

Handelsbanken

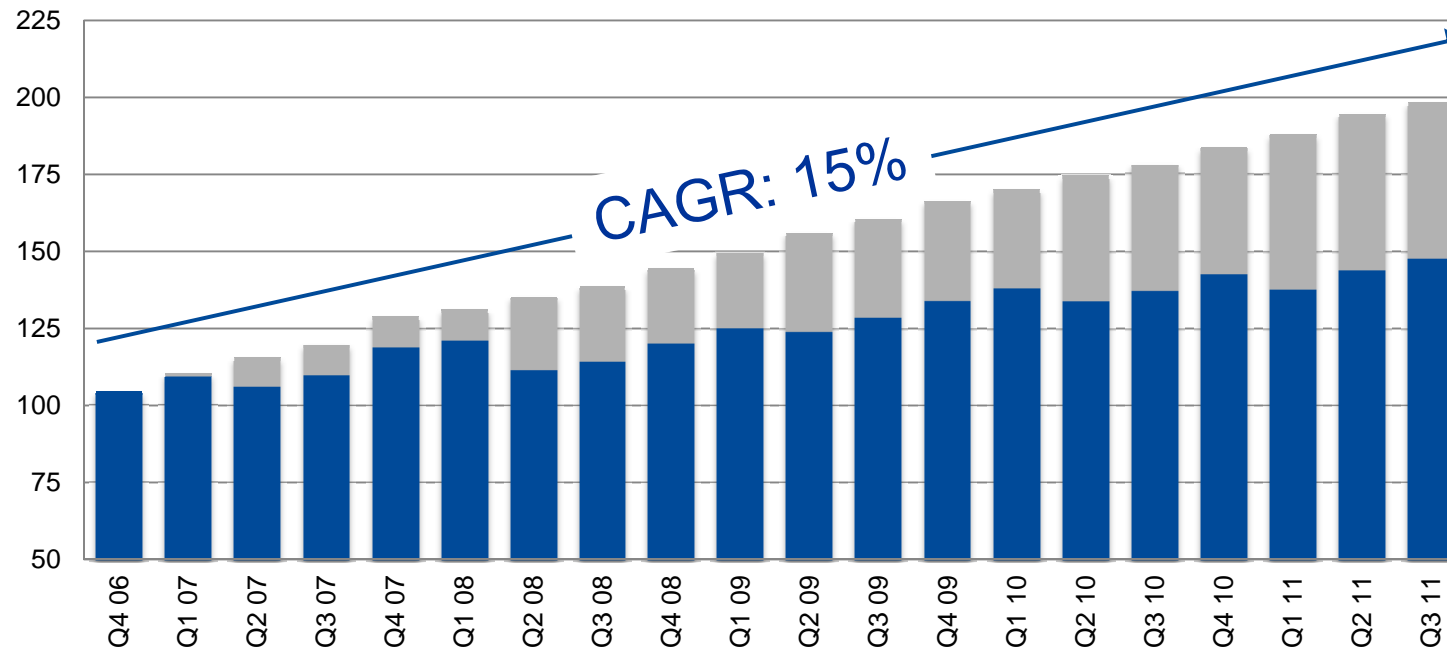
January – September 2011

26 October 2011

Average annual growth in equity including dividends

■ Adjusted equity per share ■ Accumulated dividends in past 5 years

SEK/ share






CAGR, compounded annual growth rate

Summary January – September 2011

- Continued expansion of branch office operations, now over 750 branches in the Group
- In Sweden, increase in household savings with Handelsbanken
 - Swedish investment saving account will be promoted as one of the Bank's free basic services
- Highest quarterly profit ever in branch office operations outside Sweden
- Improved cost/income ratio
- All bonds maturing up to one year have been pre-funded
 - Issuance of 10-year senior bond at EUR 1.25 billion in October
- The liquidity reserve was maintained at over SEK 700 billion
 - SEK 93 billion in dollar inflows in the third quarter

Financial basic data, sequential development

Change, % points	Q3 2011 compared with Q2 2011	Jan-Sep 2011 compared with Jan-Sep 2010	Q3 2011 compared with Q3 2010
Operating profit	+ 5%	+ 14%	+ 21%
Return on allocated capital	+ 0.1	+ 1.0	+ 1.4
Tier I ratio	+ 0.0	+ 1.7	+ 1.7
C/I-ratio, continuing operations	47.3  45.8 -1.5	47.6  46.8 -0.8	48.1  45.8 -2.3

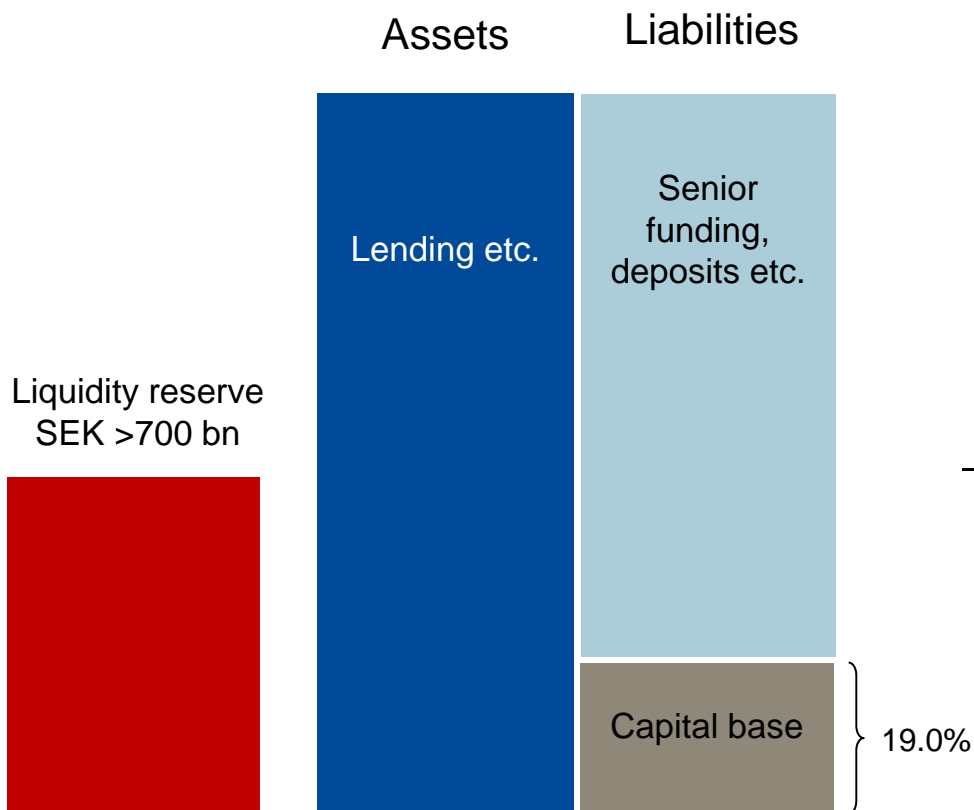
Income statement, January – September

SEK m	Jan-Sep 2011	Jan-Sep 2010	Change
Net interest income	17,256	15,725	10%
Net fee and commission income	5,796	5,895	-2%
Net gains/losses on financial items at fair value	953	1,101	-13%
Risk result - insurance	171	138	24%
Other income	259	309	-16%
Total income	24,435	23,168	5%
Staff costs	-7,432	-7,038	6%
Other expenses	-4,010	-3,983	1%
Total expenses	-11,442	-11,021	4%
Profit before loan losses	12,993	12,147	7%
Net loan losses	-573	-1,214	-53%
Disposal tangible / intangible assets	6	4	
Operating profit	12,426	10,937	14%

Income statement, quarterly change

SEK m	Q3 2011	Q2 2011	Change
Net interest income	6,066	5,683	7%
Net fee and commission income	1,903	1,949	-2%
Net gains/losses on financial items at fair value	284	308	-8%
Risk result - insurance	52	38	37%
Other income	23	191	
Total income	8,328	8,169	2%
Staff costs	-2,498	-2,477	1%
Other expenses	-1,318	-1,385	-5%
Total expenses	-3,816	-3,862	-1%
Profit before loan losses	4,512	4,307	5%
Net loan losses	-157	-172	-9%
Disposal tangible / intangible assets	5	1	
Operating profit	4,360	4,136	5%

Financial strength



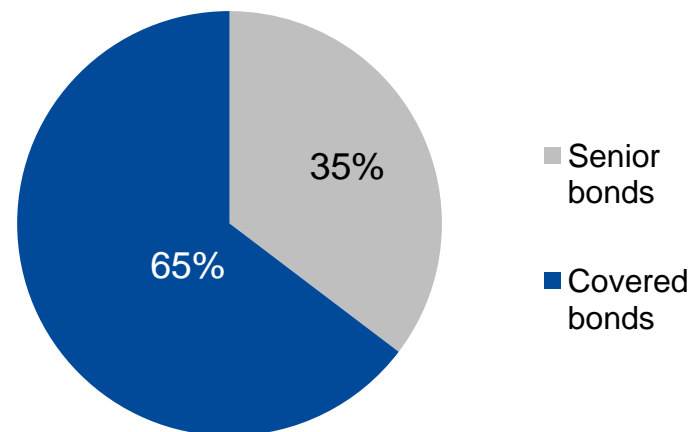
Key ratios, capital	2011 Sept	2010 Sept	
Capital ratio, Basel II, %	19.0	20.7	-1.7
Tier I ratio, Basel II, %	17.4	15.7	+1.7
Tier I capital, SEK bn	93	87	+6
Equity, SEK bn	92	85	+7

Rating	Long-term	Short-term
Moody's	Aa2	P-1
S&P	AA-	A-1+
Fitch	AA-	F1+
DBRS	AA (low)	

Funding January – September 2011

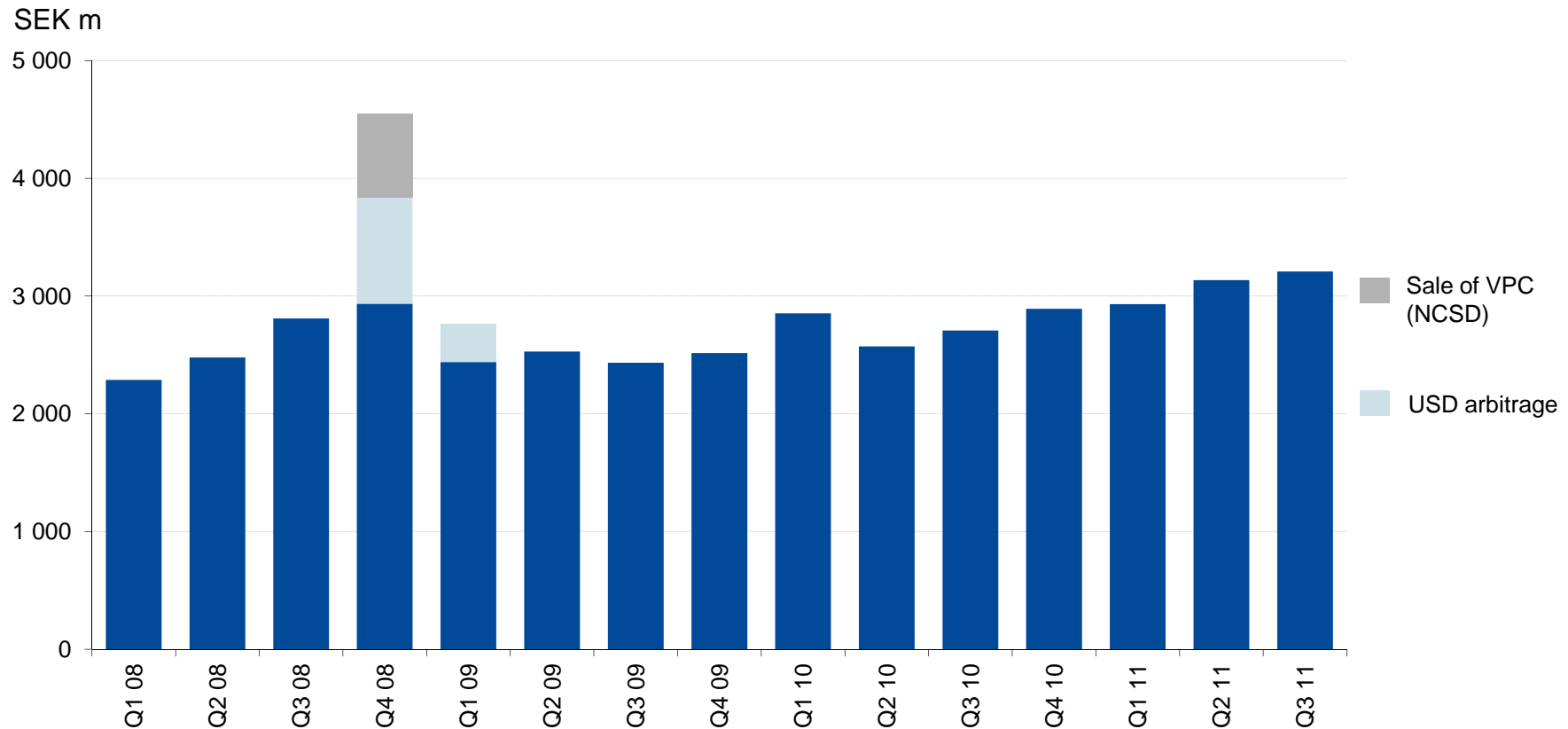
Bond issuance, SEK bn	Jan-Sep 2011	Full year 2010
Senior bonds	59	75
Covered bonds	108	161
Total	167	236
<i>10-year senior bond in October</i>	11	

Bonds Jan-Sep 2011



All bonds maturing up to the third quarter of 2012 are pre-funded

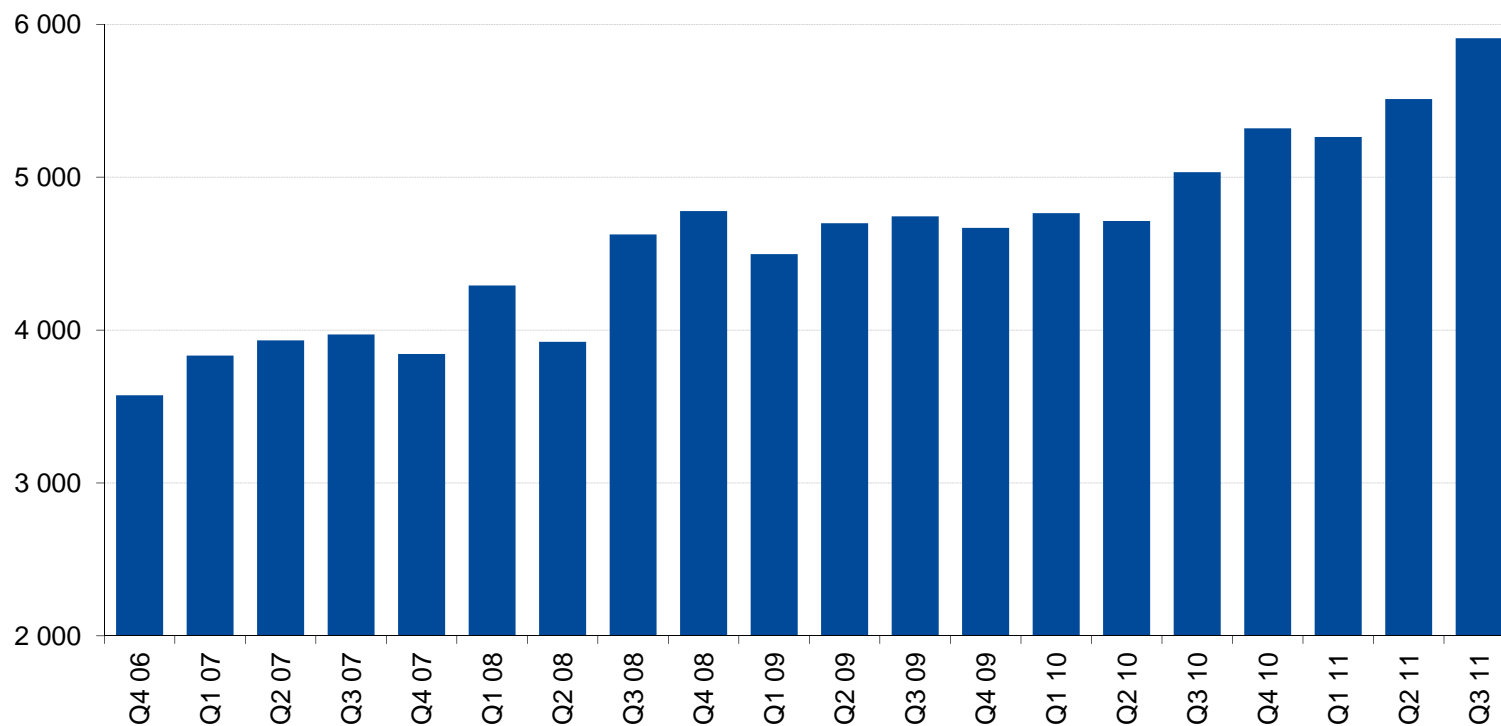
Quarterly result, during the financial crisis, after loan losses and tax



No individual quarter in the past five years with return on equity after loan losses and tax below 12 per cent

Net interest income minus loan losses

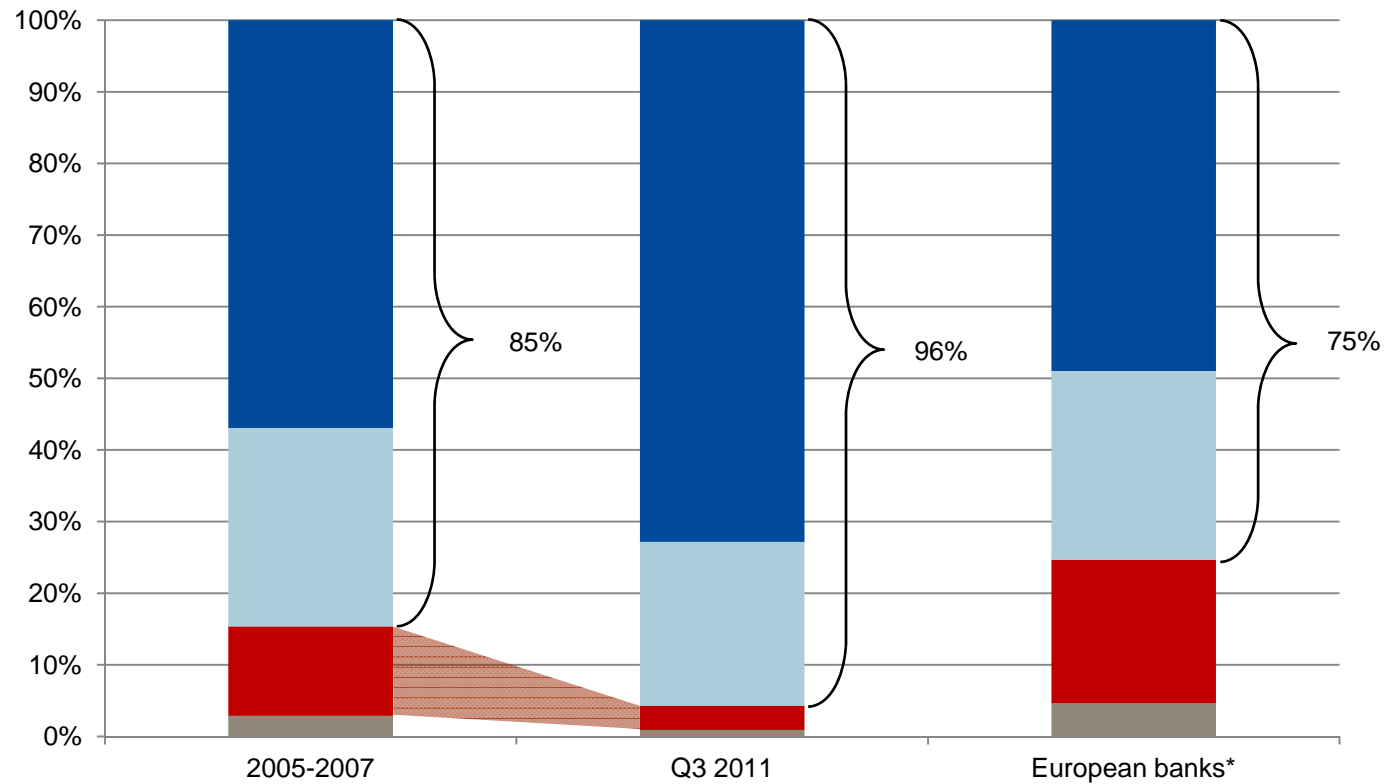
SEK m



Average annual growth 10.6 per cent

Long-term, stable cash flows

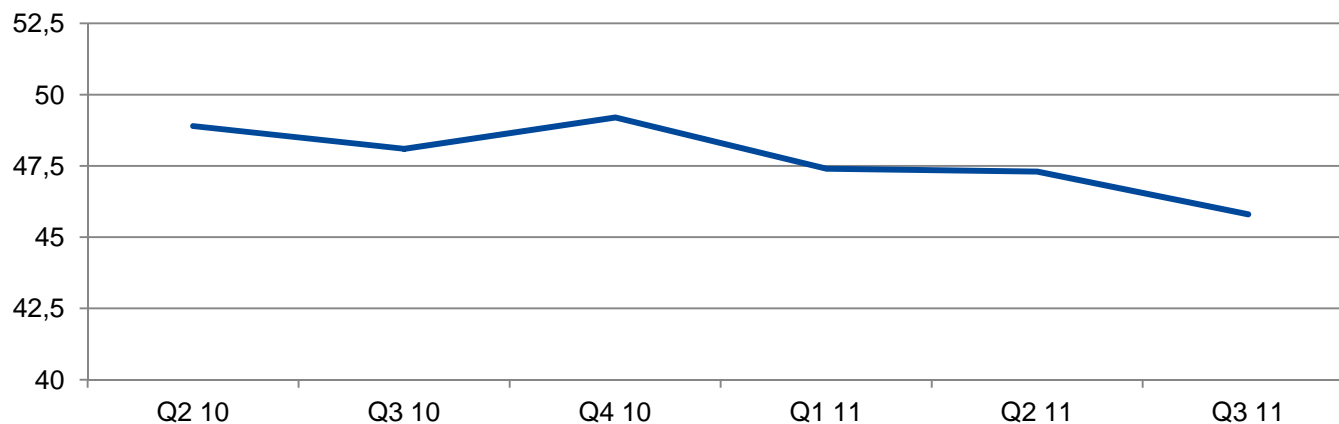
■ Other income ■ Net trading income
■ Net fee and commission income ■ Net interest income



* 10 largest European banks by market cap (Source: SNL Financial)

Expenses – trend

Trend cost/income ratio quarterly:



SEK m	Jan-Sep 2011	Jan-Sep 2010	Change	Q3 / Q2
Staff costs	-7,432	-7,038	6%	
Other administrative expenses	-3,668	-3,637	1%	
Depreciation and amortisation	-342	-346	-1%	
Total expenses	-11,442	-11,021	4%	-1%

Branch office operations in Sweden

Jan – Sep 2011

Operating profit SEK	9,881m
RoE	19.3%
C/I ratio before loan losses	35.1%
Number of branch offices	461
Average number of employees	4,508

Average volumes, SEK bn

Loans	1,041
Deposits	350



Basic services – everyday finances with no unnecessary fees

We don't charge when the customer does the work:

Online banking, Handelsbanken Direkt personal service 24/7, Telesvar telephone service, mobile phone service or banking in a tablet device

Our basic services: What customers need to manage their daily financial transactions

Examples: Frikort debit card with no annual fee, pay bills via autogiro (direct debit) or online etc.



Investment savings account – new basic service

New, simple type of savings from 1 January 2012

Possible to gather account, custody and mutual fund savings in one place

A straightforward – free of charge – basic service



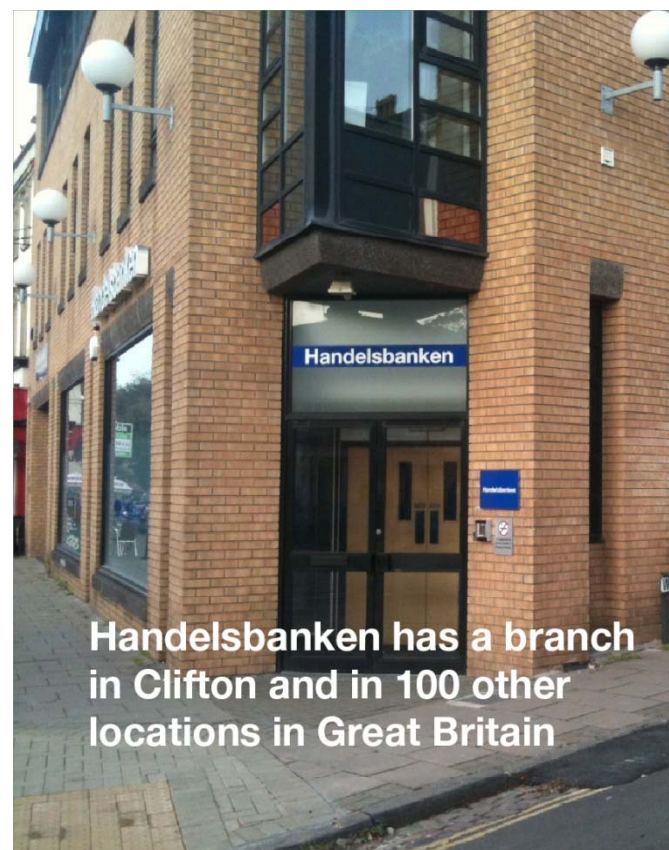
Branch office operations outside Sweden

Jan – Sep 2011

Operating profit SEK	2,337m
RoE, including new branches	9.4%
C/I ratio before loan losses	55.1%
Number of branch offices	283
Average number of employees	3,124

Average volumes, SEK bn

Loans	460
Deposits	146

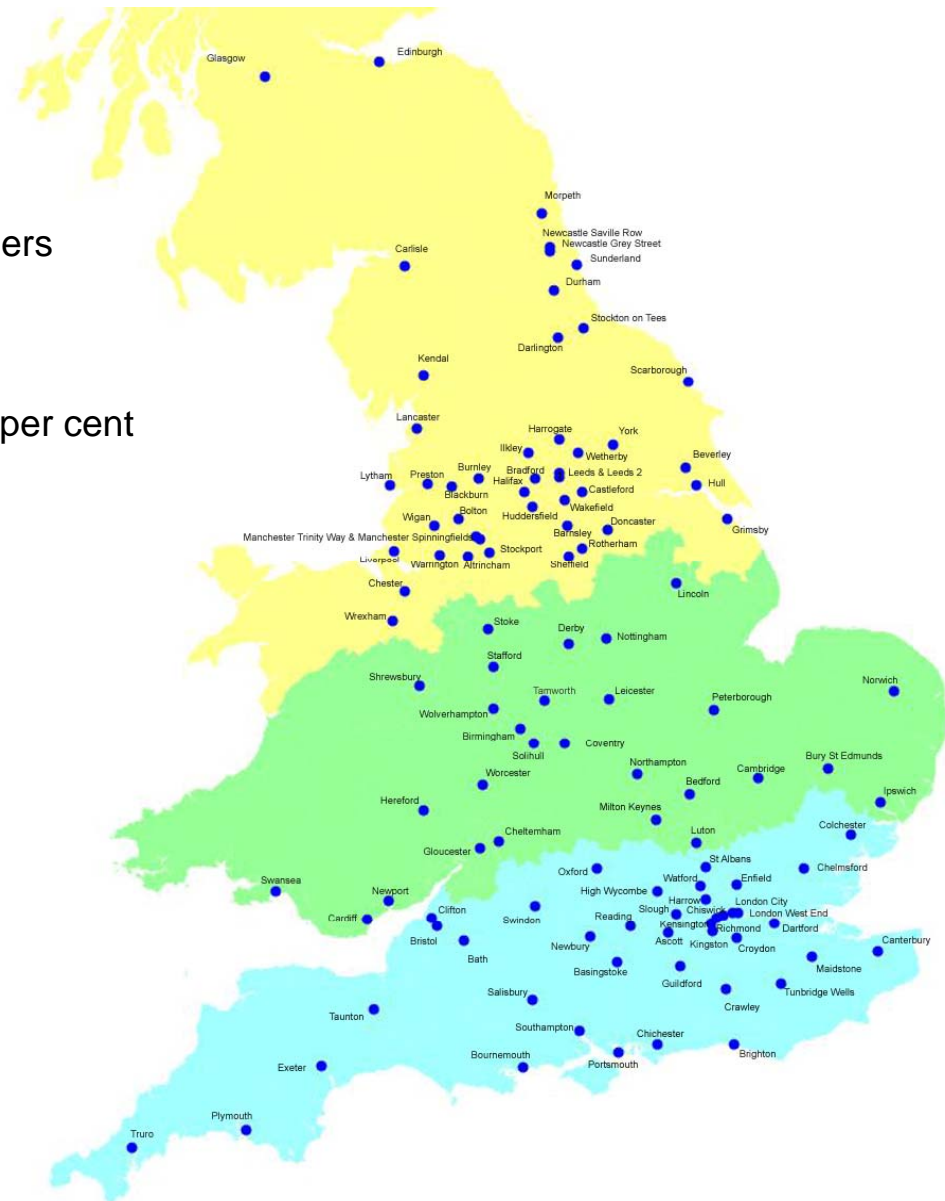


Handelsbanken has a branch in Clifton and in 100 other locations in Great Britain

Handelsbanken

Branch operations in the UK

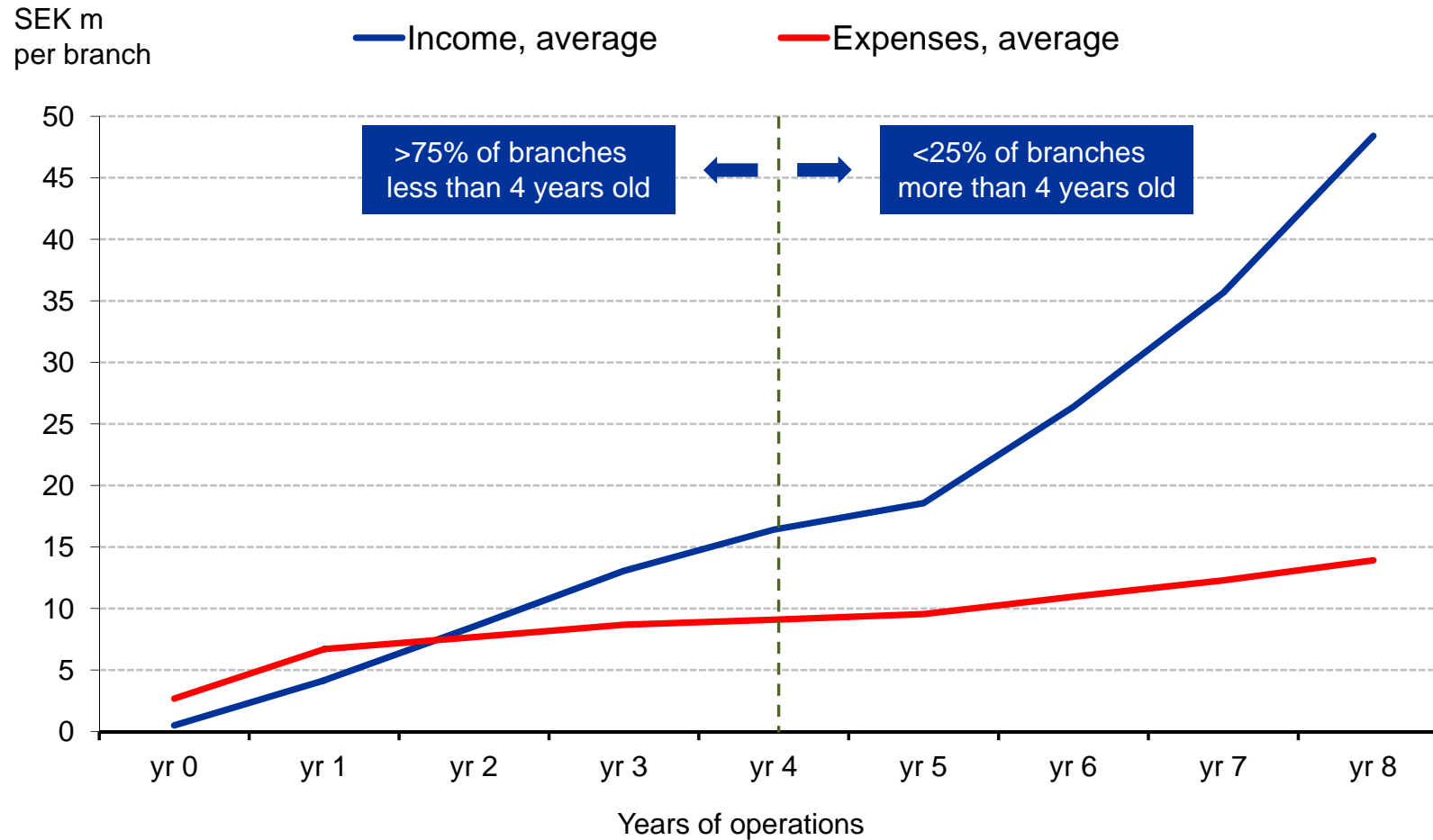
- 111 branches including recruited branch managers
- January – September 2011*
 - Profit before loan losses increased by 27 per cent
 - Net interest income grew by 27 per cent
 - Average lending rose by 23 per cent



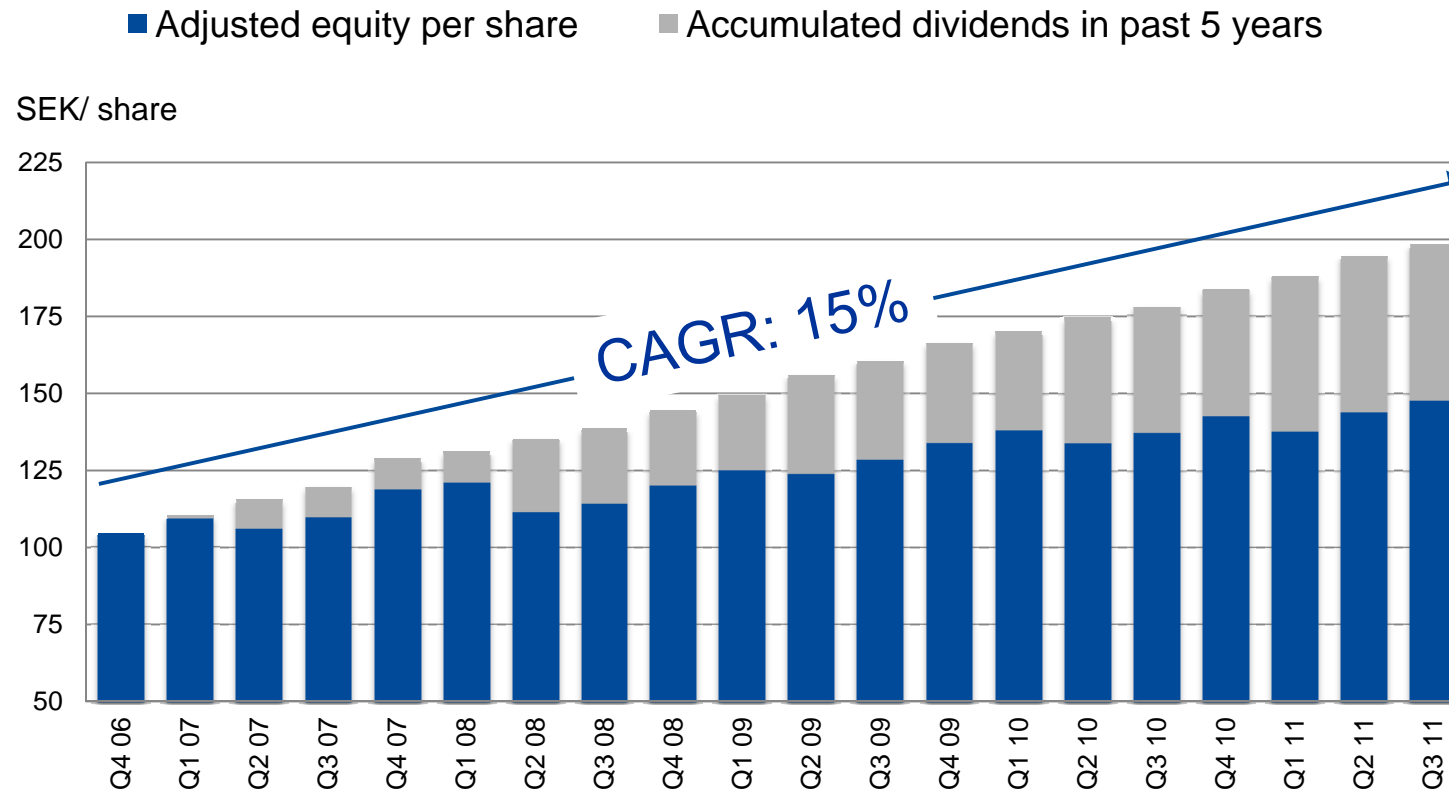
* In local currency

Income and expenses trend, newly opened branches in Great Britain

Refers to the average of 98 branches opened in Great Britain 2000 – 2011:Q3



Average annual growth in equity including dividends



CAGR, compounded annual growth rate

Appendix

Income statement, five quarters

SEK m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Net interest income	6,066	5,683	5,507	5,612	5,327
Net fee and commission income	1,903	1,949	1,944	2,127	1,924
Net gains/losses on financial items at fair value	284	308	361	276	177
Risk result - insurance	52	38	81	67	42
Other income	23	191	45	46	36
Total income	8,328	8,169	7,938	8,128	7,506
Staff costs	-2,498	-2,477	-2,457	-2,466	-2,330
Other expenses	-1,318	-1,385	-1,307	-1,531	-1,280
Total expenses	-3,816	-3,862	-3,764	-3,997	-3,610
Profit before loan losses	4,512	4,307	4,174	4,131	3,896
Net loan losses	-157	-172	-244	-293	-294
Disposal tangible / intangible assets	5	1	0	-5	4
Operating profit	4,360	4,136	3,930	3,833	3,606
Operating profit discontinued operations	30	60	63	65	47
Total operating profit	4,390	4,196	3,993	3,898	3,653

Change in net interest income

	SEK m	
Net interest income Q2 2011	5,683	
Deposits, branch offices in Sweden - margins	-13	
- volumes	16	
Lending, branch offices in Sweden - margins	141	
- volumes	39	
Deposits & lending, branch offices outside Sweden	142	
3M STIBOR on equity	56	
Mandatory government fees (deposit insurance, stabilisation fund etc)	-50	
Exchange rate movements	32	
Other	20	
Change in net interest income	383	
Net interest income Q3 2011	6,066	7%

Fee to the Stabilisation Fund, January – September

SEK bn	2011
Total liabilities and equity	2,782
Reduction for total equity, untaxed reserves and subordinated loans	-163
Reduction for intercompany liabilities	-359
Basis for calculation of fee	2,260
SEK m	
Fee 0.036%	814
No reduction from 2011	
Total fee, January - September 2011	610

Fees and commissions

SEK m	Jan-Sep 2011	Jan-Sep 2010	Change
Brokerage and other securities commissions	1,085	1,345	-19%
Mutual funds	1,269	1,150	10%
Custody	286	278	3%
Advisory services	161	150	7%
Insurance	523	499	5%
Payments	1,891	1,807	5%
Lending and deposits	889	918	-3%
Guarantees	350	395	-11%
Other	307	302	2%
Commission income	6,761	6,844	-1%
Commission expense	-965	-949	2%
Net fee and commission income	5,796	5,895	-2%

Fees and commissions, quarterly change

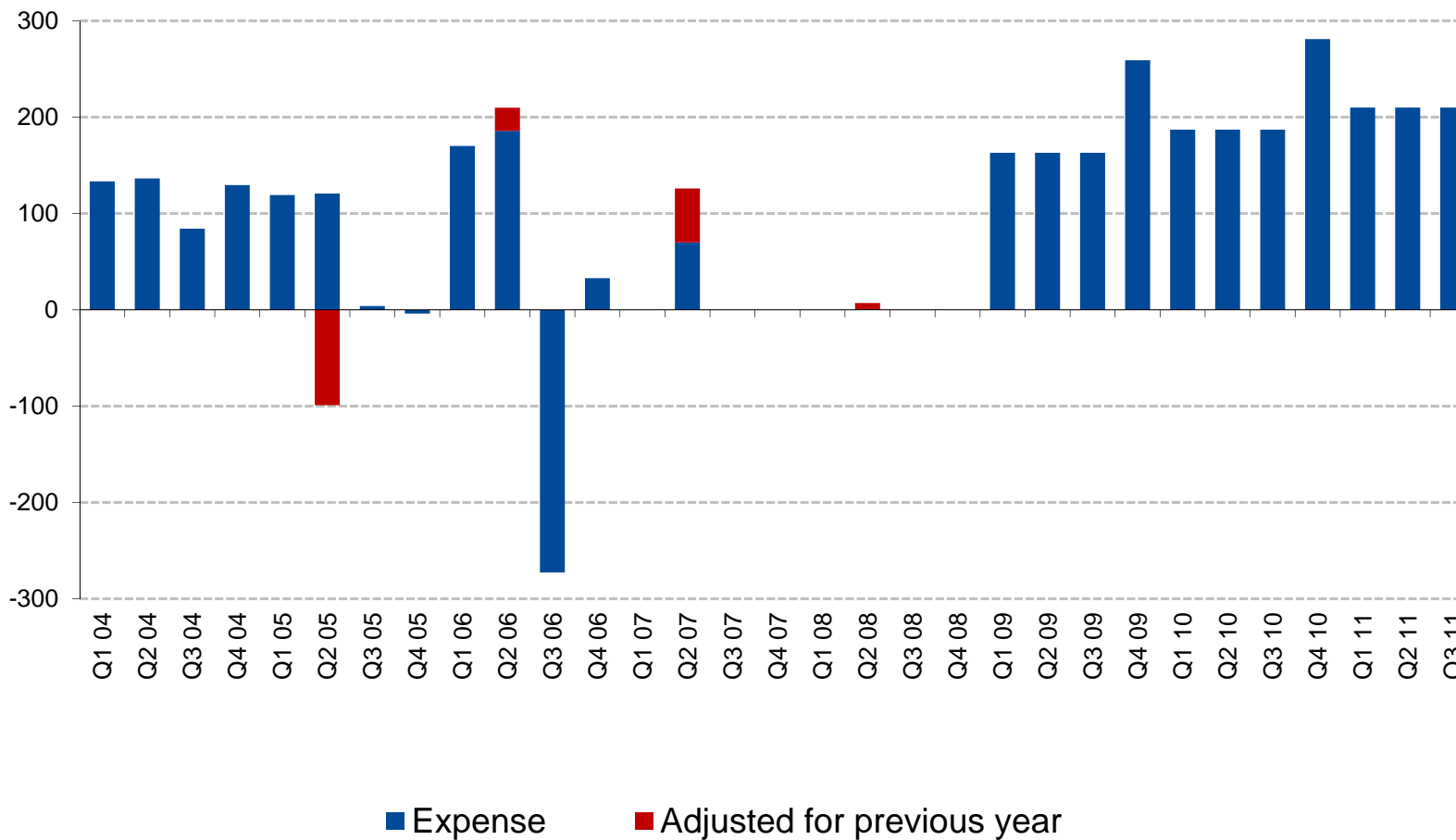
SEK m	Q3 2011	Q2 2011	Change
Brokerage and other securities commissions	310	362	-14%
Mutual funds	402	415	-3%
Custody	89	96	-7%
Advisory services	62	55	13%
Insurance	203	168	21%
Payments	650	651	0%
Lending and deposits	315	291	8%
Guarantees	112	123	-9%
Other	99	117	-15%
Commission income	2,242	2,278	-2%
Commission expense	-339	-329	3%
Net fee and commission income	1,903	1,949	-2%

Equity-related commissions

SEK m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Brokerage	300	344	392	498	413
Mutual funds and custody	481	499	537	525	465
Corporate finance	62	55	44	73	52
Commission expense	-59	-45	-52	-54	-50
Total	784	853	921	1,042	880

Oktagonen quarterly 2004 – 2011

SEK m



Key ratios

	Jan-Sep 2011	Jan-Sep 2010
Return on equity, total operations	13.8%	12.8%
Return on equity, continuing operations	13.6%	12.6%
C/I ratio, continuing operations	46.8%	47.6%
Earnings per share, total operations, SEK	14.90	13.08
- after dilution	14.60	12.85

Effective tax burden

- Corporation tax on the profit for banking operations
- No tax on the administration result and the risk result in the insurance operations, except for outright risk insurance
- The yield split has already been taxed
- Corporation tax on yield on shareholders' equity in the insurance operations
- Effective tax burden:

Q3 2011	27.1%
Q2 2011	25.3%
Q3 2010	26.2%
January – September 2011	26.4%
January – December 2010	26.8%

Balance sheet

SEK bn	30 Sep 2011	30 Sep 2010	Change
Loans to the public	1,599	1,497	7%
Loans to other credit institutions	117	128	-10%
Interest-bearing securities	119	134	-11%
Other assets	641	429	49%
Total assets	2,476	2,188	13%
Deposits and borrowing from the public	720	590	22%
Due to credit institutions	235	212	11%
Issued securities	1,112	952	17%
Other liabilities	317	349	-9%
Total equity	92	85	8%
Total liabilities and equity	2,476	2,188	13%

Loans to the public, quarterly

Average volumes, SEK bn	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Household	575	566	557	552	541
Corporate	487	479	460	457	463
Branch office operations in Sweden	1,062	1,045	1,017	1,009	1,004
Household	161	153	146	143	142
Corporate	317	304	296	306	315
Branch office operations outside Sweden	478	457	442	449	457
Other operations	35	50	27	17	18
Household	737	720	704	695	683
Corporate	838	832	782	780	796
Total loans to the public	1,575	1,552	1,486	1,475	1,479

Deposits from the public, quarterly

Average volumes, SEK bn	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Household	198	194	191	190	185
Corporate	157	155	156	148	149
Branch office operations in Sweden	355	349	347	338	334
Household	43	41	39	40	41
Corporate	109	103	103	102	99
Branch office operations outside Sweden	152	144	142	142	140
Other operations	153	122	106	61	70
Household	241	235	230	230	226
Corporate	419	380	365	311	317
Total deposits from the public	660	615	595	541	544

Average volumes – lending, home markets outside Sweden

Private, local currency	Q3 2011	Q2 2011	Change
Denmark, DKK bn	22.1	21.8	1.4%
Finland, EUR m	3,253	3,231	0.7%
Norway, NOK bn	64.6	62.8	2.9%
Great Britain, GBP m	2,029	1,851	9.6%

Corporate, local currency

Denmark, DKK bn	21.6	19.7	9.6%
Finland, EUR m	6,855	6,728	1.9%
Norway, NOK bn	100.3	100.7	-0.4%
Great Britain, GBP m	5,900	5,461	8.0%

Average volumes – lending, home markets outside Sweden

	30 Sep 2011	30 Sep 2010	Change
Private, local currency			
Denmark, DKK bn	21.7	19.3	12.4%
Finland, EUR m	3,231	3,148	2.6%
Norway, NOK bn	62.7	54.6	14.8%
Great Britain, GBP m	1,849	1,260	46.7%
Corporate, local currency			
Denmark, DKK bn	20.2	20.0	1.0%
Finland, EUR m	6,727	6,766	-0.6%
Norway, NOK bn	100.7	101.6	-0.9%
Great Britain, GBP m	5,480	4,701	16.6%

Average volumes – deposits, home markets outside Sweden

	Q3 2011	Q2 2011	Change
Private, local currency			
Denmark, DKK bn	8.7	8.3	4.8%
Finland, EUR m	1,277	1,227	4.1%
Norway, NOK bn	12.0	11.3	6.2%
Great Britain, GBP m	353	356	-0.8%
Corporate, local currency			
Denmark, DKK bn	11.2	10.2	9.8%
Finland, EUR m	1,671	1,706	-2.1%
Norway, NOK bn	35.9	39.6	-9.3%
Great Britain, GBP m	1,636	1,335	22.5%

Average volumes – deposits, home markets outside Sweden

	30 Sep 2011	30 Sep 2010	Change
Private, local currency			
Denmark, DKK bn	8.4	8.5	-1.2%
Finland, EUR m	1,239	1,268	-2.3%
Norway, NOK bn	11.3	9.4	20.2%
Great Britain, GBP m	357	331	7.9%
Corporate, local currency			
Denmark, DKK bn	11.2	12.4	-9.7%
Finland, EUR m	1,875	2,516	-25.5%
Norway, NOK bn	37.9	32.7	15.9%
Great Britain, GBP m	1,360	1,042	30.5%