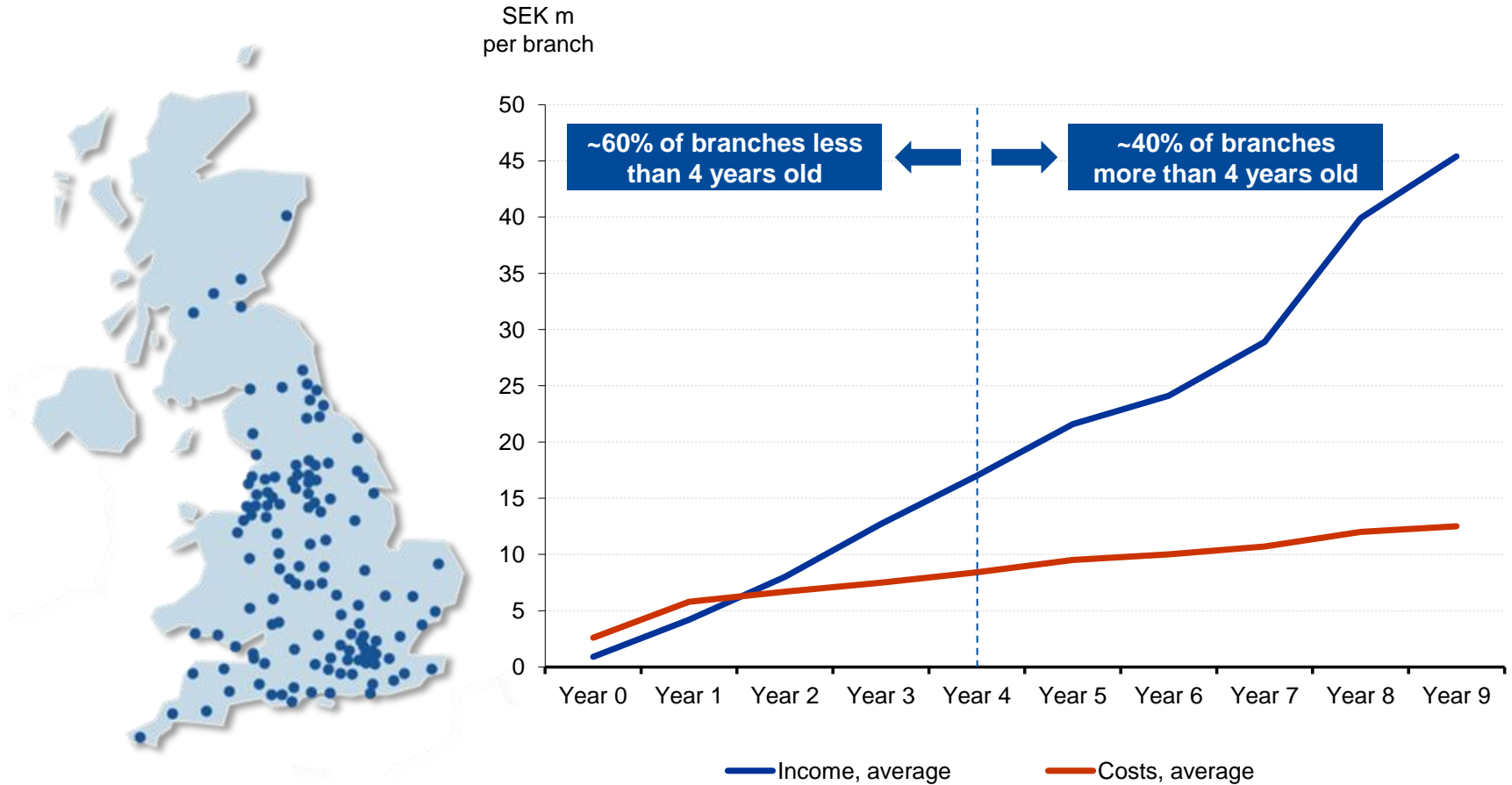
Branch operations in the UK

- Continued expansion and increased availability
- 159 branches including appointed branch managers
- Over 1,200 employees in the UK

Income and expense trend in the UK

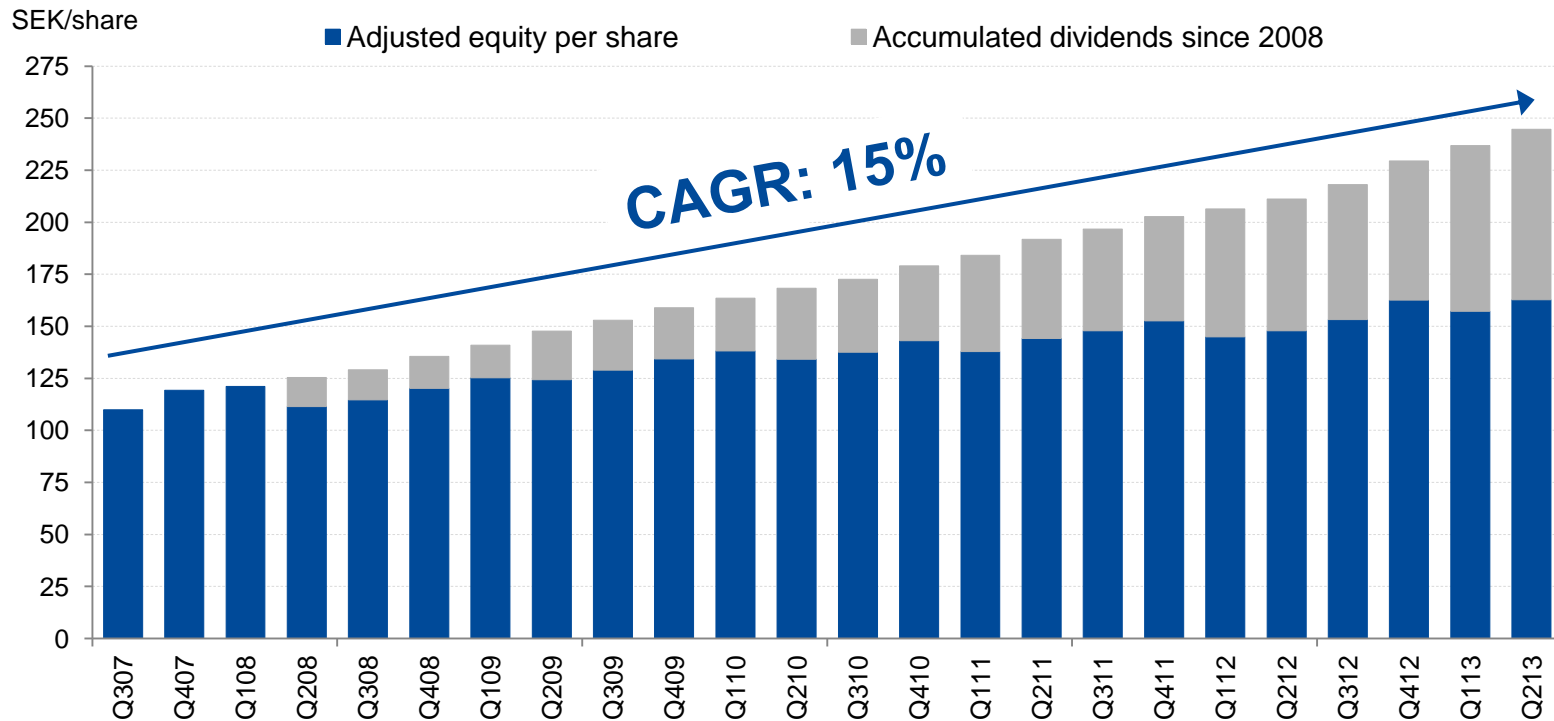


Income/expense trend for opened UK branches



Average annual growth in equity during the financial crisis

Including dividends



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

Appendix

Non-encumbered assets (NEA)

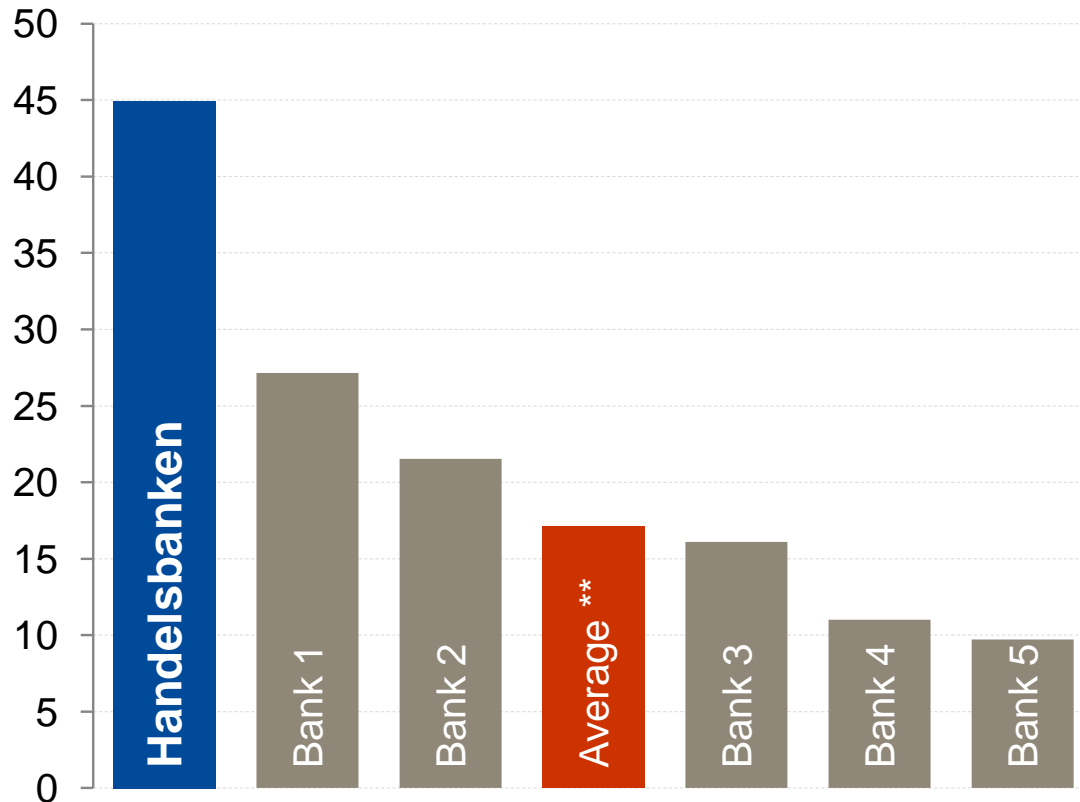
SEK bn	IPT (NEA)	Accumulated coverage ratio in % of unsecured funding*
Holdings with central banks and securities in the liquidity portfolio	348	42%
Mortgage loans	313	79%
Other household lending	125	94%
Property company lending lowest risk class (1-3)	201	118%
Other corporate lending lowest risk class (1-3)	189	141%
Loans to credit institutions lowest risk class (1-3)	65	149%
Other corporate lending	234	177%
Other assets	115	191%
Total non-encumbered assets (NEA)	1,590	191%
Encumbered assets without underlying liabilities**	57	
<i>Encumbered assets with underlying liabilities</i>	<i>742</i>	
Total assets, Group	2,389	

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

**Over-collateralisation in cover pool (OC)

High capital requirement compared to historical loan losses

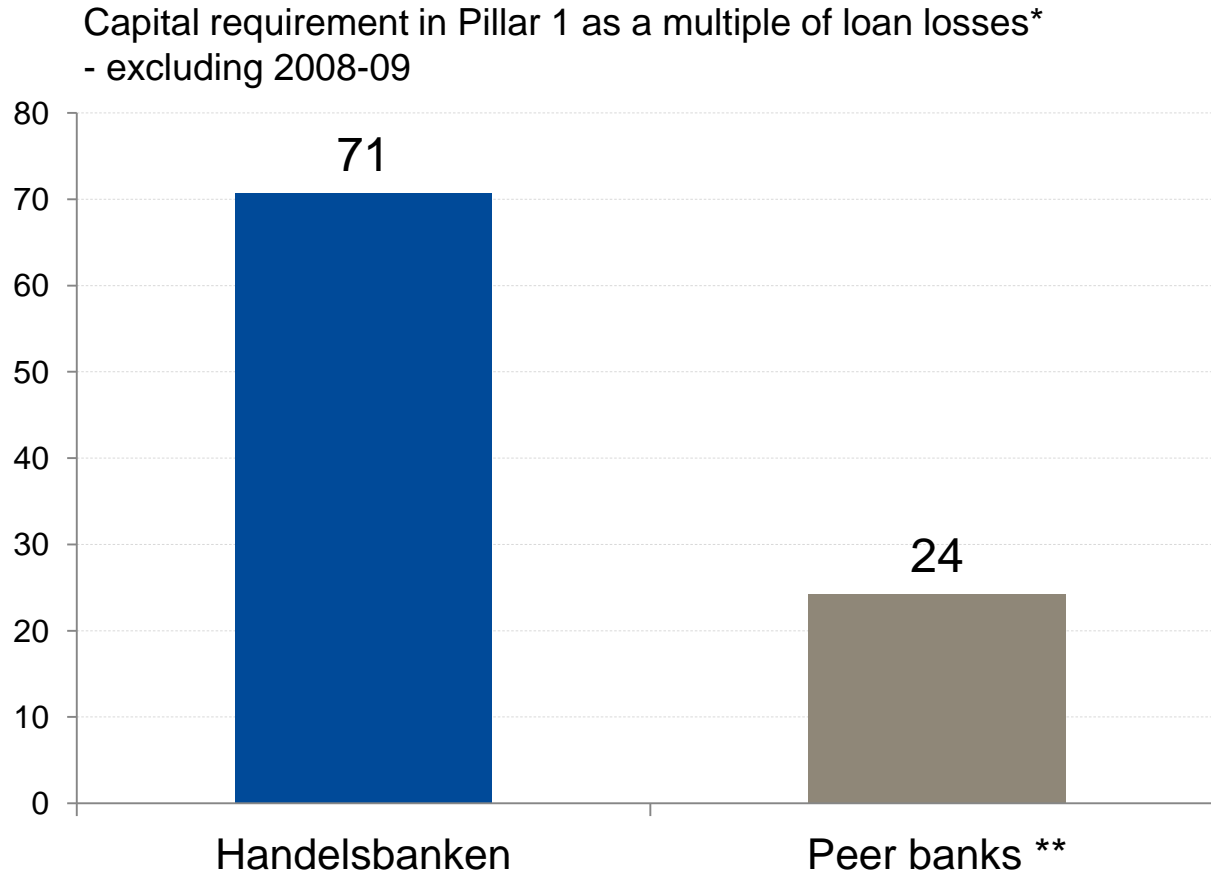
Capital requirement in Pillar 1 as multiple of loan losses*



* Capital requirement for credit risks 2012 (Basel II) / average credit losses 1997-2012

** Average for peers consisting of Danske Bank, DNB, Nordea, SEB and Swedbank

High capital requirement compared to historical loan losses



* Capital requirement for credit risks 2012 (Basel II) / average loan losses 1997-2012 – excluding 2008-09

** Danske Bank, DNB, Nordea, SEB and Swedbank

Income statement – five quarters

SEK m	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Net interest income	6,673	6,541	6,484	6,462	6,575
Net fee and commission income	1,924	1,877	1,910	1,742	1,825
Net gains/losses on financial transactions	440	259	366	191	219
Risk result - insurance	26	51	88	33	39
Other income	177	72	43	38	181
Total income	9,240	8,800	8,891	8,466	8,839
Staff costs	-2,796	-2,783	-2,923	-2,678	-2,785
Other expenses	-1,419	-1,399	-1,623	-1,221	-1,353
Total expenses	-4,215	-4,182	-4,546	-3,899	-4,138
Profit before loan losses	5,025	4,618	4,345	4,567	4,701
Net loan losses	-306	-283	-395	-277	-288
Gains/losses on disposal of property, equipment and intangible assets	4	1	-2	-1	0
Operating profit	4,723	4,336	3,948	4,289	4,413

Change in net interest income

NII Q1 2013, SEK m	6,541	Change
Deposits, branch operations in Sweden - margin	67	
- volume	-3	
Lending, branch operations in Sweden - margin	-37	
- volume	60	
Deposits & lending, branch offices outside Sweden	104	
Mandatory government fees (deposit insur. stabilisation fund etc)	29	
Benchmark effect	-35	
Other	-80	104
NII Q2 2013, underlying	6,645	2%
Day count effect	26	
Exchange rate movements	2	2
NII Q2 2013	6,673	2%

Change in net interest income

NII Jan-Jun 2012, SEK m	13,135	Change
Deposits, branch operations in Sweden - margin	-754	
- volume	17	
Lending, branch operations in Sweden - margin	221	
- volume	190	
Deposits & lending, branch offices outside Sweden	687	
Mandatory government fees (deposit insurance, stabilisation fund etc)	34	
Benchmark effect	7	
Other	-119	283
NII Jan-Jun 2013, underlying	13,418	2%
Day count effect	-14	
Exchange rate movements	-190	-190
NII Jan-Jun 2013	13,214	1%

Change in core tier 1 ratio

Basel II

Core tier 1 ratio Q1 2013, %	18.0
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Change, %-points:	
Core tier 1 capital	0.4
- of which earnings in the period	0.4
- of which conversions of staff convertibles	0.0
- of which currency effects	0.2
- of which IAS 19	-0.2
Lending volume	-0.5
- of which lending growth	-0.2
- of which currency effects	-0.3
Net effect different quality of inflows and outflows in loan portfolio	0.0
Credit risk migration in the lending portfolio	-0.1
Advanced IRB for large corporates and validation of IRB model	0.0
Model changes and other effects, net	0.4
Change in core tier 1 ratio	0.2
Core tier 1 ratio Q2 2013, %	18.2
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Change in core tier 1 ratio

Basel II

Core tier 1 ratio Q2 2012, %	16.1
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Change, %-points:	
Core tier 1 capital	1.3
- of which earnings in the period	1.4
- of which conversions of staff convertibles	0.2
- of which removed transitional rules and investments in insurance holdings	-0.5
- of which currency effects	-0.1
- of which IAS 19	0.3
Lending volume	-0.3
- of which lending growth	-0.6
- of which currency effects	0.3
Net effect different quality of inflows and outflows in loan portfolio	1.0
Credit risk migration in the lending portfolio	-0.4
Advanced IRB for large corporates and validation of IRB model	0.0
Model changes and other effects, net	0.5
Change in core tier 1 ratio	2.1
Core tier 1 ratio Q2 2013, %	18.2
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Mandatory government fees

Mandatory government fees, SEK m	Jan-Jun 2013
Stabilisation Fund fee	-391
Swedish deposit guarantee	-136
Danish deposit guarantee fund	-4
Other	-4
Mandatory government fees 2012	-535
Fee to Swedish Stabilisation Fund	
Total liabilities and equity	2,720
Reduction for total equity, untaxed reserves and subordinated loans	-176
Reduction for intercompany liabilities	-363
Basis for calculation of fee	2,181
Fee 0.036%, SEK m	785
Periodised fee, SEK m	391

Fees and commissions

SEK m	Q2 2013	Q1 2013	Change
Brokerage and other securities commissions	321	306	5%
Mutual funds	493	465	6%
Custody and other asset management fees	108	84	29%
Advisory services	71	104	-32%
Insurance	140	141	-1%
Payments	680	619	10%
Loans and deposits	286	282	1%
Guarantees	107	108	-1%
Other	110	101	9%
Commission income	2,316	2,210	5%
Securities commissions	-60	-58	3%
Payment commissions	-308	-253	22%
Other commission expenses	-24	-22	9%
Commission expense	-392	-333	18%
Net fee and commission income	1,924	1,877	3%

Fees and commissions

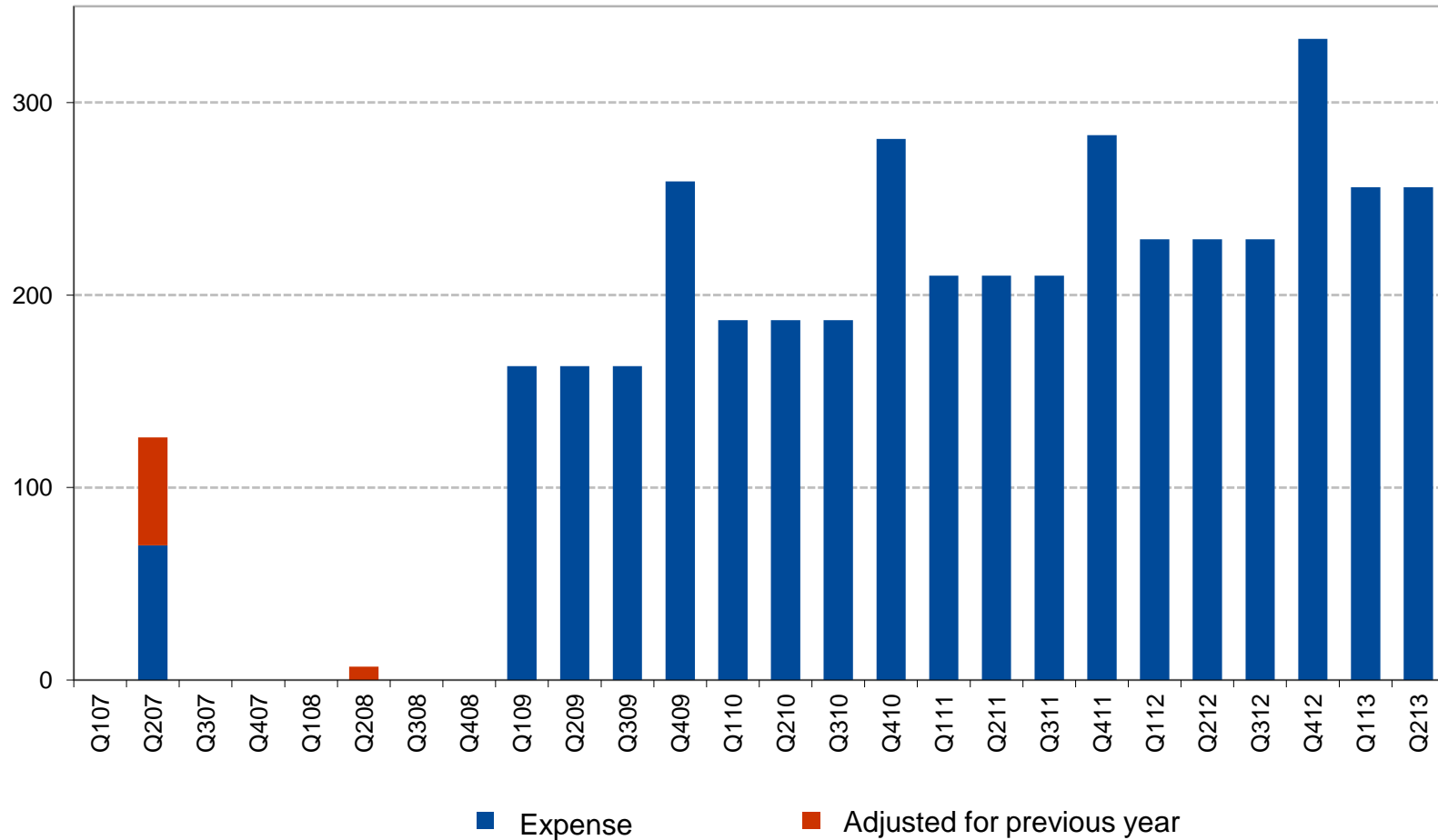
SEK m	Jan-Jun 2013	Jan-Jun 2012	Change
Brokerage and other securities commissions	627	621	1%
Mutual funds	958	817	17%
Custody and other asset management fees	192	174	10%
Advisory services	175	118	49%
Insurance	281	304	-7%
Payments	1,299	1,282	1%
Loans and deposits	568	609	-7%
Guarantees	215	250	-14%
Other	211	210	0%
Commission income	4,526	4,385	3%
Securities commissions	-118	-115	3%
Payment commissions	-561	-506	11%
Other commission expenses	-46	-47	-2%
Commission expense	-725	-668	9%
Net fee and commission income	3,801	3,717	2%

Expenses, trend

SEK m	Jan-Jun 2013	Jan-Jun 2012	Change
Staff costs	-5,579	-5,566	0%
Other administrative expenses	-2,583	-2,450	5%
Depreciation and amortisation	-235	-239	-2%
Total expenses	-8,397	-8,255	2%

Oktagonen quarterly, 2007 – Q2 2013

SEK m



Effective tax rate

Q2 2013	22.6%
Q1 2013	20.4%
Q2 2012	25.2%
Jan – Jun 2013	21.5%
Jan – Jun 2012	26.5%

Balance sheet

SEK bn	Jan-Jun 2013	Jan-Jun 2012	Change
Cash and central banks	246	440	-44%
Loans to the public	1,686	1,632	3%
Loans to other credit institutions	72	91	-22%
Interest-bearing securities	121	112	8%
Other assets	264	266	-1%
Total assets	2,389	2,542	-6%
Deposits and borrowing from the public	637	724	-12%
Due to credit institutions	197	266	-26%
Issued securities	1,210	1,168	4%
Other liabilities	243	291	-16%
Total equity	102	93	10%
Total liabilities and equity	2,389	2,542	-6%

Loans to the public, quarterly

Average volumes, SEK bn	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Household	610	602	595	588	584
Corporate	496	482	480	480	483
Branch office operations in Sweden	1,106	1,084	1,075	1,068	1,067
Household	183	179	178	170	172
Corporate	353	348	351	340	345
Branch office operations outside Sweden	536	527	529	510	517
Other operations	34	38	37	33	38
Household	793	781	773	758	756
Corporate	883	868	868	853	866
Total lending to the public	1,676	1,649	1,641	1,611	1,622

Deposits from the public, quarterly

Average volumes, SEK bn	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Household	217	213	212	210	204
Corporate	163	168	165	160	165
Branch office operations in Sweden	380	381	377	370	369
Household	45	44	45	45	46
Corporate	118	126	134	131	127
Branch office operations outside Sweden	163	170	179	176	173
Other operations	158	145	135	152	138
Household	263	258	257	255	251
Corporate	438	438	434	443	429
Total deposits from the public	701	696	691	698	680

Lending in home markets outside Sweden

Average volumes

	Q2	Q1	
	2013	2013	Change
Private, local currency			
Denmark, DKK bn	28.7	27.9	2.9%
Finland, EUR m	3,667	3,598	1.9%
Norway, NOK bn	71.2	70.3	1.3%
UK, GBP m	3,122	2,963	5.4%
Netherlands, EUR m	442	389	13.6%
Corporate, local currency			
Denmark, DKK bn	31.5	30.7	2.6%
Finland, EUR m	7,955	7,807	1.9%
Norway, NOK bn	109.7	109.9	-0.2%
UK, GBP m	8,317	8,021	3.7%
Netherlands, EUR m	1,255	1,226	2.4%

Lending in home markets outside Sweden

Average volumes

	Jan-Jun 2013	Jan-Jun 2012	Change
Private, local currency			
Denmark, DKK bn	28.3	24.8	14.1%
Finland, EUR m	3,632	3,450	5.3%
Norway, NOK bn	70.7	67.0	5.5%
UK, GBP m	3,042	2,380	27.8%
Netherlands, EUR m	415	192	116.1%
Corporate, local currency			
Denmark, DKK bn	31.1	26.9	15.6%
Finland, EUR m	7,881	6,847	15.1%
Norway, NOK bn	109.8	105.7	3.9%
UK, GBP m	8,169	6,722	21.5%
Netherlands, EUR m	1,240	1,410	-12.1%

Deposits in home markets outside Sweden

Average volumes

	Q2 2013	Q1 2013	Change
Private, local currency			
Denmark, DKK bn	9.2	8.9	3.4%
Finland, EUR m	1,256	1,271	-1.2%
Norway, NOK bn	13.7	13.5	1.5%
UK, GBP m	605	548	10.4%
Netherlands, EUR m	26	24	8.3%
Corporate, local currency			
Denmark, DKK bn	12.6	14.8	-14.9%
Finland, EUR m	1,457	1,546	-5.8%
Norway, NOK bn	32.4	38.7	-16.3%
UK, GBP m	2,438	2,288	6.6%
Netherlands, EUR m	935	639	46.3%

Deposits in home markets outside Sweden

Average volumes

	Jan-Jun 2013	Jan-Jun 2012	Change
Private, local currency			
Denmark, DKK bn	9.0	8.5	5.9%
Finland, EUR m	1,264	1,298	-2.6%
Norway, NOK bn	13.6	12.9	5.4%
UK, GBP m	576	430	34.0%
Netherlands, EUR m	25	10	150.0%
Corporate, local currency			
Denmark, DKK bn	13.7	12.1	13.2%
Finland, EUR m	1,502	2,270	-33.8%
Norway, NOK bn	35.6	36.2	-1.7%
UK, GBP m	2,363	2,077	13.8%
Netherlands, EUR m	787	626	25.7%