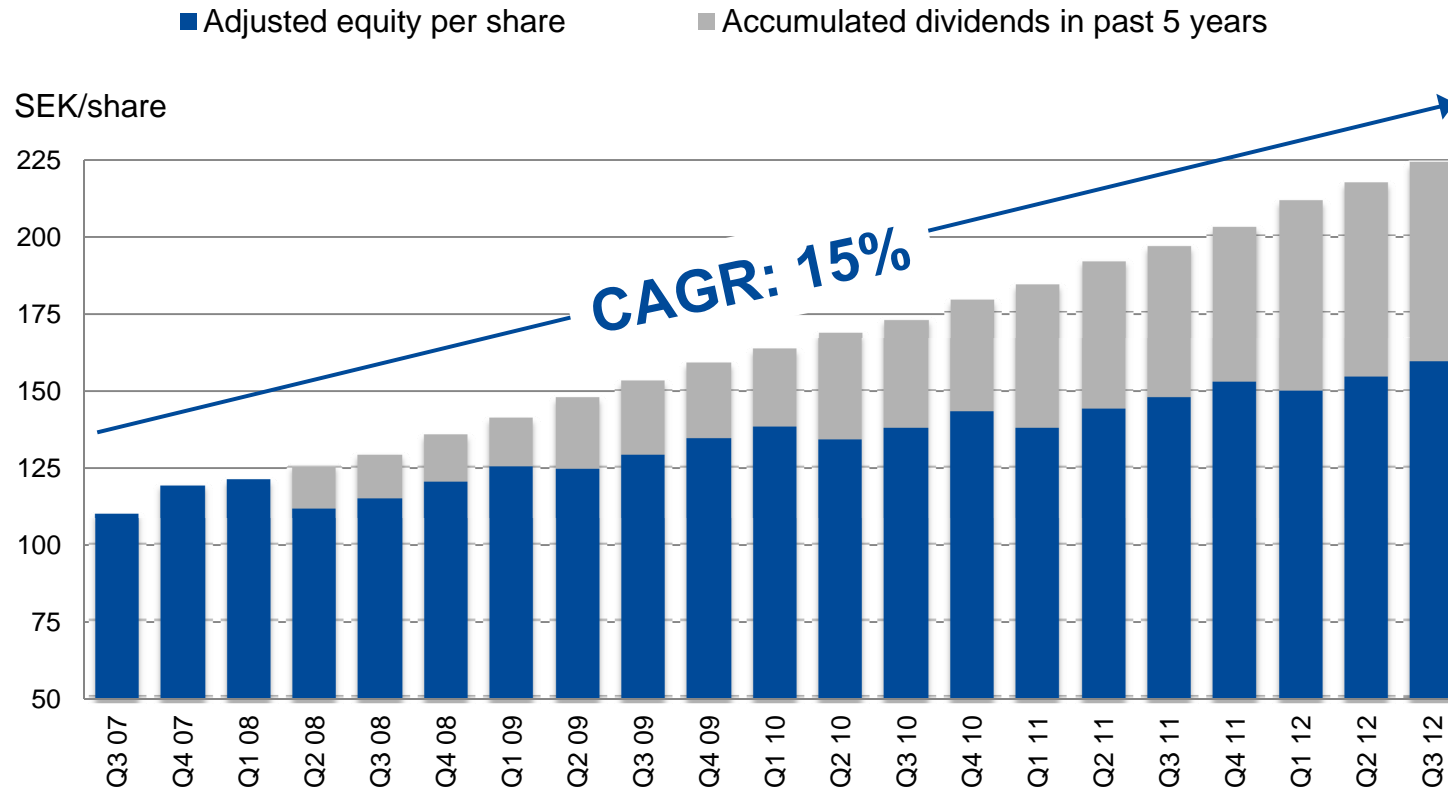


# Handelsbanken

January – September 2012

22 October 2012

# Average annual growth in equity including dividends



Dividends reinvested in RoE per quarter

CAGR, compounded annual growth rate

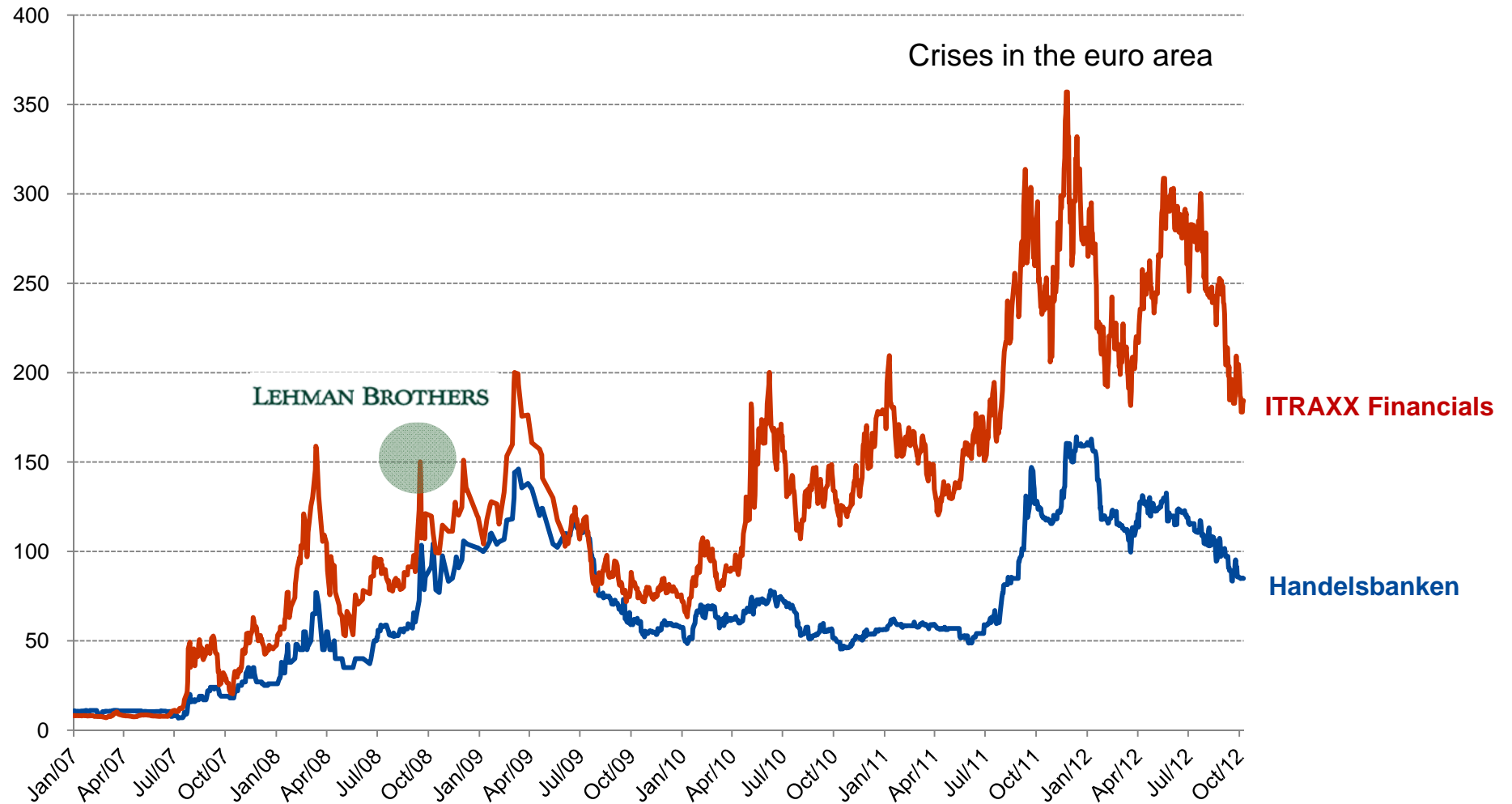
## Summary January – September 2012

<b>SEK m</b>	<b>2012</b>	<b>Change y-o-y</b>
Income	26,171	+ 7%
Expenses	-11,810	+3%
C/I ratio, continuing operations	45.1	-1.7% points
Operating profit	13,504	+ 9%
Equity, SEK bn	101.0	+9.3bn
Return on equity	13.7%	- 0,1% points
Tier I ratio, Basel II	20.5%	+ 3.1% points
Core tier I ratio, Basel II	17.9%	+ 3.2% points
Core tier I ratio, Basel III	15.9%	-
Liquidity reserve, SEK bn	>750	>+50
Operating profit, Branch office operations outside Sweden	3,373	+50%
Operating profit, Branch office operations in the UK	776	+87%

# Income statement

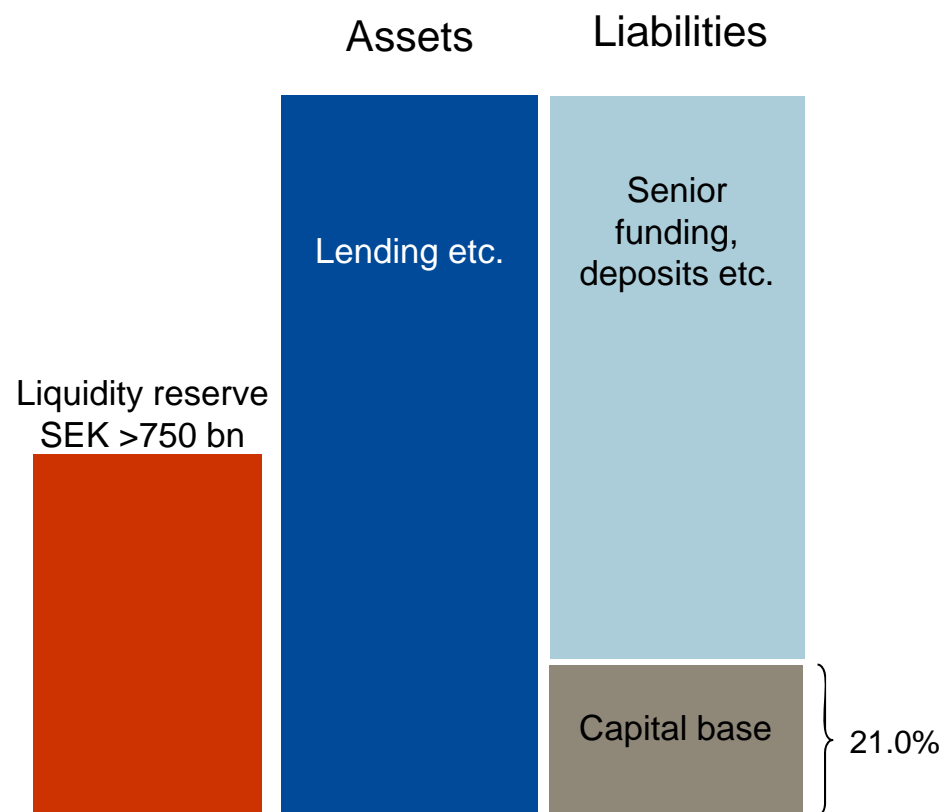
SEK m	Q3 2012	Q3 2011	Change	Q2 2012	Change	Jan-Sep 2012	Jan-Sep 2011	Change
Net interest income	6,462	6,066	7%	6,575	-2%	19,597	17,256	14%
Net fee and commission income	1,742	1,903	-8%	1,825	-5%	5,459	5,796	-6%
Net gains/losses on financial items at fair value	191	284	-33%	219	-13%	754	953	-21%
Other income	29	27	7%	34	-15%	101	101	0%
<b>Total income</b>	<b>8,466</b>	<b>8,328</b>	<b>2%</b>	<b>8,839</b>	<b>-4%</b>	<b>26,171</b>	<b>24,435</b>	<b>7%</b>
Staff costs	-2,562	-2,498	3%	-2,670	-4%	-7,900	-7,432	6%
Other administrative expenses	-1,108	-1,206	-8%	-1,236	-10%	-3,558	-3,668	-3%
Depreciation, amortisation and impairments of property, equipment and intangible assets	-113	-112	1%	-117	-3%	-352	-342	3%
<b>Total expenses</b>	<b>-3,783</b>	<b>-3,816</b>	<b>-1%</b>	<b>-4,023</b>	<b>-6%</b>	<b>-11,810</b>	<b>-11,442</b>	<b>3%</b>
<b>Profit before loan losses</b>	<b>4,683</b>	<b>4,512</b>	<b>4%</b>	<b>4,816</b>	<b>-3%</b>	<b>14,361</b>	<b>12,993</b>	<b>11%</b>
Gains/losses on disposal of property, equipment and intangible assets	-1	5		0		-1	6	
Net loan losses	-277	-157	76%	-288	-4%	-856	-573	49%
<b>Operating profit</b>	<b>4,405</b>	<b>4,360</b>	<b>1%</b>	<b>4,528</b>	<b>-3%</b>	<b>13,504</b>	<b>12,426</b>	<b>9%</b>

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



Source: Ecowin, Bloomberg

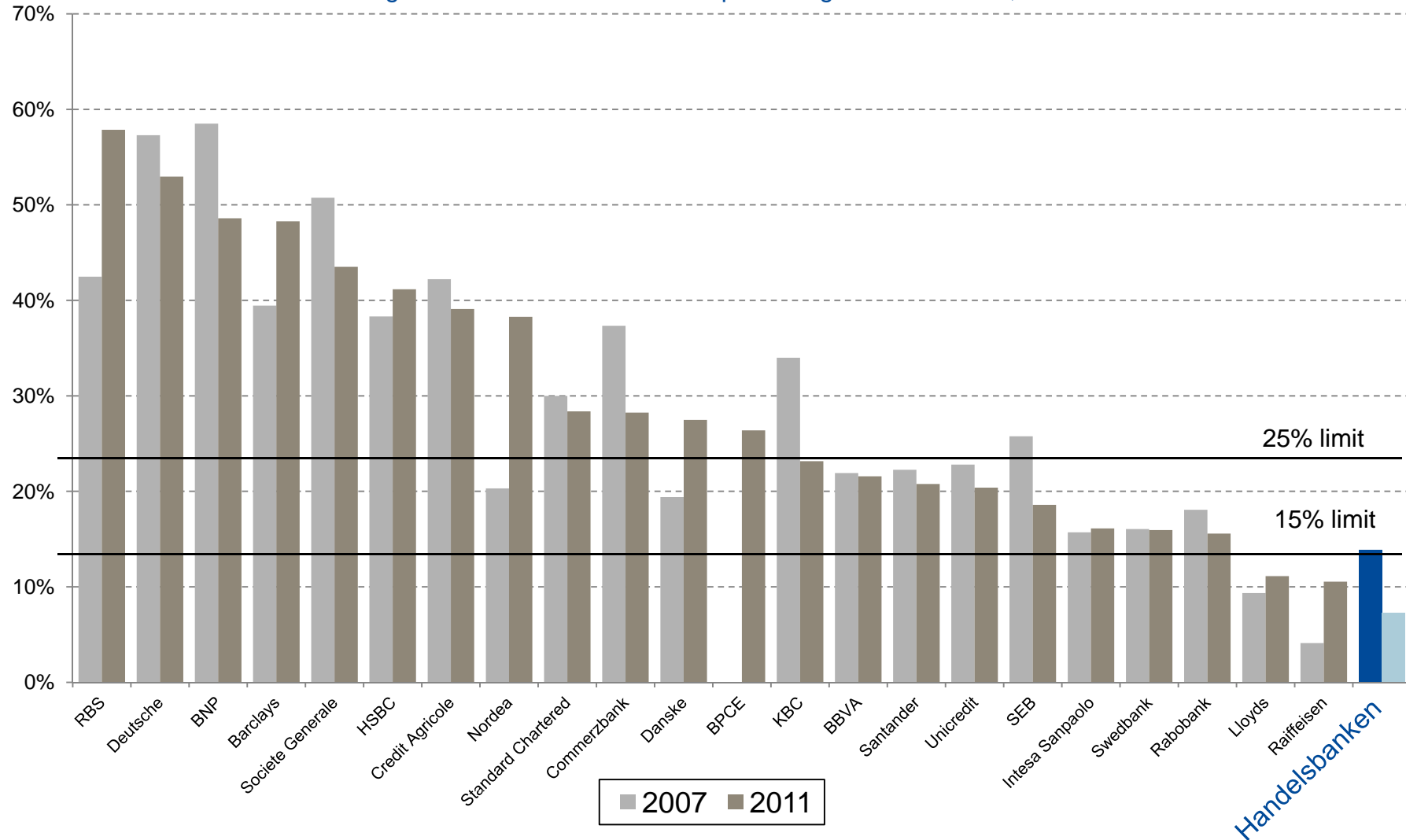
# Financial strength



Key ratios, capital	30 Sep 2012	30 Sep 2011	
Capital ratio, Basel II, %	21.0	19.0	+2.0
Tier I ratio, Basel II, %	20.5	17.4	+3.1
Core tier I ratio, Basel II, %	17.9	14.7	+3.2
Core tier I ratio, Basel III, %	15.9	-	-
Tier I capital, SEK bn	100	93	+7
Equity, SEK bn	101	92	+9

# Liikanen report: Proportion of trading assets for EU banks

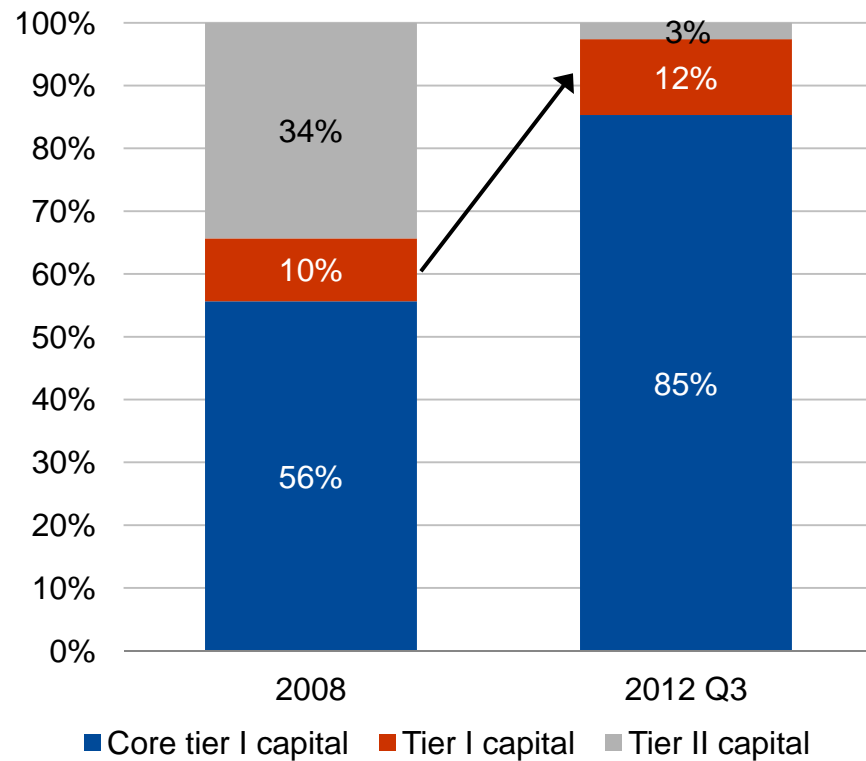
Assets classified as 'held-for-trading' and 'available-for-sale' as a percentage of total assets, 2007 & 2011



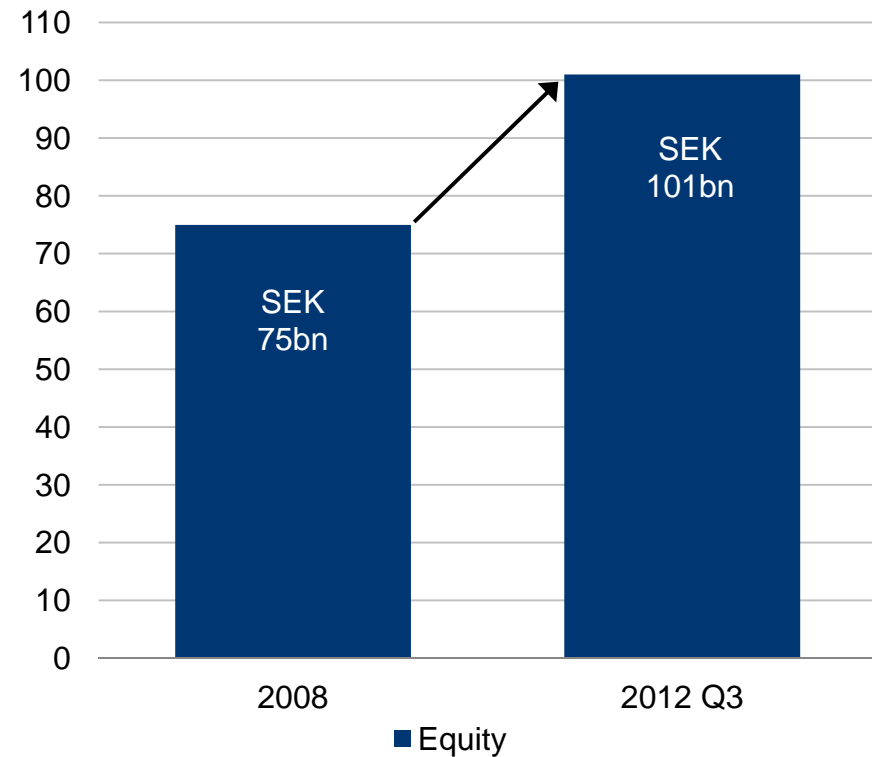
Source: Liikanen report & SNL Financial

# Components of the capital base – Equity

Components of the capital base – Percentage of total capital base



Equity in the Group





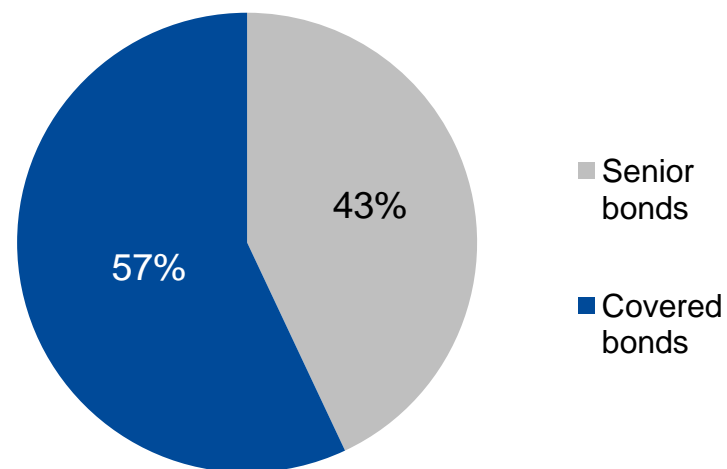
## Funding January – September

<b>Bond issuance, SEK bn</b>	<b>Jan-Sep 2012</b>	<b>Jan-Sep 2011</b>
Senior bonds	76	59
Covered bonds	127	108
<b>Total</b>	<b>203</b>	<b>167</b>

Issues include:

- AUD 750mn 5Y covered
- USD 1.5bn 7Y covered
- EUR 1.0bn 10Y senior

Bonds Q3 2012



All bonds maturing up to and including 2013 are pre-funded

## Branch office operations in Sweden

### January – September 2012

Operating profit SEK m	9,973
RoE	19.1%
C/I ratio before loan losses	33.4%
Number of branch offices	461
Average number of employees	4,394
<i>Average volumes, SEK bn</i>	
Loans	1,066
Deposits	370



Handelsbanken

## Branch office operations outside Sweden

### January – September 2012

Operating profit SEK m	3,373
RoE, including new branches	11.1%
C/I ratio before loan losses	47.8%
Number of branch offices	306
Average number of employees	3,279

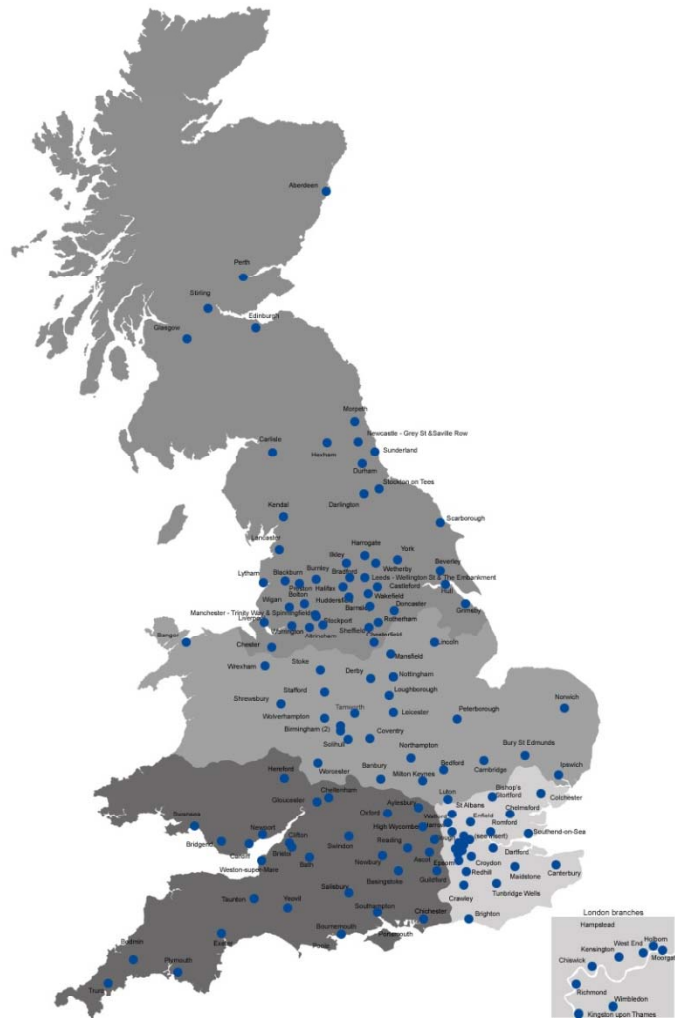
### Average volumes, SEK bn

Loans	508
Deposits	175

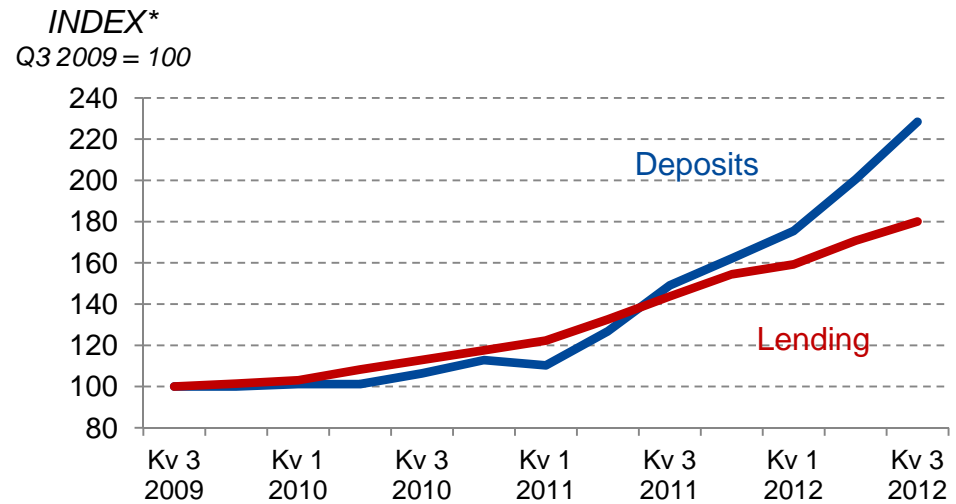


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# Branch operations in the UK

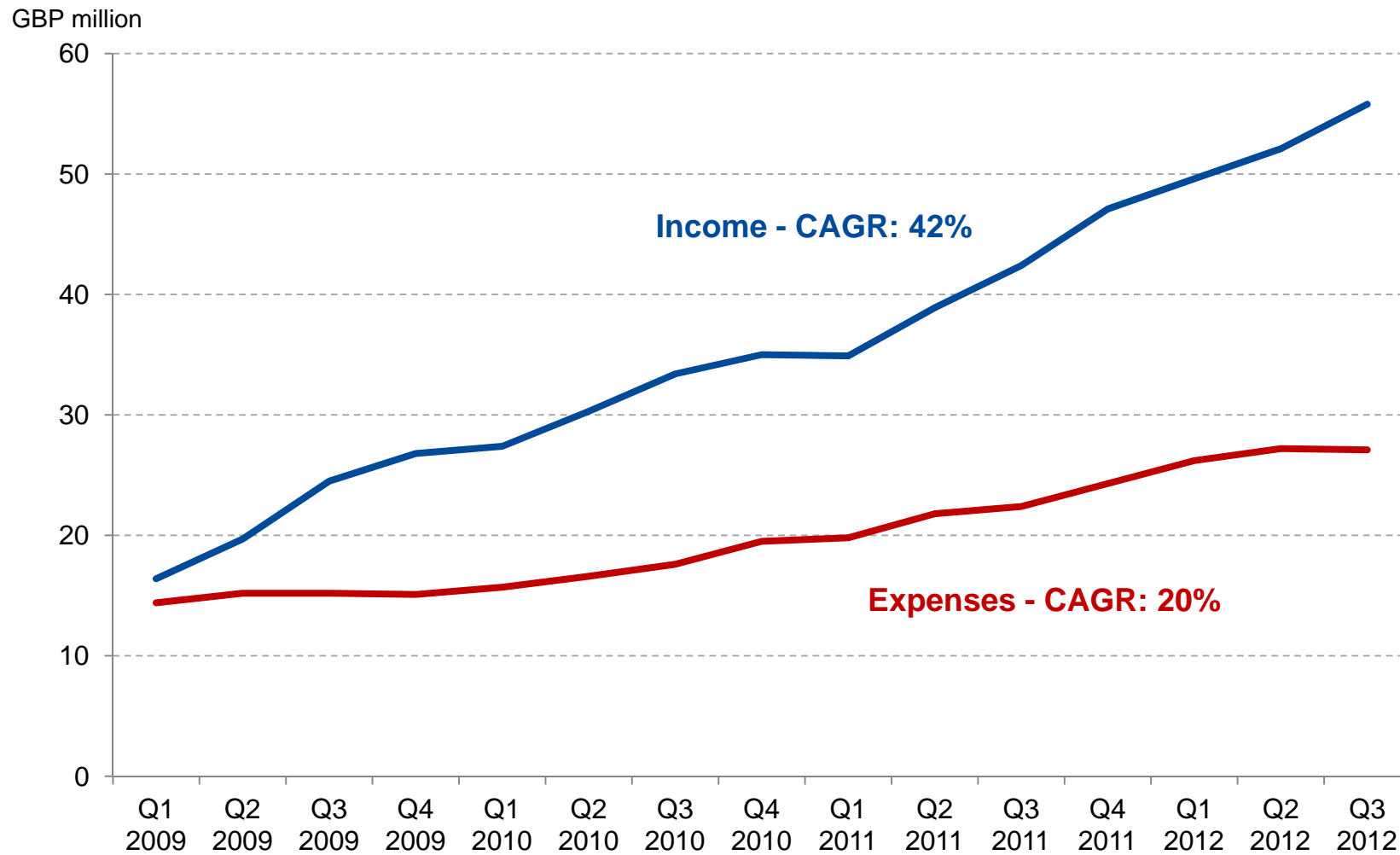


- Continued expansion and increased availability
- 137 branches including recruited branch managers
- Over 1,000 employees in the UK
  
- January – September 2012
  - Operating income rose by 87%
  - Net interest income grew by 41 per cent to SEK 1.5bn
  - Deposits rose by 56 per cent and lending by 28 per cent



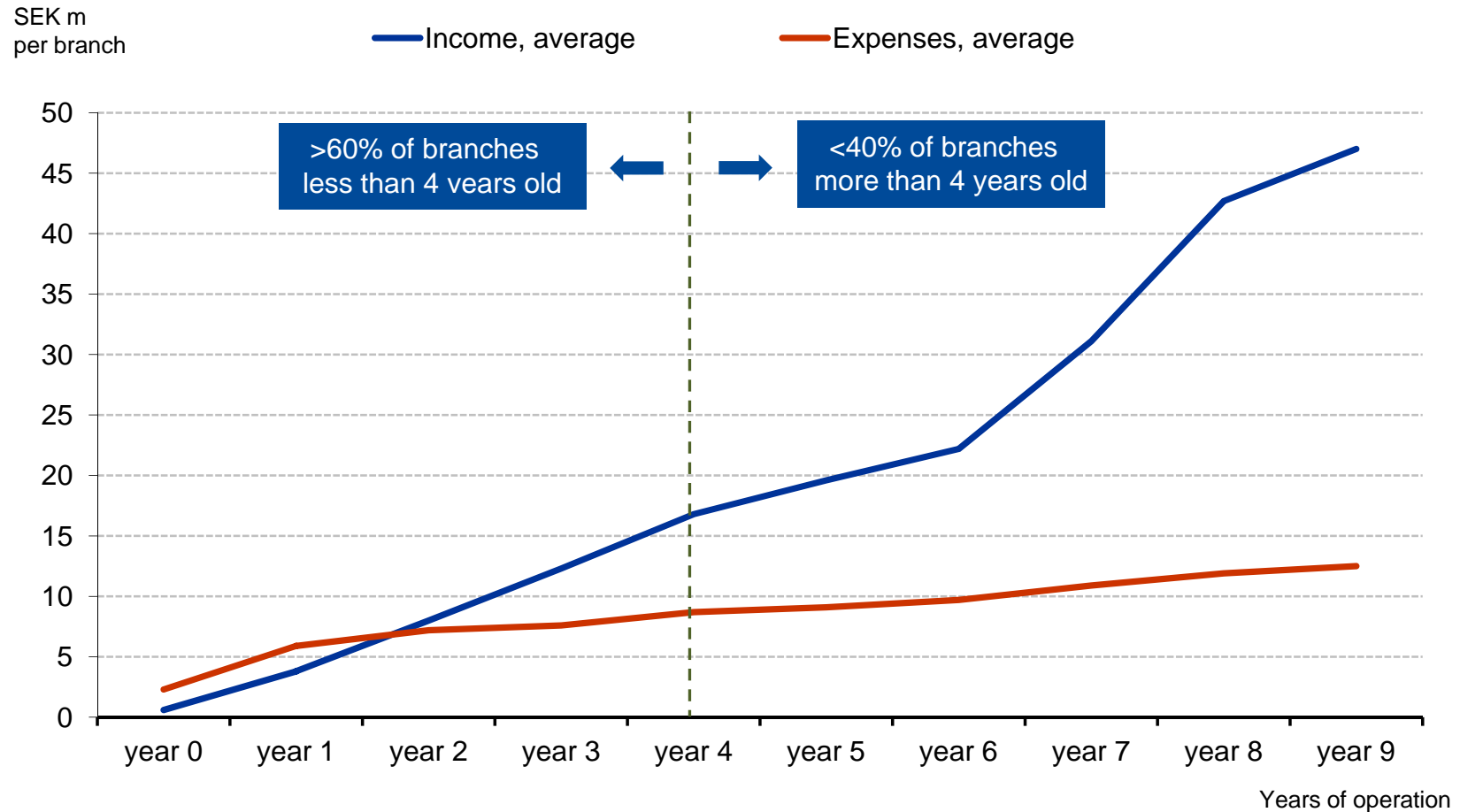
\* Refers to average volumes in GBP

## Income and expenses trend, branches in the UK



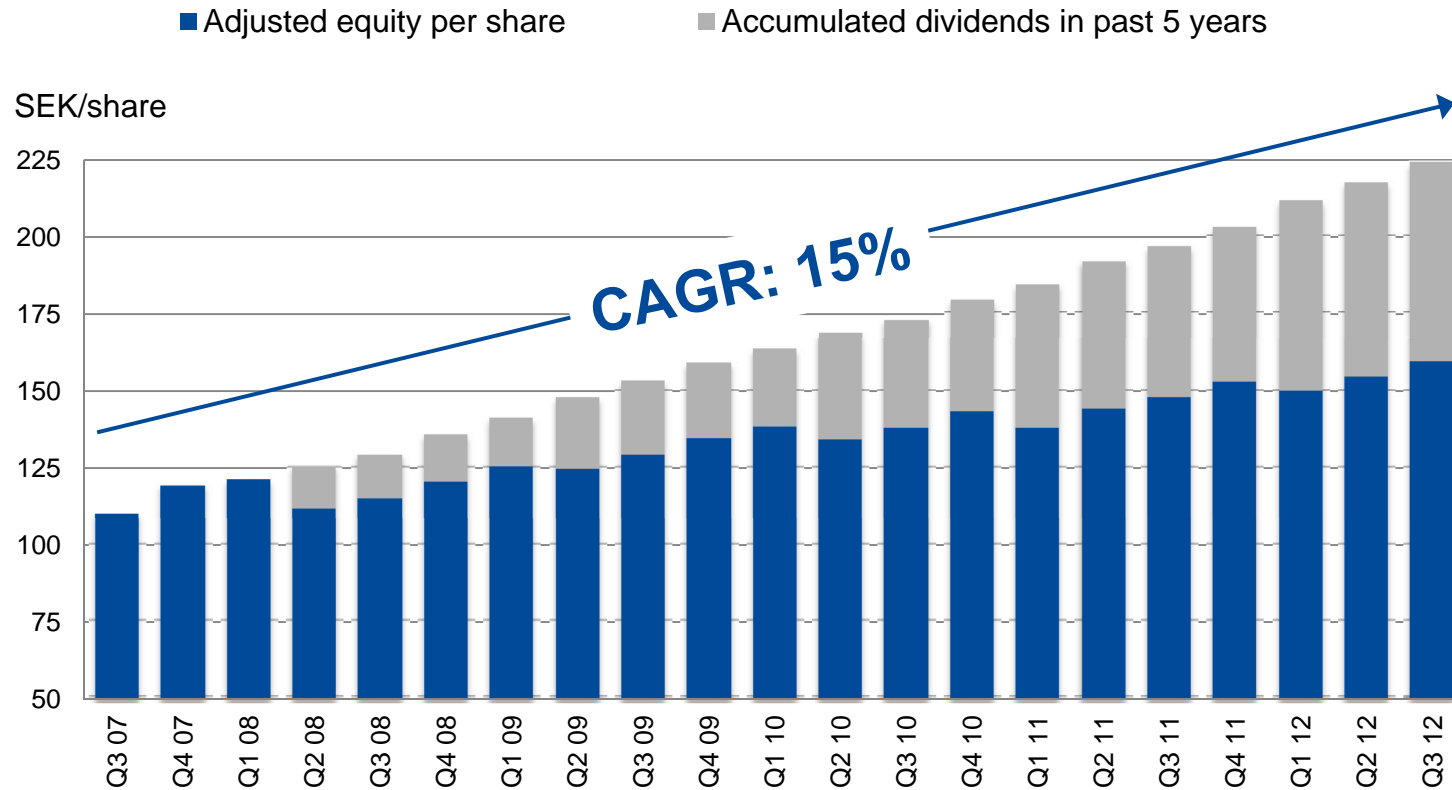
# Income and expenses trend, newly opened branches in the UK

Refers to the average of 121 branches opened in the UK 2000 – 2012:Q3



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

# Average annual growth in equity including dividends



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

# Appendix



## Income statement, five quarters

SEK m	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011
Net interest income	6,462	6,575	6,560	6,357	6,066
Net fee and commission income	1,742	1,825	1,892	1,877	1,903
Net gains/losses on financial items at fair value	191	219	344	63	284
Risk result - insurance	33	39	36	38	52
Other income	38	181	34	39	23
<b>Total income</b>	<b>8,466</b>	<b>8,839</b>	<b>8,866</b>	<b>8,374</b>	<b>8,328</b>
Staff costs	-2,562	-2,670	-2,668	-2,510	-2,498
Other expenses	-1,221	-1,353	-1,336	-1,512	-1,318
<b>Total expenses</b>	<b>-3,783</b>	<b>-4,023</b>	<b>-4,004</b>	<b>-4,022</b>	<b>-3,816</b>
<b>Profit before loan losses</b>	<b>4,683</b>	<b>4,816</b>	<b>4,862</b>	<b>4,352</b>	<b>4,512</b>
Net loan losses	-277	-288	-291	-243	-157
Gains/losses on disposal of property, equipment and intangible assets	-1	0	0	1	5
<b>Operating profit</b>	<b>4,405</b>	<b>4,528</b>	<b>4,571</b>	<b>4,110</b>	<b>4,360</b>
Operating profit discontinued operations	13	37	48	37	39
<b>Total operating profit</b>	<b>4,418</b>	<b>4,565</b>	<b>4,619</b>	<b>4,147</b>	<b>4,399</b>

## Change in net interest income

SEK m

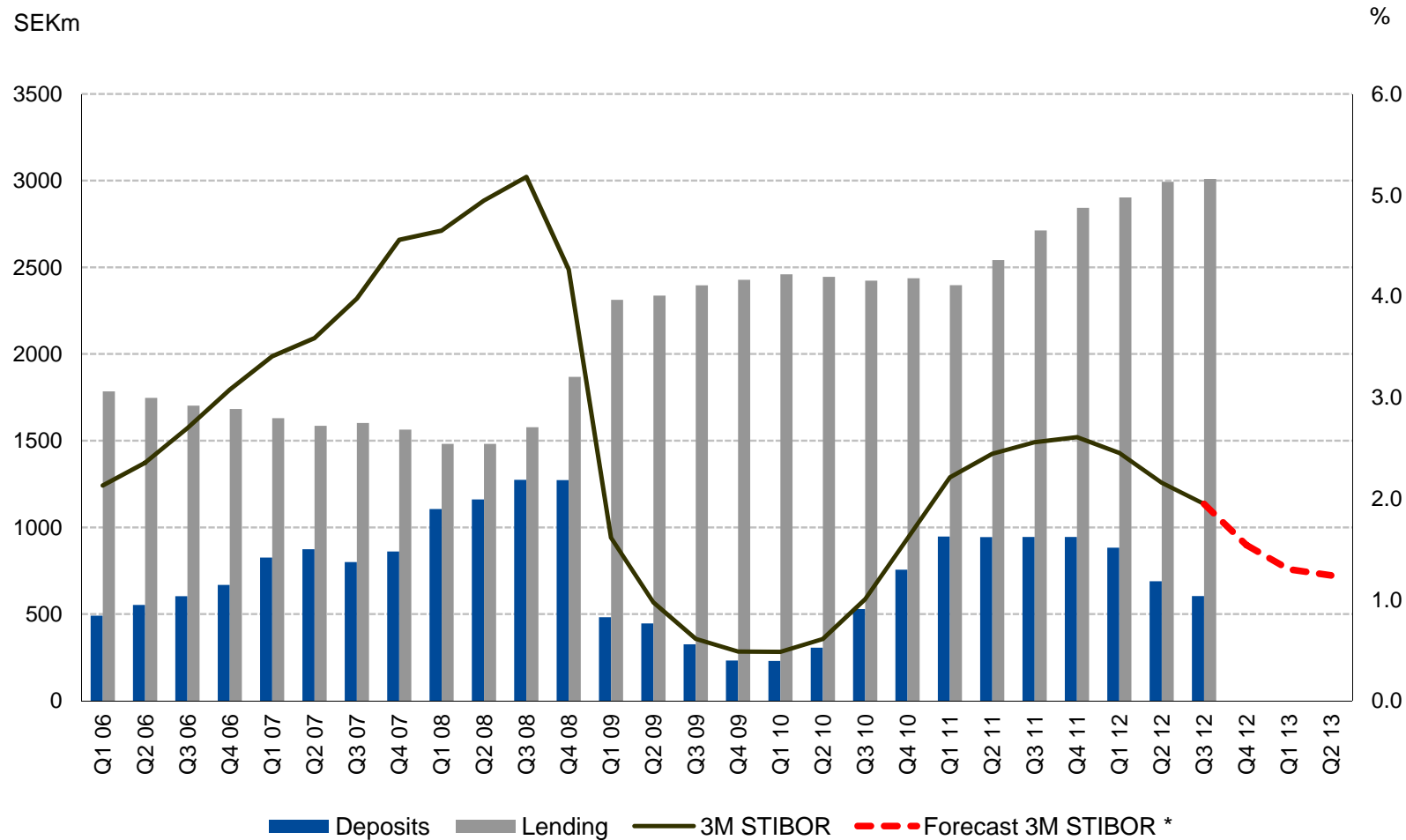
<b>Net interest income Q2 2012</b>	<b>6,575</b>	
Deposits, branch offices in Sweden – margins	-87	
– volumes	1	
Lending, branch offices in Sweden – margins	28	
– volumes	4	
Deposits & lending, branch offices outside Sweden	89	
Mandatory government fees (deposit insurance, stabilisation fund etc)	49	
Exchange rate movements	-81	
Benchmark effect	-21	
Other	-95	
<b>Change in net interest income</b>	<b>-113</b>	
<b>Net interest income Q3 2012</b>	<b>6,462</b>	<b>-2%</b>

## Change in net interest income

SEK m

<b>Net interest income, January – September 2011</b>	<b>17,256</b>	
Deposits, branch offices in Sweden – margins	-882	
– volumes	148	
Lending, branch offices in Sweden – margins	1,052	
– volumes	206	
Deposits & lending, branch offices outside Sweden	1,192	
Mandatory government fees (deposit insurance, stabilisation fund etc)	-6	
Exchange rate movements	25	
Benchmark effect	10	
Other	596	
<b>Change in net interest income</b>	<b>2,341</b>	
<b>Net interest income, January – September 2012</b>	<b>19,597</b>	<b>14%</b>

# Net interest income, lending and deposits – Swedish branch operations



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

\* Source: Bloomberg

## Fee to Swedish Stabilisation Fund, January – September

<b>SEK bn</b>	<b>2012</b>
Total liabilities and equity	2,744
Reduction for total equity, untaxed reserves and subordinated loans	-176
Reduction for intercompany liabilities	-321
<b>Basis for calculation of fee</b>	<b>2,247</b>
<b>SEK m</b>	
Fee 0.036%	809
<b>Total fee, January – September 2012</b>	<b>607</b>

## Fees and commissions

SEK m	Jan-Sep 2012	Jan-Sep 2011	Change
Brokerage and other securities commissions	864	1,085	-20%
Mutual funds	1,242	1,269	-2%
Custody	256	286	-10%
Advisory services	144	161	-11%
Insurance	446	523	-15%
Payments	1,967	1,891	4%
Lending and deposits	890	889	0%
Guarantees	351	350	0%
Other	313	307	2%
<b>Commission income</b>	<b>6,473</b>	<b>6,761</b>	<b>-4%</b>
Commission expense	-1,014	-965	5%
<b>Net fee and commission income</b>	<b>5,459</b>	<b>5,796</b>	<b>-6%</b>

## Fees and commissions, quarterly change

<b>SEK m</b>	<b>Q3 2012</b>	<b>Q2 2012</b>	<b>Change</b>
Brokerage and other securities commissions	243	266	-9%
Mutual funds	425	422	1%
Custody	82	85	-4%
Advisory services	26	48	-46%
Insurance	142	142	0%
Payments	685	670	2%
Lending and deposits	281	311	-10%
Guarantees	101	124	-19%
Other	103	102	1%
<b>Commission income</b>	<b>2,088</b>	<b>2,170</b>	<b>-4%</b>
Commission expense	-346	-345	0%
<b>Net fee and commission income</b>	<b>1,742</b>	<b>1,825</b>	<b>-5%</b>

## Expenses – trend

<b>SEK m</b>	<b>Jan-Sep 2012</b>	<b>Jan-Sep 2011</b>	<b>Change</b>	<b>Q3/Q2</b>
Staff costs	-7,900	-7,432	6%	
Other administrative expenses	-3,558	-3,668	-3%	
Depreciation and amortisation	-352	-342	3%	
<b>Total expenses</b>	<b>-11,810</b>	<b>-11,442</b>	<b>3%</b>	<b>-6%</b>



## Selected funding transactions in the third quarter



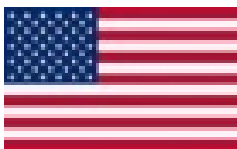
EUR 1.0bn 10Y senior. The lowest level for a 10Y senior EUR issuance of 2 years for a European bank.



CHF 200m 10Y senior. -77 points above the Swiss government. The lowest level of the CHF for any non-Swiss bank in 2012.



AUD 750m 5Y covered. First Swedish bank to issue in Australia and the largest European issue in AUD. One third of demand from Asia.



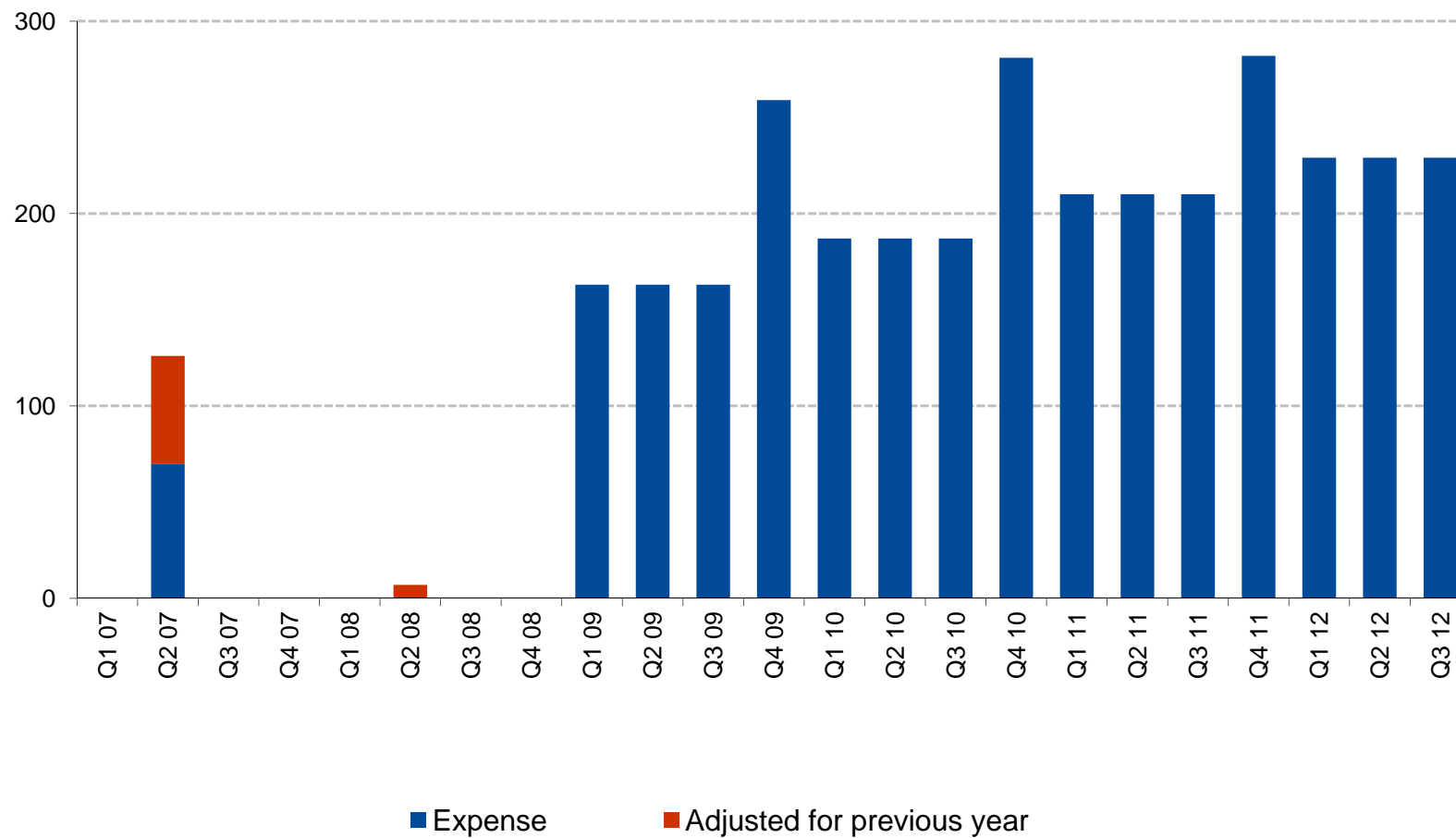
USD 1.5bn 7Y covered. First 7Y covered in USD since 2008.



Tier 2 subordinated loan SEK 3.0bn. 10nc5. The structure is designed to meet future regulatory requirements.

# Oktagonen quarterly 2007 – 2012

SEK m



## Key figures

	<b>Q3 2012</b>	<b>Q3 2011</b>
Return on equity, total operations	13.2%	14.1%
Return on equity, continuing operations	13.2%	14.0%
C/I ratio, continuing operations	44.7%	45.8%
Earnings per share, total operations, SEK	5.15	5.15
- after dilution	5.07	5.00

## Effective tax rate

Q3 2012	26.5%
Q2 2012	25.2%
Q3 2011	27.1%
January – September 2012	26.5%
January – September 2011	26.4%

## Balance sheet

<b>SEK bn</b>	<b>30 Sep 2012</b>	<b>30 Sep 2011</b>	<b>Change</b>
Loans to the public	1,621	1,599	1%
Loans to other credit institutions	84	117	-29%
Interest-bearing securities	120	119	1%
Other assets	688	641	7%
<b>Total assets</b>	<b>2,513</b>	<b>2,476</b>	<b>2%</b>
Deposits and borrowing from the public	729	720	1%
Due to credit institutions	227	235	-3%
Issued securities	1,151	1,112	3%
Other liabilities	305	317	-4%
Total equity	101	92	10%
<b>Total liabilities and equity</b>	<b>2,513</b>	<b>2,476</b>	<b>2%</b>

## Loans to the public, quarterly

<b>Average volumes, SEK bn</b>	<b>Q3 2012</b>	<b>Q2 2012</b>	<b>Q1 2012</b>	<b>Q4 2011</b>	<b>Q3 2011</b>
Household	588	584	582	580	575
Corporate	480	483	480	489	487
<b>Branch office operations in Sweden</b>	<b>1,068</b>	<b>1,067</b>	<b>1,062</b>	<b>1,069</b>	<b>1,062</b>
Household	170	172	167	166	161
Corporate	340	345	328	327	317
<b>Branch office operations outside Sweden</b>	<b>510</b>	<b>517</b>	<b>495</b>	<b>493</b>	<b>478</b>
<b>Other operations</b>	<b>33</b>	<b>38</b>	<b>33</b>	<b>32</b>	<b>34</b>
Household	758	756	750	746	736
Corporate	853	866	840	848	838
<b>Total loans to the public</b>	<b>1,611</b>	<b>1,622</b>	<b>1,590</b>	<b>1,594</b>	<b>1,574</b>

## Deposits from the public, quarterly

<b>Average volumes, SEK bn</b>	<b>Q3 2012</b>	<b>Q2 2012</b>	<b>Q1 2012</b>	<b>Q4 2011</b>	<b>Q3 2011</b>
Household	210	204	203	201	198
Corporate	160	165	166	162	157
<b>Branch office operations in Sweden</b>	<b>370</b>	<b>369</b>	<b>369</b>	<b>363</b>	<b>355</b>
Household	45	46	44	44	43
Corporate	131	127	131	118	109
<b>Branch office operations outside Sweden</b>	<b>176</b>	<b>173</b>	<b>175</b>	<b>162</b>	<b>152</b>
<b>Other operations</b>	<b>152</b>	<b>138</b>	<b>148</b>	<b>186</b>	<b>153</b>
Household	255	251	246	245	241
Corporate	443	429	446	466	419
<b>Total deposits from the public</b>	<b>698</b>	<b>680</b>	<b>692</b>	<b>711</b>	<b>660</b>

## Home markets outside Sweden – average lending volumes

	Q3 2012	Q2 2012	Change
<b>Private, local currency</b>			
Denmark, DKK bn	25.7	25.0	2.8%
Finland, EUR m	3,486	3,447	1.1%
Norway, NOK bn	68.2	67.3	1.3%
UK, GBP m	2,608	2,441	6.8%
<b>Corporate, local currency</b>			
Denmark, DKK bn	28.1	27.6	1.8%
Finland, EUR m	7,391	7,066	4.6%
Norway, NOK bn	106.8	106.5	0.3%
UK, GBP m	7,327	6,978	5.0%



## Home markets outside Sweden – average lending volumes

	Jan-Sep 2012	Jan-Sep 2011	Change
<b>Private, local currency</b>			
Denmark, DKK bn	25.1	21.7	15.7%
Finland, EUR m	3,462	3,231	7.1%
Norway, NOK bn	67.4	62.7	7.5%
UK, GBP m	2,456	1,849	32.8%
<b>Corporate, local currency</b>			
Denmark, DKK bn	27.3	21.6	26.4%
Finland, EUR m	7,029	6,727	4.5%
Norway, NOK bn	106.0	100.7	5.3%
UK, GBP m	6,924	5,480	26.4%

## Home markets outside Sweden – average deposit volumes

	Q3 2012	Q2 2012	Change
<b>Private, local currency</b>			
Denmark, DKK bn	8.8	8.7	1.1%
Finland, EUR m	1,276	1,272	0.3%
Norway, NOK bn	14.2	13.6	4.4%
UK, GBP m	483	446	8.3%
<b>Corporate, local currency</b>			
Denmark, DKK bn	15.2	11.0	38.2%
Finland, EUR m	2,051	2,222	-7.7%
Norway, NOK bn	33.6	33.7	-0.3%
UK, GBP m	2,564	2,228	15.1%

## Home markets outside Sweden – average deposit volumes

	Jan-Sep 2012	Jan-Sep 2011	Change
<b>Private, local currency</b>			
Denmark, DKK bn	8.6	8.4	2.4%
Finland, EUR m	1,291	1,239	4.2%
Norway, NOK bn	13.3	11.3	17.7%
UK, GBP m	448	357	25.5%
<b>Corporate, local currency</b>			
Denmark, DKK bn	13.1	11.2	17.0%
Finland, EUR m	2,197	1,875	17.2%
Norway, NOK bn	35.3	37.9	-6.9%
UK, GBP m	2,239	1,360	64.6%