

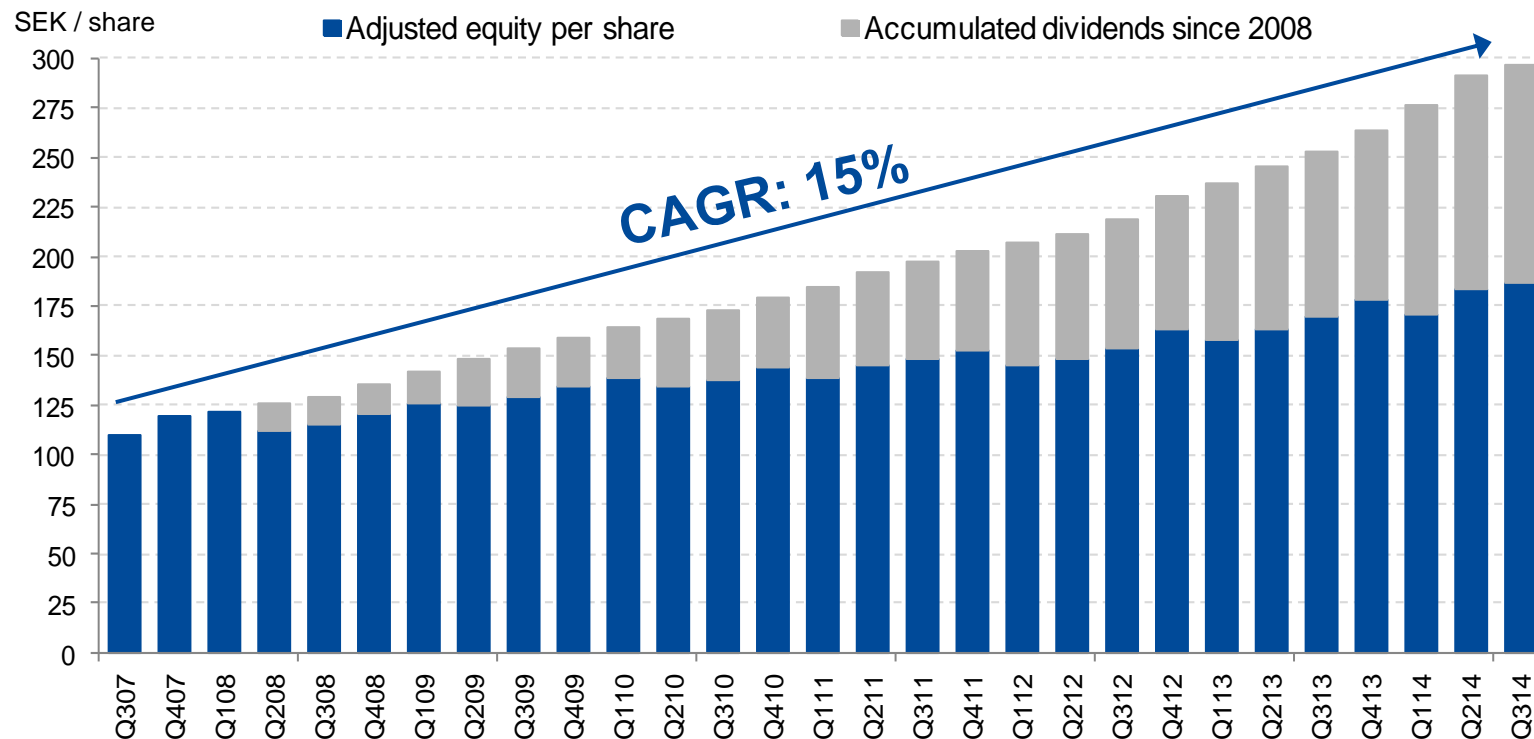
Handelsbanken

January – September 2014

22 October 2014

Average annual growth in equity

Including dividends



Dividends reinvested in ROE per quarter
 CAGR = Compounded Annual Growth Rate

Summary January – September

- Profit after tax increased by 10%
- Operating profit grew by 9% and in home markets outside Sweden by 14%
- The expansion in the UK and Netherlands continues to be self-funded by productivity enhancements in other home markets
- Return on equity was 14.1%
- Net interest income increased by 2% and in home markets outside Sweden by 12%
- The C/l ratio improved to 44.4% from 46.4% in the previous year
- The common equity tier 1 ratio according to CRD IV increased to 20.7%
- The liquidity reserve remains large and increased deposit volumes structurally reduce the need for market funding

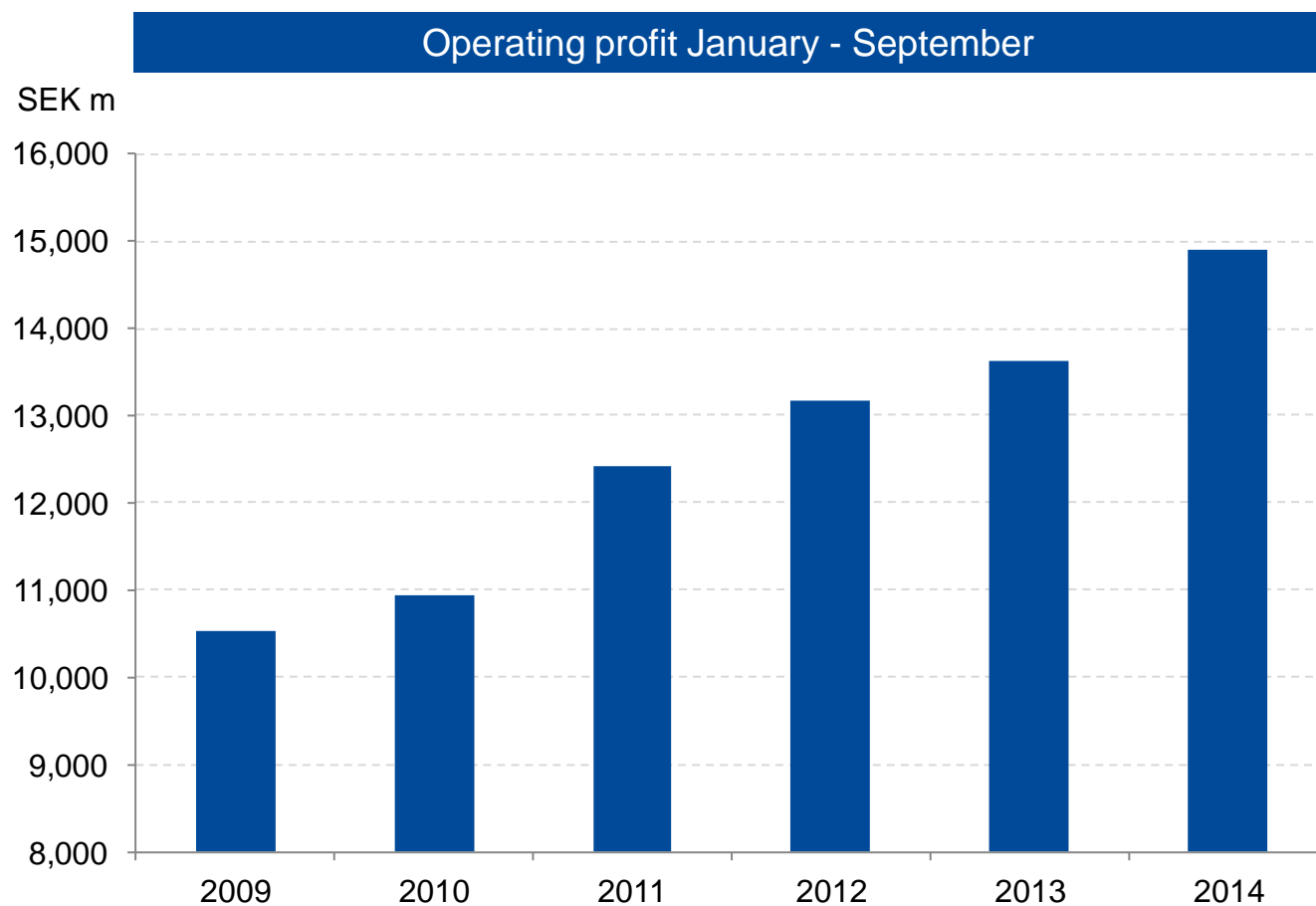
Income statement, January – September

SEK m	Jan-Sep 2014	Jan-Sep 2013	Change
Net interest income	20,361	19,897	2%
Net fee and commission income	6,328	5,697	11%
Net gains/losses on financial transactions	1,513	1,053	44%
Risk result - insurance	131	107	22%
Other income	425	295	44%
Total income	28,758	27,049	6%
Staff costs	-8,740	-8,424	4%
Other expenses	-4,035	-4,130	-2%
Total expenses	-12,775	-12,554	2%
Profit before loan losses	15,983	14,495	10%
Net loan losses	-1,084	-873	24%
Gains/losses on disposal of property, equipment and intangible assets	2	8	-75%
Operating profit	14,901	13,630	9%
Taxes	-3,134	-2,949	6%
Net profit from discontinued operations	75	87	-14%
Profit for the period	11,842	10,768	10%

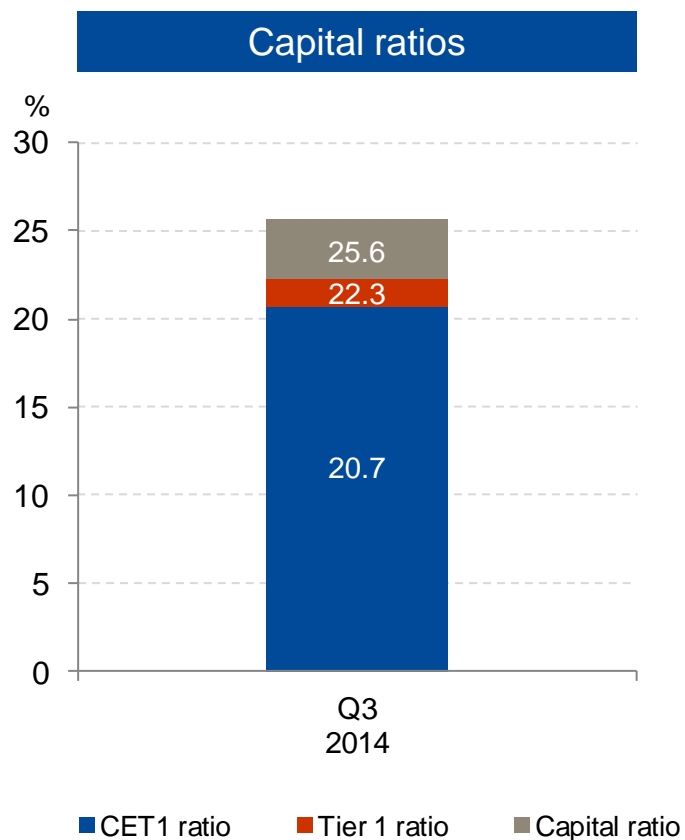
Income statement, Q3

SEK m	Q3 2014	Q3 2013	Change
Net interest income	7,004	6,683	5%
Net fee and commission income	2,133	1,896	13%
Net gains/losses on financial transactions	389	354	10%
Risk result - insurance	46	30	53%
Other income	58	46	26%
Total income	9,630	9,009	7%
Staff costs	-2,943	-2,845	3%
Other expenses	-1,287	-1,312	-2%
Total expenses	-4,230	-4,157	2%
Profit before loan losses	5,400	4,852	11%
Net loan losses	-497	-284	75%
Gains/losses on disposal of property, equipment and intangible assets	1	3	-67%
Operating profit	4,904	4,571	7%
Taxes	-1,022	-997	3%
Net profit from discontinued operations	17	33	-48%
Profit for the period	3,899	3,607	8%

Operating profit, January – September



Financial stability



	30 Sep 2014	31 Dec 2013	Change
Capital CRD IV, %			
Capital ratio, %	25.6	21.6	+4
Tier 1 ratio, %	22.3	21.0	+1.3
Common equity tier 1 ratio, %	20.7	18.9	+1.8
Total capital base, SEK bn	124.5	106.4	+18.1
Common equity tier 1 capital, SEK	100.3	93.0	+7.3

	30 Sep 2014
Liquidity	
LCR Total*	133%
LCR EUR*	143%
LCR USD*	175%
LCR according to CRD IV	151%

* According to the Swedish FSA's definition

Handelsbanken's home markets

Number of branches, 30 Sep 2014:

Sweden	462
UK*	179
Denmark	57
Norway	51
Finland	46
Netherlands**	21
Total***	816

* Including six appointed branch managers
 ** Including one appointed branch manager
 *** In home markets

Kolbotn



Järvenpää



Copenhagen City



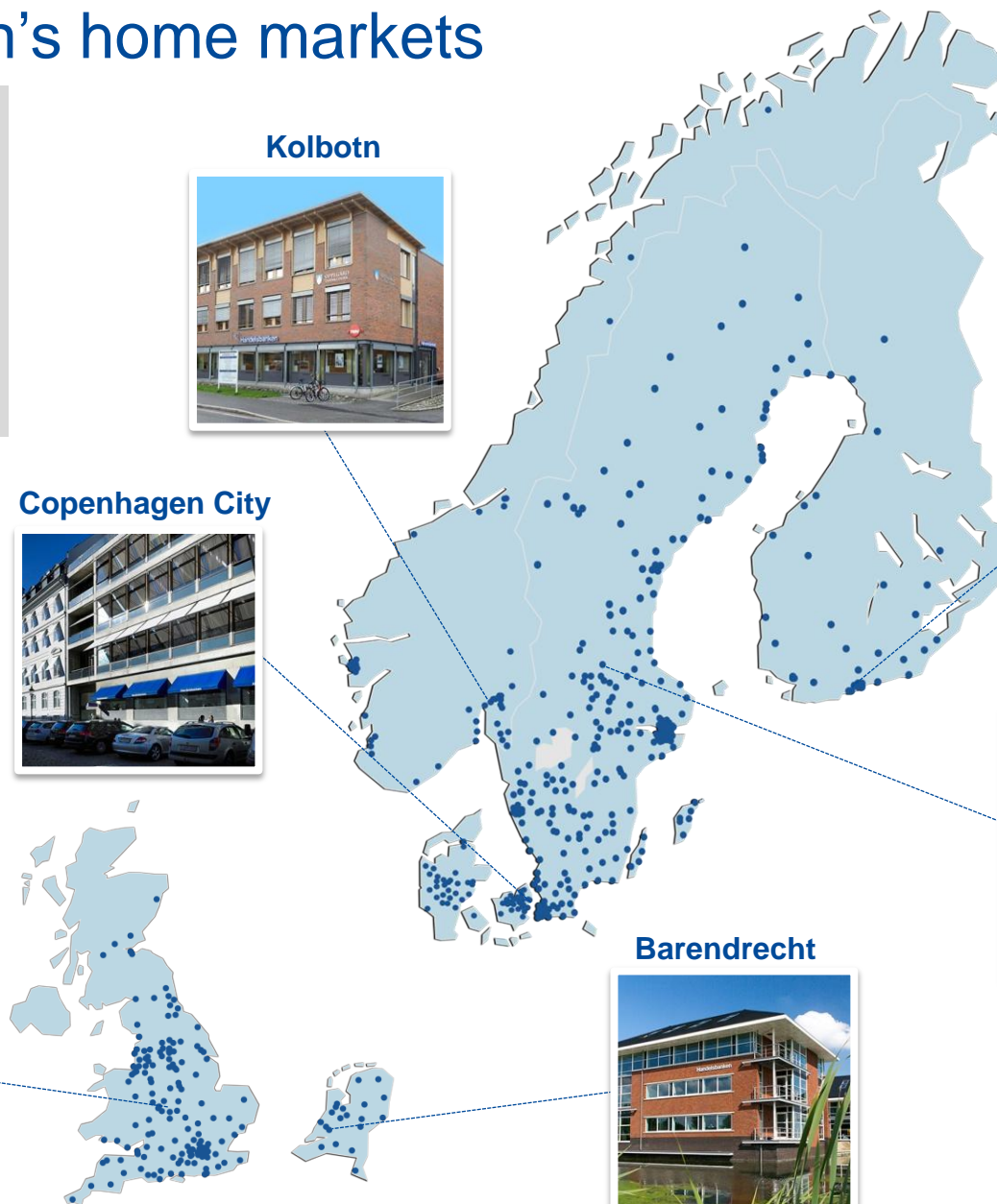
Insjön



Rugby



Barendrecht

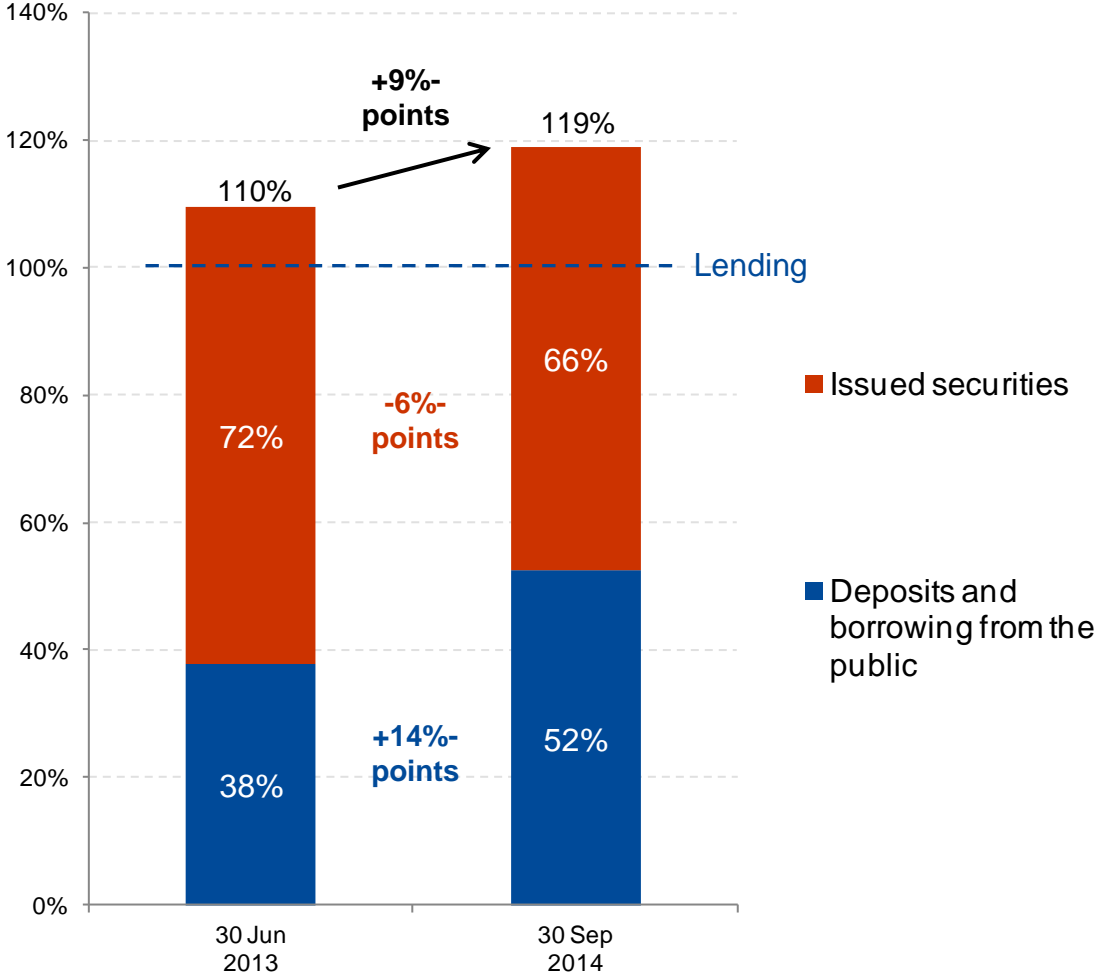


Return on equity per segment

	Jan-Sep 2014
Branch operations in Sweden	16%
Branch operations in the UK	16%
Branch operations in Denmark	13%
Branch operations in Finland	14%
Branch operations in Norway	16%
Branch operations in the Netherlands	10%
Handelsbanken Group	14%

Reduced structural need for market funding

Deposits and market funding in relation to lending to the public

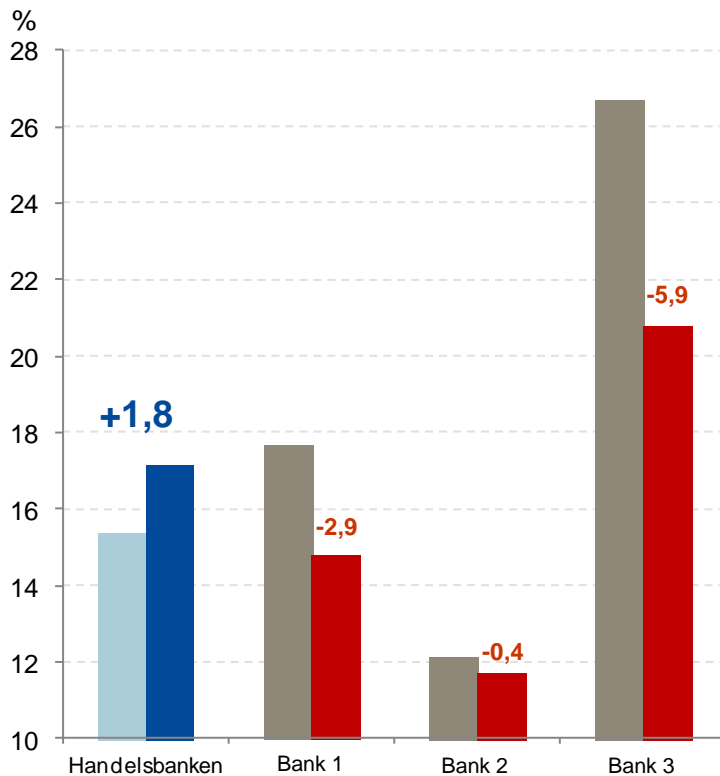


Reduced need for market funding...

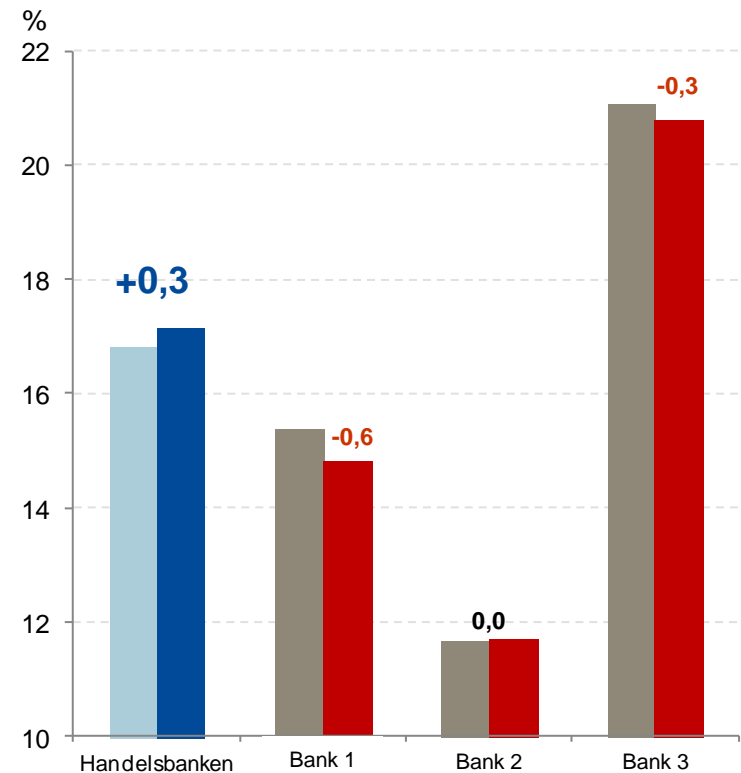
... since deposits grow more than lending

Household deposits in Sweden, market shares

Market shares household deposits in Sweden
December 2006 – August 2014



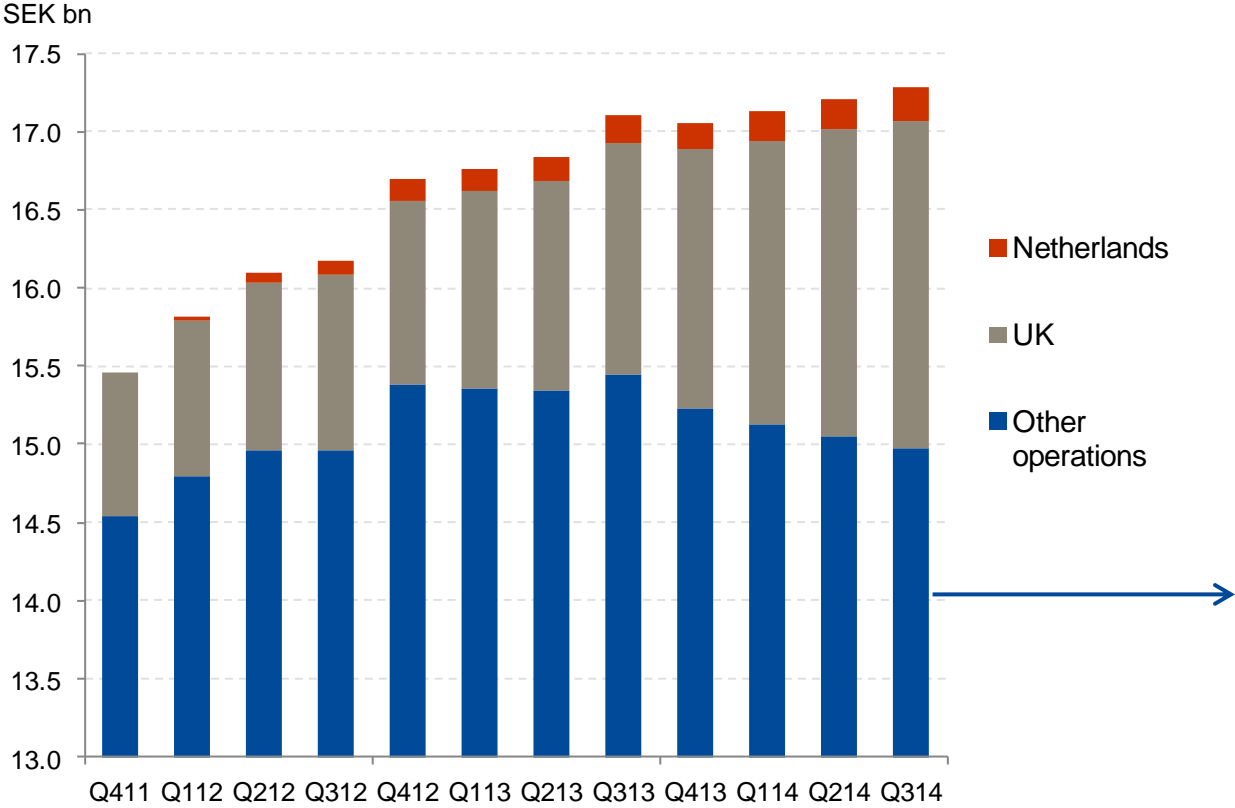
Market shares household deposits in Sweden
December 2013 – August 2014



Source: Statistics Sweden, <http://www.statistikdatabasen.scb.se/pxweb/en/ssd/>
Peers included are Nordea, SEB and Swedbank

Unchanged cost base despite expansion

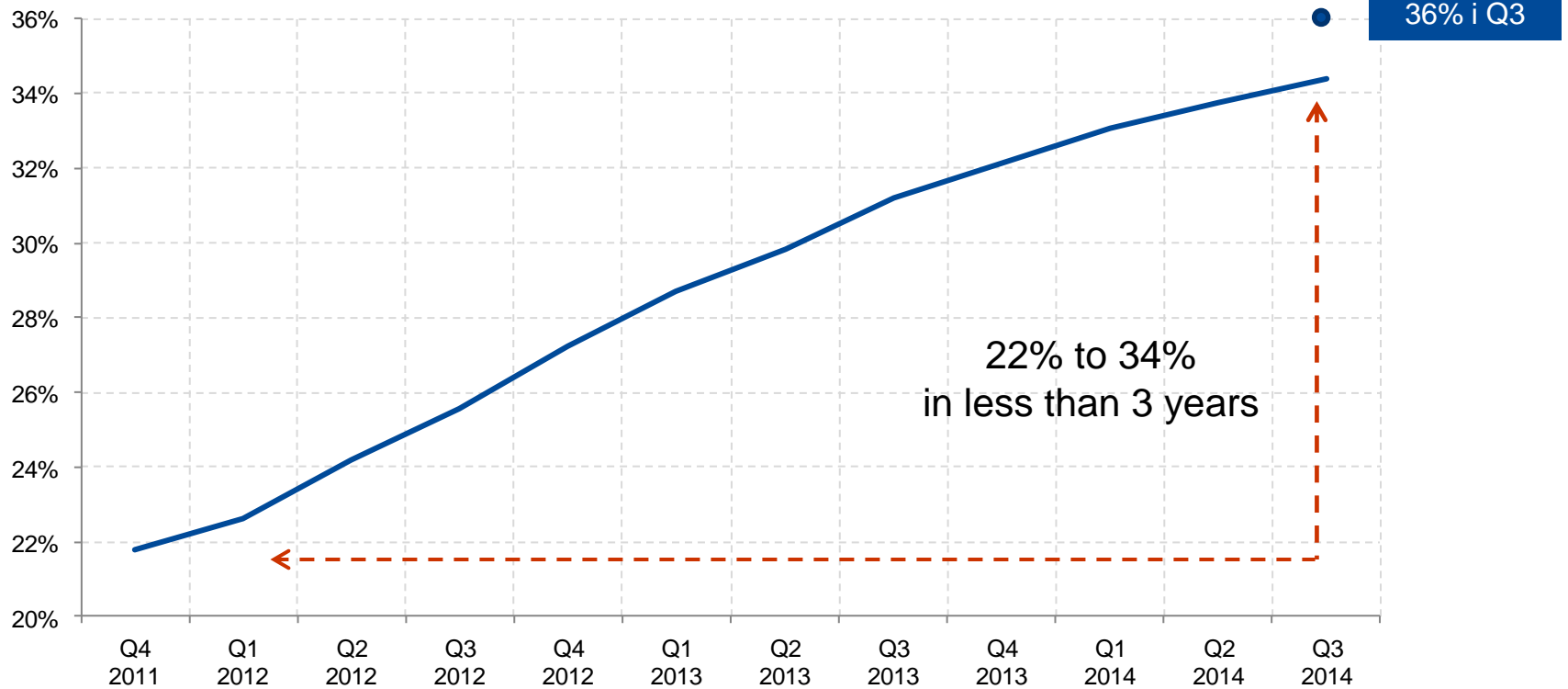
Twelve-month rolling costs



Costs outside the growth regions down 3% from Q3 2013

Organic growth in markets outside Sweden

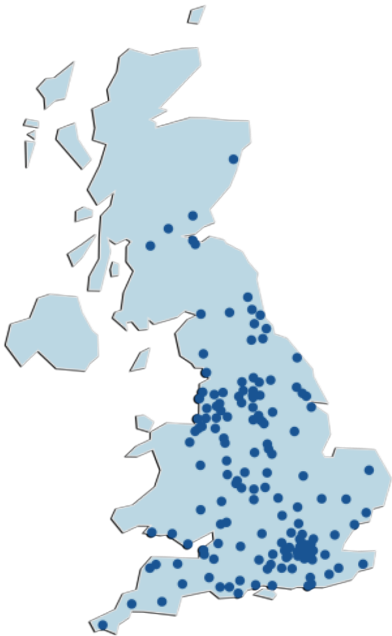
34% of operating profit before loan losses comes from home markets outside Sweden*



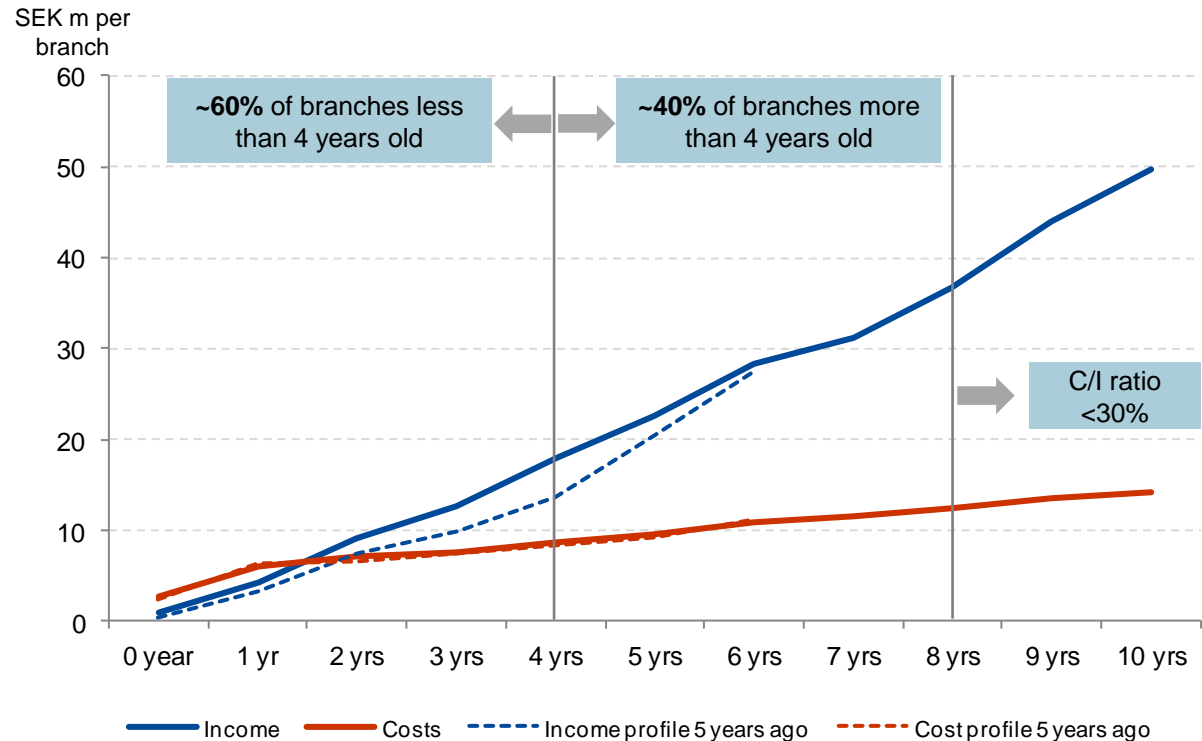
* Twelve-month rolling

Continued expansion and increased availability

- 179 branches including appointed branch managers
- More than 1,600 employees in the UK
- Earnings increased by 36% in local currency in January - September



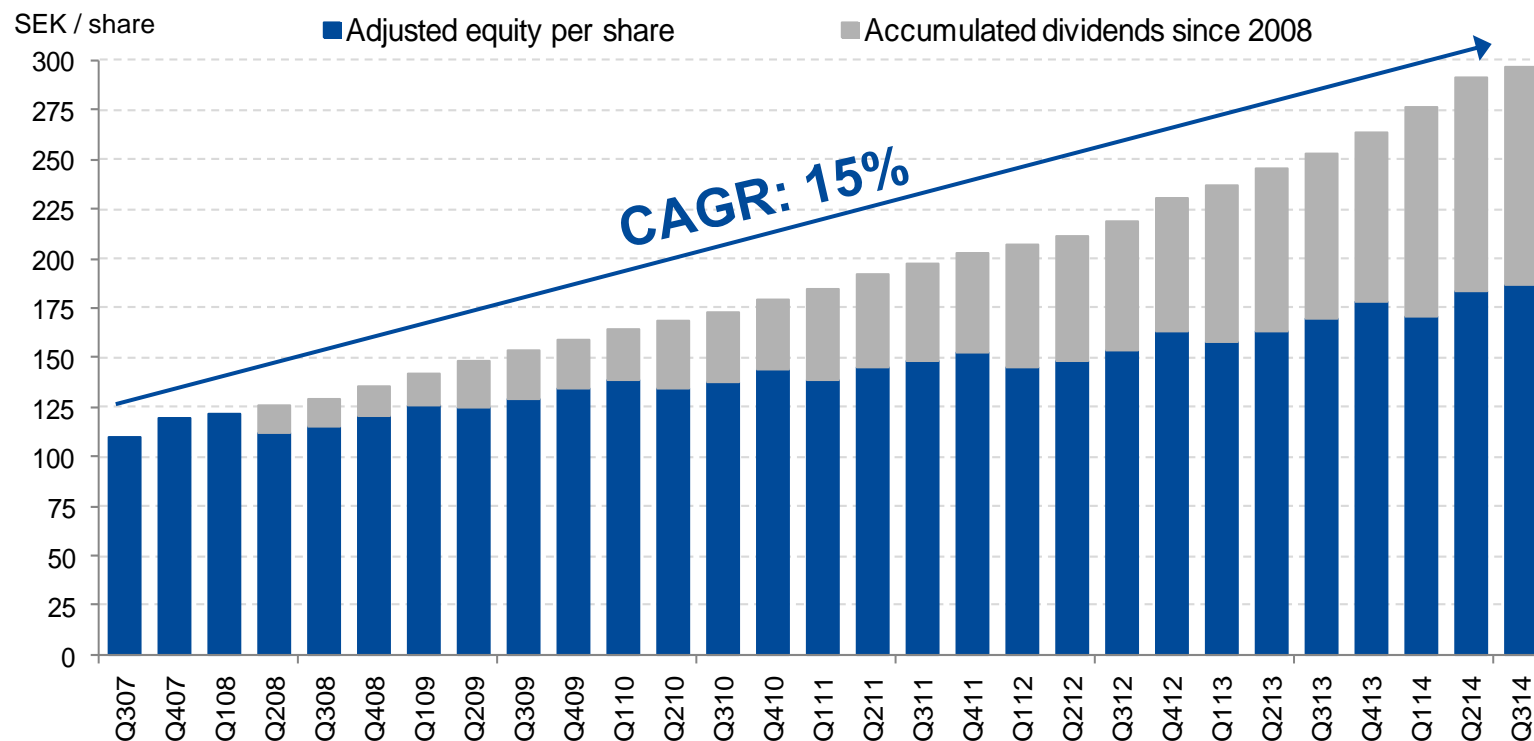
Income and expense trend in branches in the UK*



* Stable explanation variable for earnings growth

Average annual growth in equity

Including dividends



Dividends reinvested in ROE per quarter
 CAGR = Compounded Annual Growth Rate

Appendix

Non-encumbered assets, NEA

30 September 2014

SEK bn	IPT (NEA)	Accumulated coverage ratio in % of unsecured funding*
Cash with central banks and securities in the liquidity portfolio	555	68%
Mortgage loans	384	116%
Other household lending	146	134%
Property company lending lowest risk class (1-3)	216	160%
Other corporate lending lowest risk class (1-3)	169	181%
Loans to credit institutions lowest risk class (1-3)	71	190%
Other corporate lending	221	217%
Other assets	116	231%
Total non-encumbered assets (NEA)	1,878	231%
Encumbered assets without underlying liabilities**	57	
<i>Encumbered assets with underlying liabilities</i>	<i>766</i>	
Total assets, Group	2,701	

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

** Over-collateralisation in cover pool (OC)

Long-term funding, January – September

Long term issuance, SEK bn	Jan-Sep 2014	Jan-Sep 2013
Senior bonds	28	61
Extendible notes	-	40
Covered bonds	97	134
Subordinated loans	16	-
Total	141	235

Issues in Q3 include :

- JPY 75bn 3-year, 5-year and 10-year senior

Income statement – five quarters

SEK m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013
Net interest income	7,004	6,704	6,653	6,772	6,683
Net fee and commission income	2,133	2,135	2,060	2,107	1,896
Net gains/losses on financial transactions	389	466	658	304	354
Risk result - insurance	46	43	42	35	30
Other income	58	299	68	60	46
Total income	9,630	9,647	9,481	9,278	9,009
Staff costs	-2,943	-2,910	-2,887	-2,980	-2,845
Other expenses	-1,287	-1,389	-1,359	-1,527	-1,312
Total expenses	-4,230	-4,299	-4,246	-4,507	-4,157
Profit before loan losses	5,400	5,348	5,235	4,771	4,852
Net loan losses	-497	-272	-315	-322	-284
Gains/losses on disposal of property, equipment and intangible assets	1	1	0	9	3
Operating profit	4,904	5,077	4,920	4,458	4,571

Change in net interest income

NII Q2 2014, SEK m	6,704	Change
Lending and deposits in Swedish branch operations	-22	
Deposit margins	-155	
Deposit volumes	2	
Lending margins	113	
Lending volumes	18	
Lending and deposits in home markets outside Sweden	12	
Deposit margins	-10	
Deposit volumes	11	
Lending margins	-31	
Lending volumes	42	
Other	216	
Other branch operations	8	
Mandatory government fees (deposit insur. stabilisation fund etc)	17	
Benchmark effect	68	
Other	123	
NII Q3 2014, underlying	6,910	3%
Day count effect	24	
Exchange rate movements	70	
NII Q3 2014	7,004	4%

Change in net interest income

NII Jan-Sep 2013, SEK m	19,897	Change
Lending and deposits in Swedish branch operations	36	
Deposit margins	-464	
Deposit volumes	39	
Lending margins	216	
Lending volumes	245	
Lending and deposits in home markets outside Sweden	737	
Deposit margins	68	
Deposit volumes	219	
Lending margins	-4	
Lending volumes	454	
Other	-587	
Other branch operations	5	
Mandatory government fees (deposit insur. stabilisation fund etc)	-69	
Benchmark effect	1	
Other	-524	
NII Jan-Sep 2014, underlying	20,083	1%
Exchange rate movements	278	
NII Jan-Sep 2014	20,361	2%

Change in common equity tier 1 ratio

CRD IV

Common equity tier 1 ratio Q214, %	20.1
Change, %-points:	
Common equity tier 1 capital	0.1
Earnings after estimated dividends	0.3
Currency effects	0.2
IAS 19	-0.5
Other and rounding	0.1
Lending volume	-0.1
Lending growth	0.1
Currency effects	-0.2
Net effect different quality of inflows and outflows in loan portfolio	0.2
Credit risk migration in the lending portfolio	0.0
Other effects, net	0.4
Change in common equity tier 1 ratio	0.6
Common equity tier 1 ratio Q314, %	20.7

Change in common equity tier 1 ratio

CRD IV

Common equity tier 1 ratio Q313, %	18.8
Change, %-points:	
Common equity tier 1 capital	1.4
Earnings after estimated dividends	0.7
Currency effects	0.7
IAS 19	-0.3
Other and rounding	0.3
Lending volume	-0.7
Lending growth	-0.2
Currency effects	-0.5
Net effect different quality of inflows and outflows in loan portfolio	0.8
Credit risk migration in the lending portfolio	-0.1
Other effects, net	0.5
Change in common equity tier 1 ratio	1.9
Common equity tier 1 ratio Q314, %	20.7

Mandatory government fees

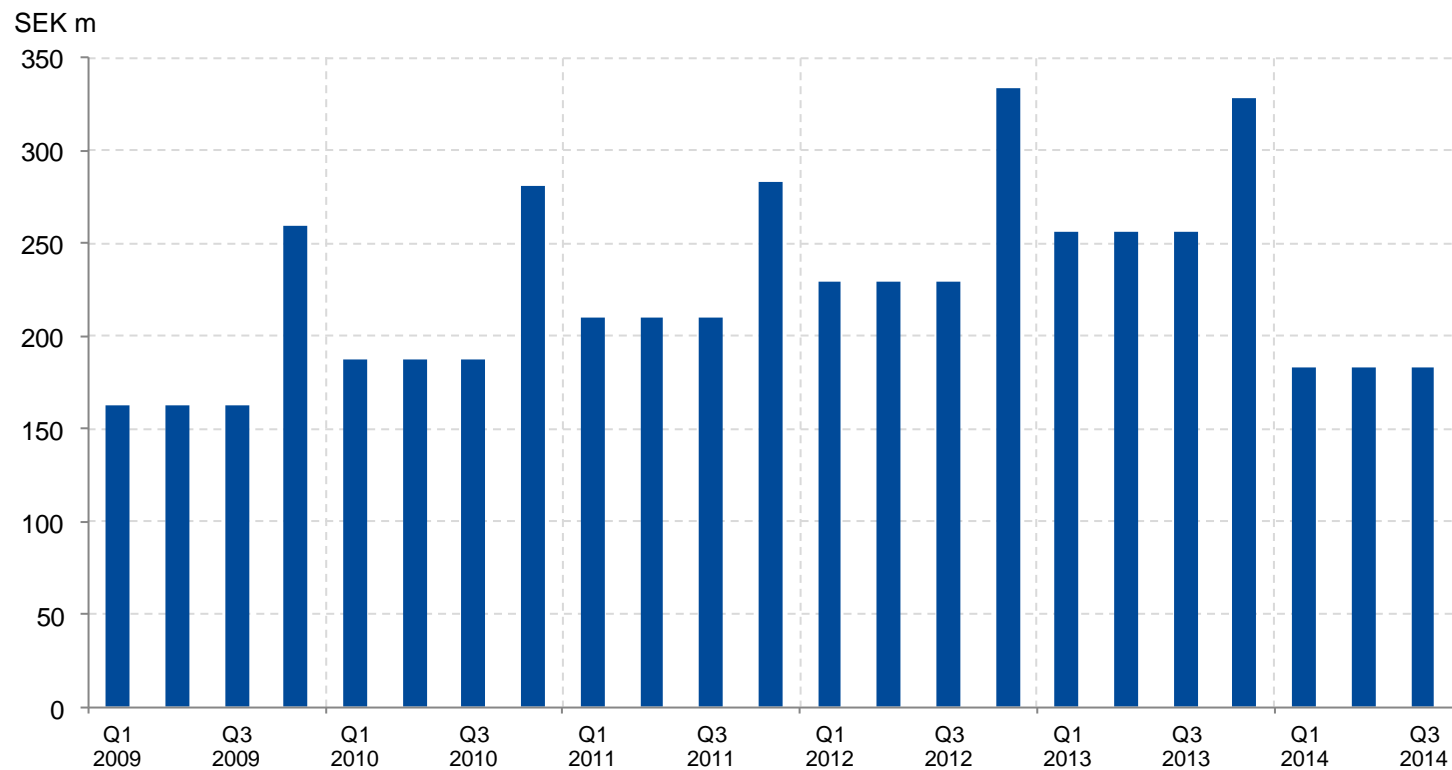
Jan - Sep 2014, SEK m	Stabilisation Fund	Deposit guarantee	Total
Sweden	-320	-173	-493
UK	-40	-9	-49
Denmark	-21	-17	-38
Finland	-29	-9	-38
Norway	-58	-18	-76
Netherlands	-5	0	-5
International	-10	-1	-11
Other	-179	-	-179
Total	-662	-227	-889

Fees and commissions

SEK m	Jan-Sep 2014	Jan-Sep 2013	Change
Brokerage and other securities commissions	843	877	-4%
Mutual funds	1,808	1,471	23%
Custody and other asset management fees	401	303	32%
Advisory services	162	210	-23%
Insurance	482	423	14%
Payments	2,305	2,037	13%
Loans and deposits	840	840	0%
Guarantees	318	330	-4%
Other	336	319	5%
Commission income	7,495	6,810	10%
Securities	-176	-181	-3%
Payments	-933	-865	8%
Other	-58	-67	-13%
Commission expense	-1,167	-1,113	5%
Net fee and commission income	6,328	5,697	11%

Oktagonen quarterly

Q1 2009 – Q3 2014



Effective tax rate

Effective tax rate	Q314	Q214	Q114	Q413	Q313	Q213	Q113
Per quarter	20.8%	21.0%	21.1%	21.6%	21.8%	22.6%	20.4%
Accumulated year to date	21.0%	21.1%	21.1%	21.6%	21.6%	21.5%	20.4%

Balance sheet

SEK bn	Jan-Sep 2014	Jan-Sep 2013	Change
Cash and central banks	437	380	15%
Loans to the public	1,781	1,683	6%
Loans to other credit institutions	71	73	-4%
Interest-bearing securities	138	127	8%
Other assets	274	249	10%
Total assets	2,701	2,512	8%
Deposits and borrowing from the public	934	808	16%
Due to credit institutions	202	170	19%
Issued securities	1,184	1,180	0%
Other liabilities	261	247	6%
Total equity	120	107	12%
Total liabilities and equity	2,701	2,512	8%

Loans to the public*

SEK bn, end of period	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013
<i>Households</i>	656	648	635	627	620
<i>Corporates</i>	481	482	484	485	489
Branch operations in Sweden	1,137	1,130	1,119	1,111	1,110
<i>Households</i>	88	85	83	81	79
<i>Corporates</i>	126	123	121	117	117
Branch operations in Norway	214	208	204	198	197
<i>Households</i>	50	46	42	39	36
<i>Corporates</i>	111	103	95	92	89
Branch operations in UK	161	149	137	132	125
<i>Households</i>	34	35	34	34	33
<i>Corporates</i>	77	80	74	74	70
Branch operations in Finland	111	115	108	107	103
<i>Households</i>	42	41	38	38	35
<i>Corporates</i>	37	35	35	34	35
Branch operations in Denmark	79	76	74	72	70
<i>Households</i>	7	6	6	5	5
<i>Corporates</i>	10	11	9	13	10
Branch operations in the Netherlands	17	17	15	18	15
Other	55	58	58	53	61
<i>Households</i>	883	865	842	827	811
<i>Corporates</i>	891	888	873	864	870
Total lending to the public	1,774	1,753	1,715	1,691	1,681

* Excluding loans to the National Debt Office

Deposits from the public

SEK bn, end of period	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013
<i>Households</i>	246	245	234	233	228
<i>Corporates</i>	162	159	164	171	163
Branch operations in Sweden	408	404	398	404	391
<i>Households</i>	18	17	16	15	15
<i>Corporates</i>	58	49	49	44	37
Branch operations in Norway	76	66	65	59	52
<i>Households</i>	16	15	12	9	8
<i>Corporates</i>	70	77	58	49	36
Branch operations in UK	86	92	71	58	45
<i>Households</i>	12	11	11	11	11
<i>Corporates</i>	29	30	30	23	17
Branch operations in Finland	41	41	41	34	28
<i>Households</i>	12	12	12	12	11
<i>Corporates</i>	17	14	13	16	15
Branch operations in Denmark	29	26	24	28	26
<i>Households</i>	0	0	0	0	0
<i>Corporates</i>	8	10	9	6	11
Branch operations in the Netherlands	8	10	9	6	11
<i>Other</i>	287	304	259	236	255
<i>Households</i>	311	309	291	287	280
<i>Corporates</i>	623	634	576	538	528
Total deposits from the public	934	943	867	825	808

Lending in home markets outside Sweden

Average volumes local currency

	Q3 2014	Q2 2014	Change
Private, local currency			
Denmark, DKK bn	33.3	32.4	2.8%
Finland, EUR m	3,790	3,811	-0.6%
Norway, NOK bn	76.6	75.8	1.1%
UK, GBP m	4,138	3,921	5.5%
Netherlands, EUR m	760	682	11.4%

Corporate, local currency

Denmark, DKK bn	28.2	28.2	0.0%
Finland, EUR m	8,590	8,369	2.6%
Norway, NOK bn	112.9	113.3	-0.4%
UK, GBP m	9,144	8,924	2.5%
Netherlands, EUR m	1,121	1,145	-2.1%

Lending in home markets outside Sweden

Average volumes local currency

Private, local currency	Jan-Sep 2014	Jan-Sep 2013	Change
Denmark, DKK bn	32.4	28.7	12.9%
Finland, EUR m	3,796	3,667	3.5%
Norway, NOK bn	75.8	71.3	6.3%
UK, GBP m	3,941	3,143	25.4%
Netherlands, EUR m	689	448	53.8%

Corporate, local currency

Denmark, DKK bn	28.1	30.7	-8.5%
Finland, EUR m	8,389	7,917	6.0%
Norway, NOK bn	113.2	110.4	2.5%
UK, GBP m	8,950	8,282	8.1%
Netherlands, EUR m	1,242	1,246	-0.3%

Deposits in home markets outside Sweden

Average volumes local currency

	Q3 2014	Q2 2014	Change
Private, local currency			
Denmark, DKK bn	10.1	10.0	1.0%
Finland, EUR m	1,240	1,235	0.4%
Norway, NOK bn	15.9	15.0	6.0%
UK, GBP m	1,335	1,222	9.2%
Netherlands, EUR m	34	29	17.2%

Corporate, local currency

Denmark, DKK bn	13.4	12.2	9.8%
Finland, EUR m	3,426	3,119	9.8%
Norway, NOK bn	49.8	45.1	10.4%
UK, GBP m	6,466	6,431	0.5%
Netherlands, EUR m	1,099	1,067	3.0%

Deposits in home markets outside Sweden

Average volumes local currency

Private, local currency	Jan-Sep 2014	Jan-Sep 2013	Change
Denmark, DKK bn	9.8	9.1	7.7%
Finland, EUR m	1,241	1,258	-1.4%
Norway, NOK bn	15.2	13.8	10.1%
UK, GBP m	1,196	644	85.7%
Netherlands, EUR m	30	25	20.0%

Corporate, local currency

Denmark, DKK bn	13.6	13.2	3.0%
Finland, EUR m	3,196	1,533	108.5%
Norway, NOK bn	46.2	34.3	34.7%
UK, GBP m	6,088	2,606	133.6%
Netherlands, EUR m	1,042	803	29.8%