

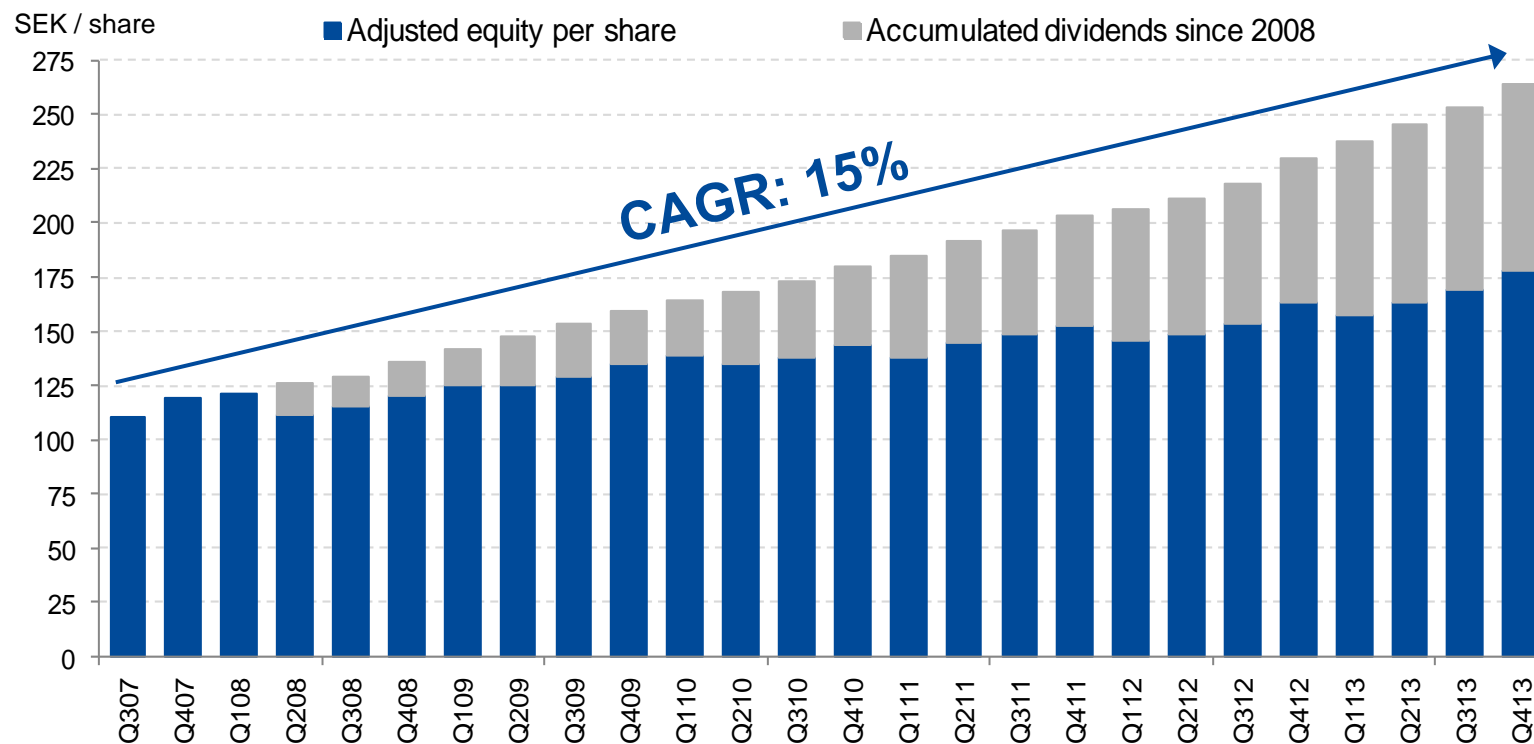
Handelsbanken

January – December 2013

5 February 2014

Average annual growth in equity

Including dividends



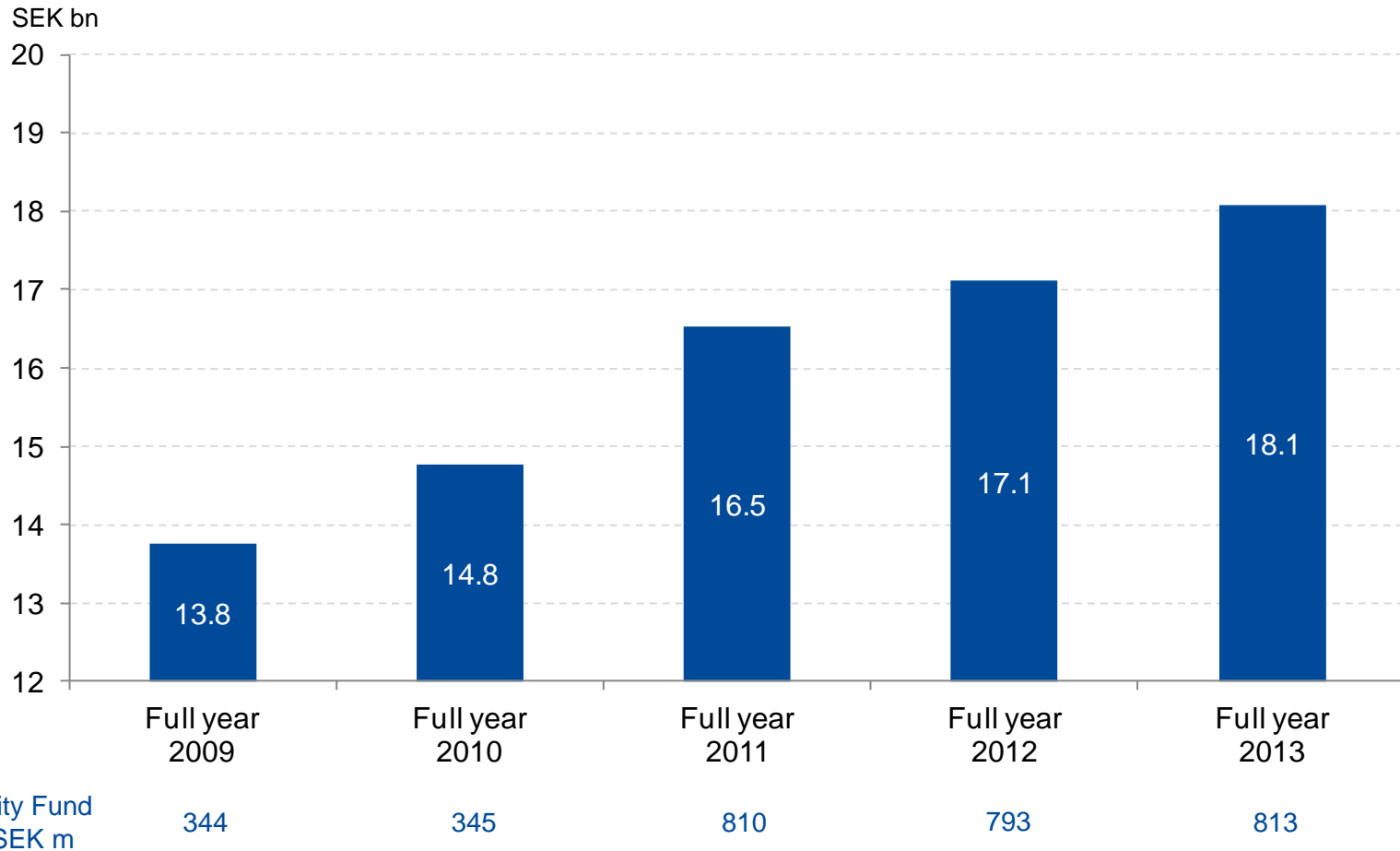
Dividends reinvested in RoE per quarter
 CAGR = Compounded Annual Growth Rate

Summary

- Net profits January – December increased by 16% adjusted for recalculation of deferred tax 2012
- Operating profits in Q4 increased by 13% compared to Q4 2012
- The Board proposes a total dividend per share of SEK 16.50, of which ordinary dividend per share of SEK 11.50
- Common equity tier 1 ratio according to full Basel III increased to 18.9%
- Continued uncertainty regarding new capital rules for Swedish banks
- Operating profits in home markets outside Sweden increased by 27% in 2013
- Return on equity increased by 0.8 %-points to 13.9% in 2013 adjusted for recalculation of deferred tax in 2012
- The loan loss ratio in Q4 and full year 2013 was 0.07%

Operating profit full year

The operating group profit in 2013 of SEK 18.1bn was at a record high level



Stability Fund
Fee, SEK m

Transactions with shareholders in the past six years

The six major Nordic banks' paid and proposed dividends, share issues and buy backs

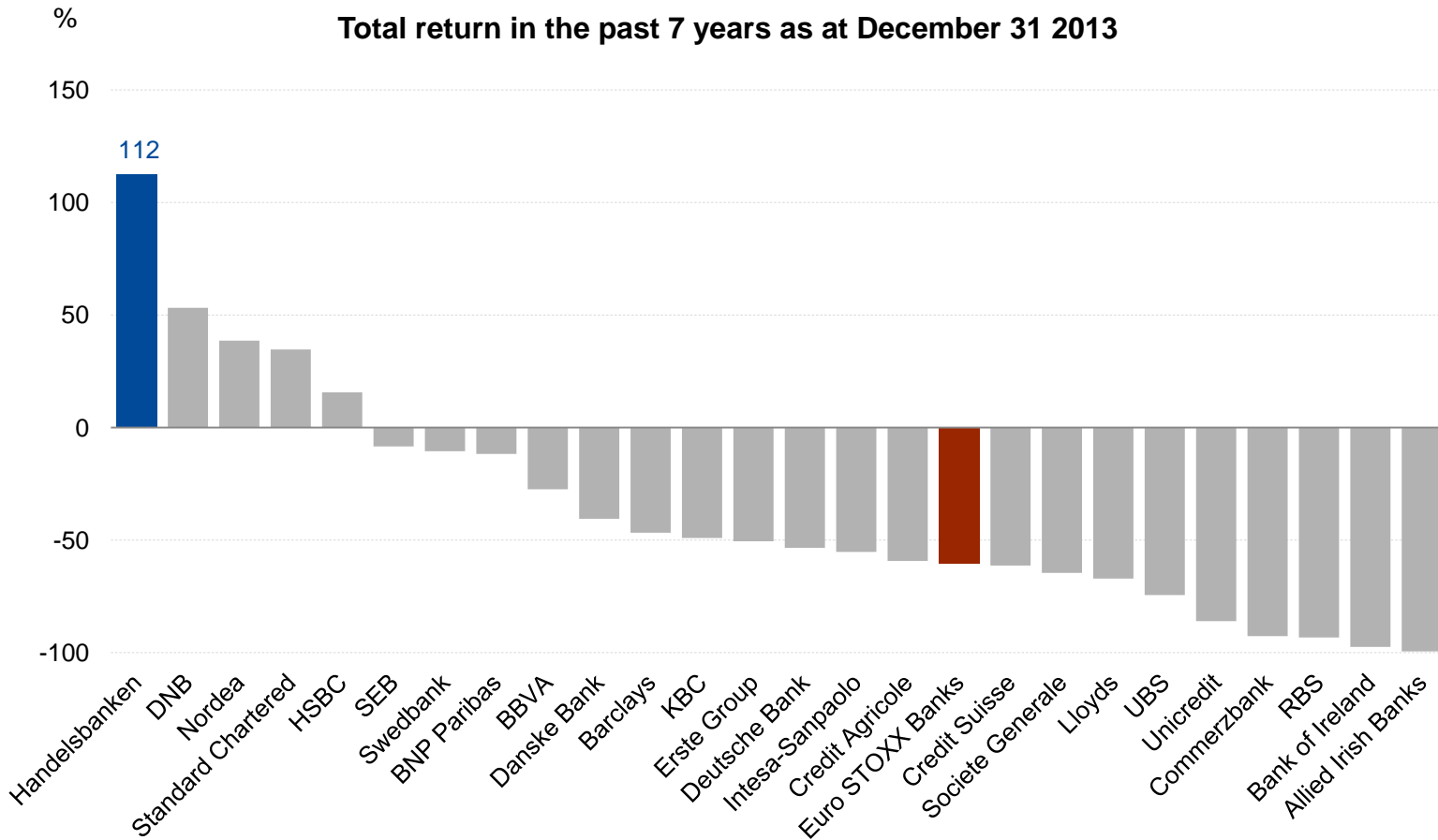
SEK bn*	Handelsbanken	Nordea	Swedbank	SEB	DNB	Danske Bank
Dividends 2009 - 2013	27.9	46.6	19.8	15.3	18.5	0.0
Proposed dividend 2014**	10.5	15.3	11.1	8.7	4.3	1.8
Rights issue(s)		-26.5	-15.1	-14.7	-16.9	-32.6
Share buy backs			6.2			
Total transactions with shareholders	38.4	35.4	22.0	9.3	5.9	-30.8

* The average FX rate for the respective transaction year in 2009-2013 has been used for translation into SEK in Nordea, DNB and Danske Bank. The FX rate per January 29 2014 has been applied for translation of proposed dividends in 2014 to SEK

** Analyst consensus according to Factset for DNB and Danske Bank

Source: company reports and Handelsbanken

Total return during the financial crisis

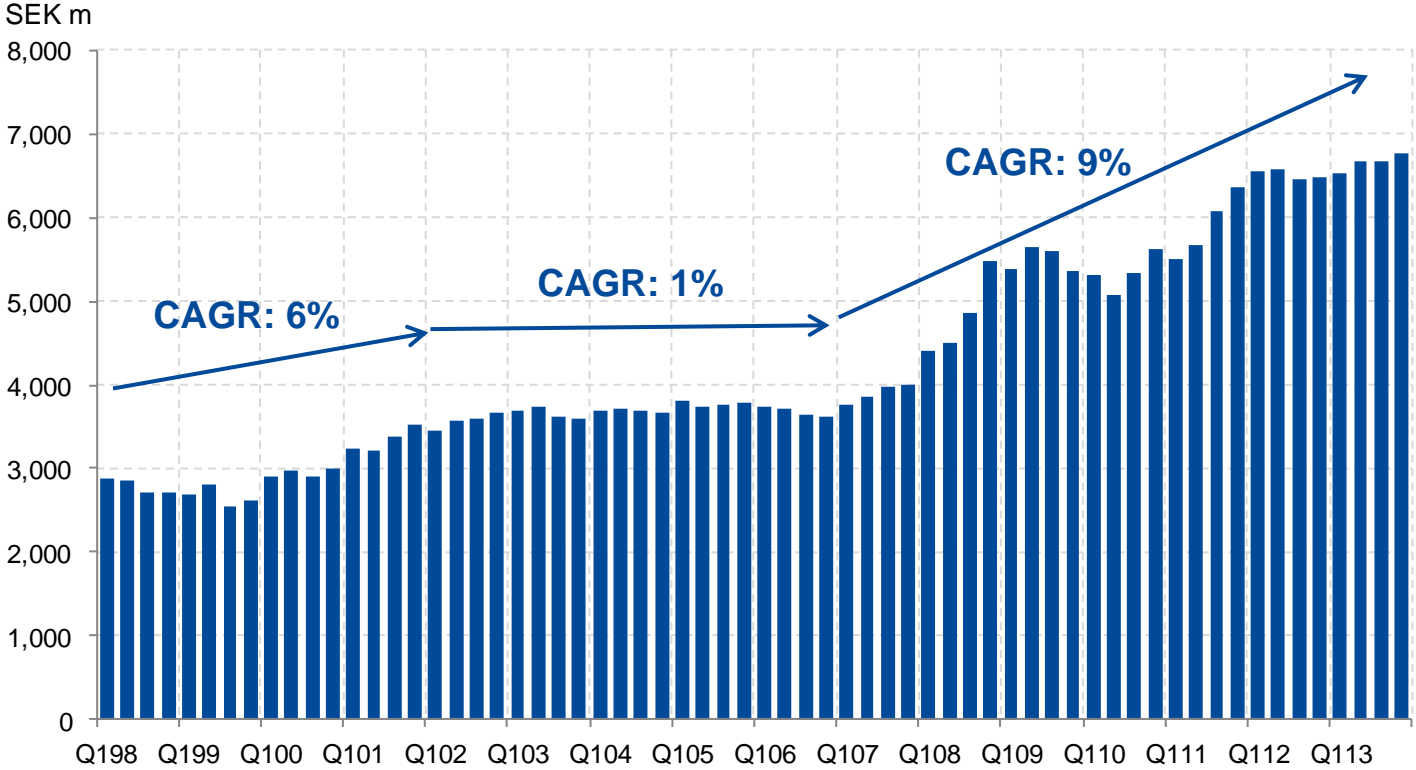


Source: SNL

Income statement, January – December

SEK m	Full year 2013	Full year 2012	Change	Q4 / Q4, change mkr	%
Net interest income	26,669	26,081	2%		
Net fee and commission income	7,804	7,369	6%		
Net gains/losses on financial transactions	1,357	1,120	21%		
Risk result - insurance	142	196	-28%		
Other income	355	296	20%		
Total income	36,327	35,062	4%	387	4%
Staff costs	-11,404	-11,167	2%		
Other expenses	-5,657	-5,533	2%		
Total expenses	-17,061	-16,700	2%	39	-1%
Profit before loan losses	19,266	18,362	5%	426	10%
Net loan losses	-1,195	-1,251	-4%		
Gains/losses on disposal of property, equipment and intangible assets	17	-3			
Operating profit	18,088	17,108	6%	510	13%
Taxes	-3,915	-3,092	27%		
Net profit from discontinued operations	122	22	455%		
Profit for the period	14,295	14,038	2%		
Net profits adjusted for recalculation of deferred tax asset 2012	14,295	12,356	16%		

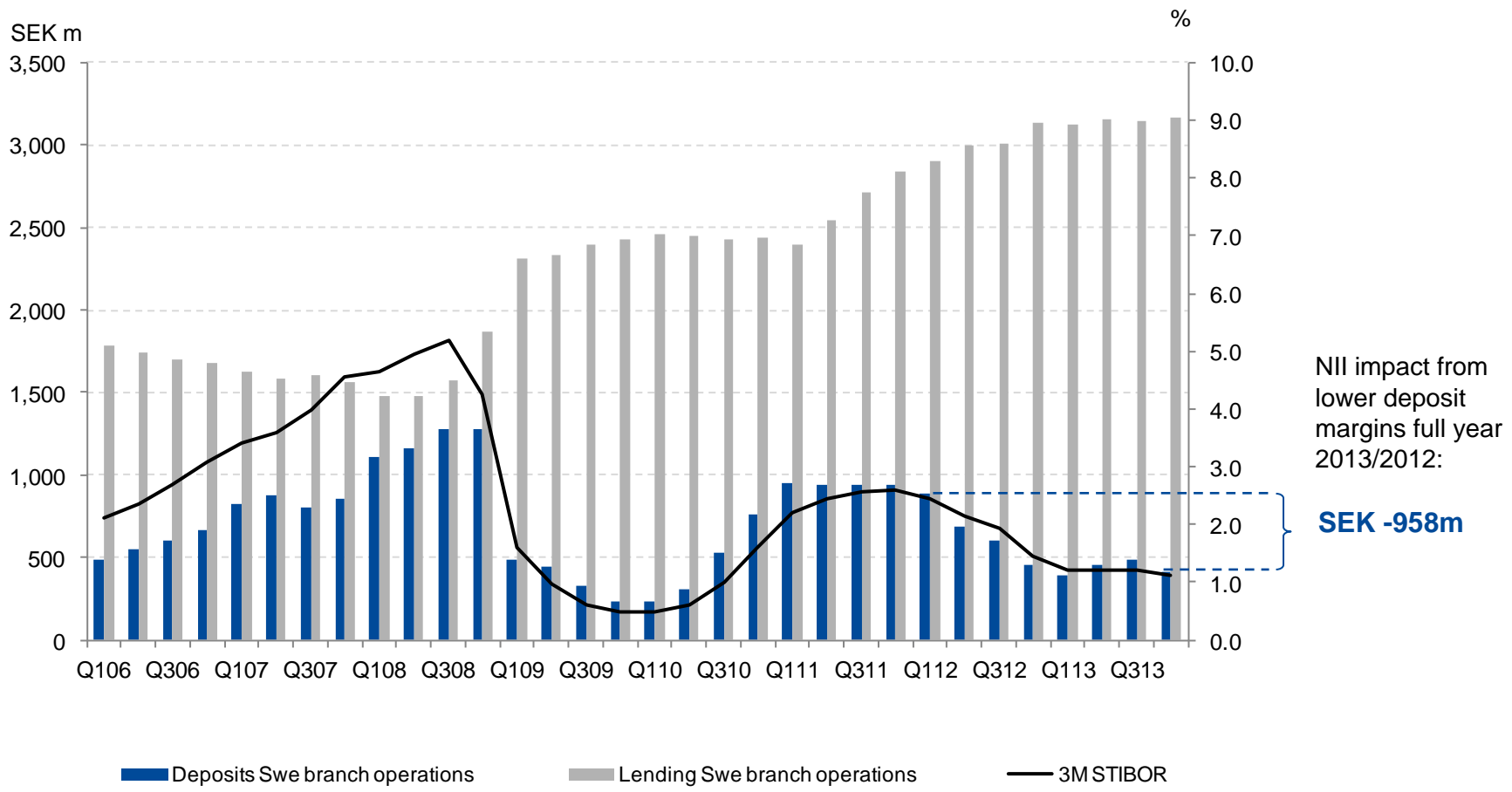
Net interest income Q1 1998 – Q4 2013



CAGR = Compounded Annual Growth Rate

Net interest income from lending and deposits

Swedish branch operations



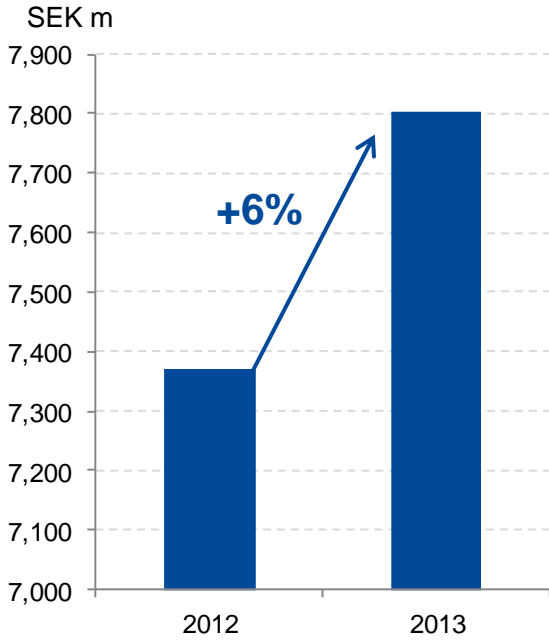
NII impact from lower deposit margins full year 2013/2012: **SEK -958m**

* Source: Bloomberg

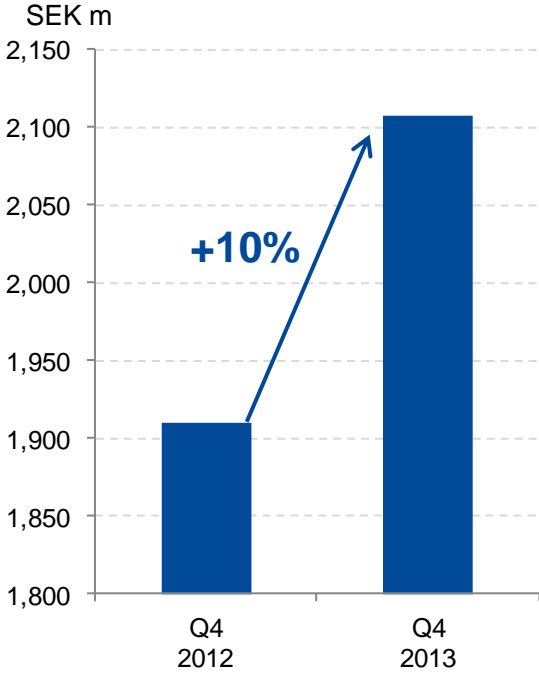
Reference rate until 30 June 2008, 1M STIBOR and subsequently 3M STIBOR for variable deposits and lending

Fee and commissions

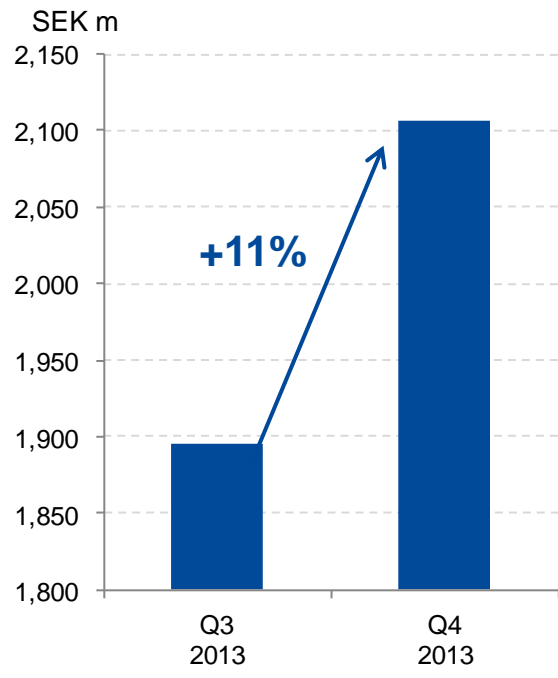
Full year 2013 / 2012



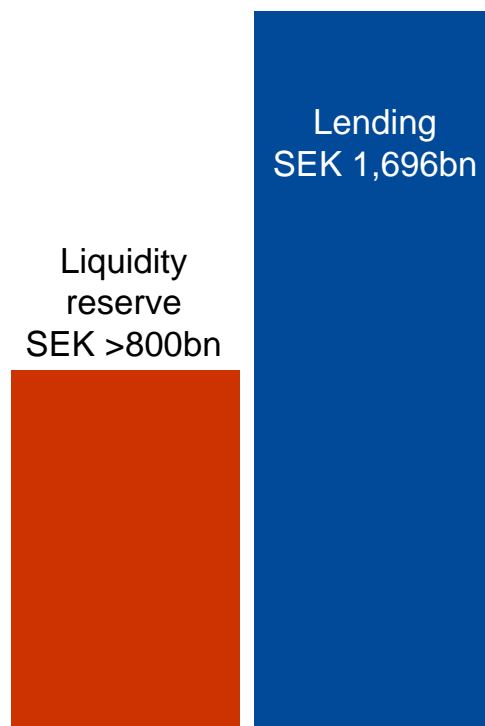
Q4 2013 / Q4 2012



Q4 2013 / Q3 2013



Financial stability

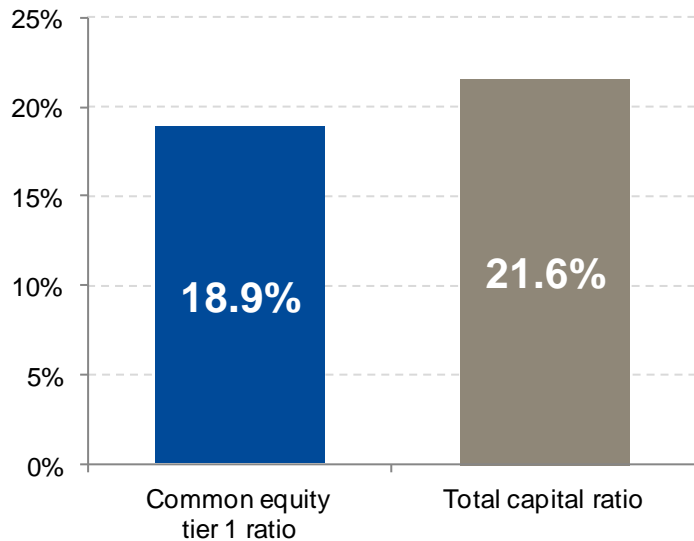


Basel III	31 Dec 2013
Capital Ratio, %	21.6
Common equity tier 1 ratio, %	18.9
Total capital base, SEK bn	106.4
Common equity tier 1 capital, SEK bn	93.0

Basel II	31 Dec 2013	31 Dec 2012	Change
Capital Ratio, %	21.6	20.7	+0.9
Common equity tier 1 ratio, %	19.2	17.9	+1.3
Common equity tier 1 capital, SEK bn	89.5	87.2	+2.3
Equity, SEK bn	111.3	103.9	+7.4

Uncertainty regarding new capital regulations for Swedish banks

Capital ratios, Basel III



Uncertainty regarding regulations

- Capital requirement and type of capital in Pillar 2
- Calculation method for Swedish systemic buffers not yet determined
- Swedish definition of Contingent Capital (CoCo's) not determined
- Timetable for transitional rules

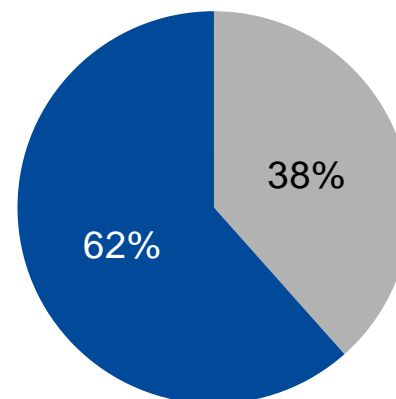
Long-term funding, January – December 2013

Long term issuance, SEK bn	2013	2012
Senior bonds	68	83
Extendible notes	40	-
Covered bonds	173	148
Total	281	231

Issues in Q4 include:

- EUR 1bn 7-year covered
- GBP 700m 7-year senior

Long-term funding issued in
January – December 2013



■ Senior unsecured bonds ■ Covered bonds

Handelsbanken's home markets

Number of branches, 31 Dec 2013:

Sweden	462
UK*	170
Denmark	56
Norway	49
Finland	45
Netherlands	18
Total**	800

* Including 9 appointed branch managers
 ** in home markets

Stavanger Straen



Raisio



Amager



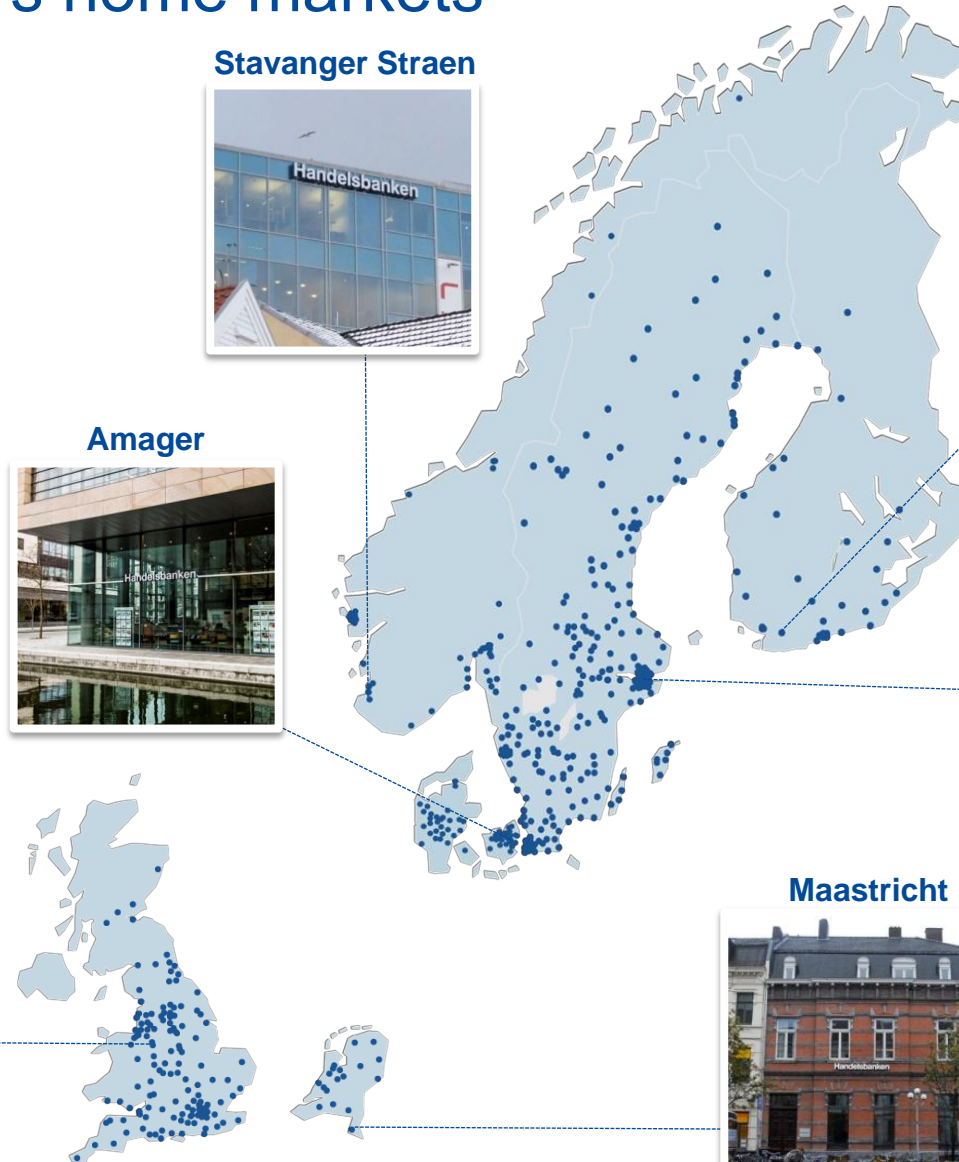
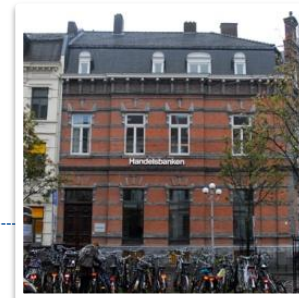
Karlaplan



Crewe

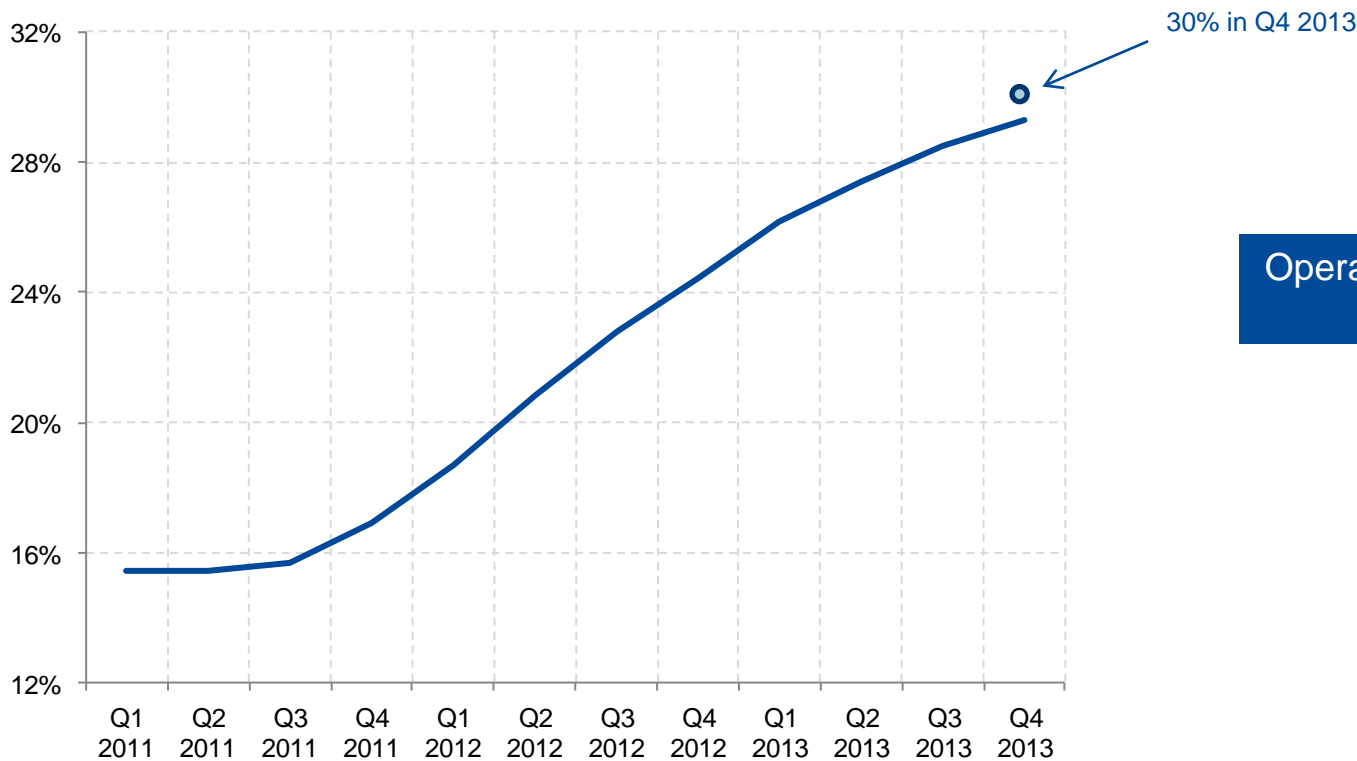


Maastricht



Home markets outside Sweden – share of group profits

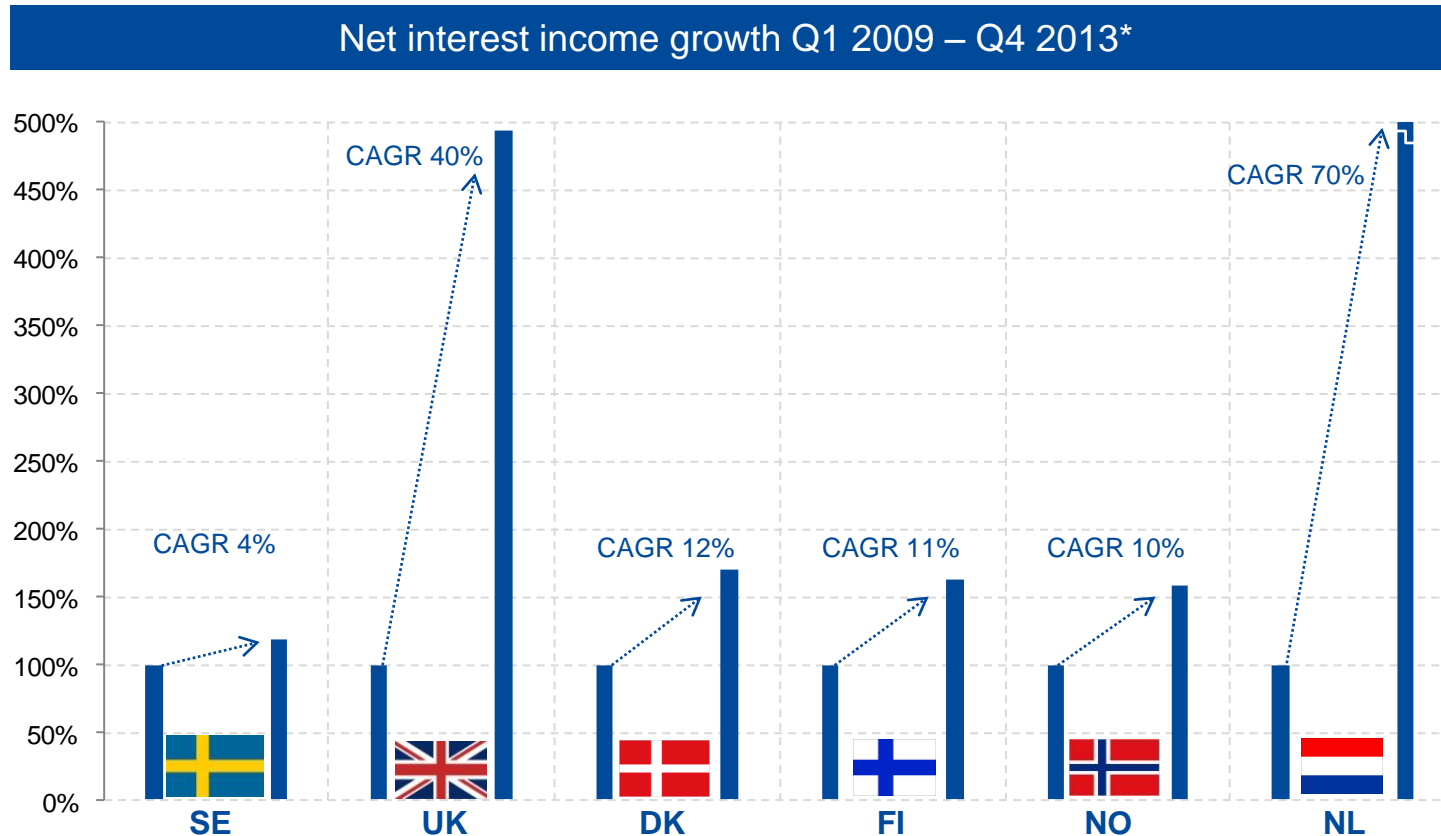
Home markets outside Sweden account for 29% of group operating profits*



Operating profits increased by 27% in 2013

* Twelve-month rolling operating profits

Net interest income growth in home markets



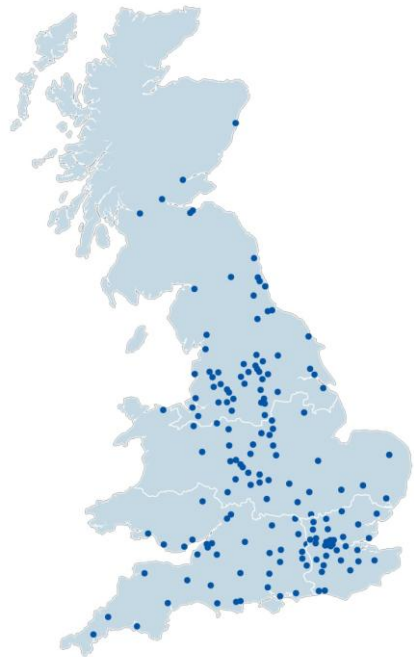
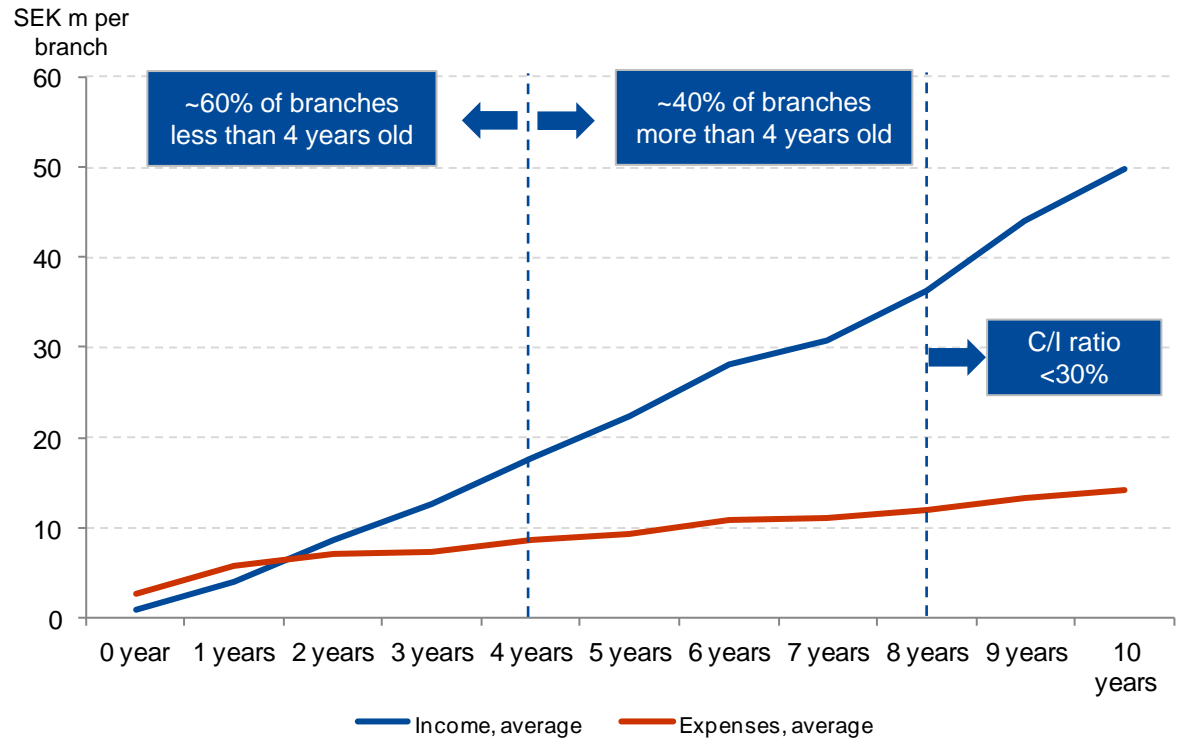
* In local currency

CAGR = Compounded Annual Growth Rate

Continued expansion and increased availability

- 170 branches including appointed branch managers
- Around 1,500 employees in the UK
- Income in full year 2013 increased by 34% in local currency compared to 2012

Income and expense trend in branches in the UK



Local – digital – long-term

Sweden

+8 branches in 2003 – 2012

-189 among peers* in the same period

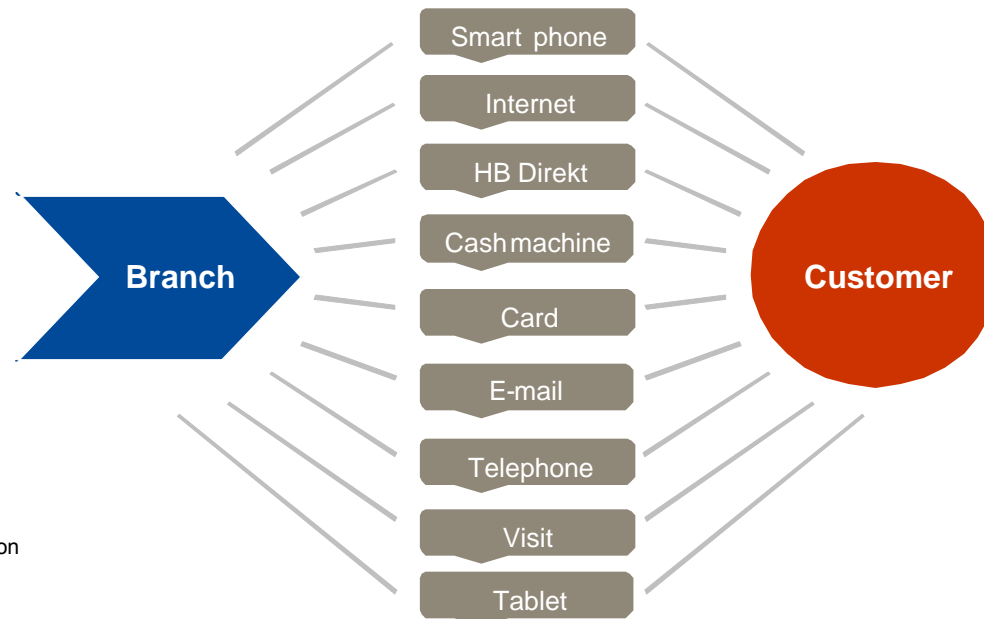
- The only bank in 53 locations in Sweden
- 2 new branches opened in 2013
- Everyday service in all branches

Home markets outside Sweden

35 new branches opened during 2013:

- **28** in the UK
- **2** in Denmark
- **5** in the Netherlands

Customers themselves chose the meeting place



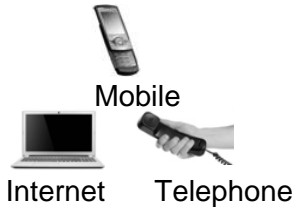
* Source: the Swedish Bankers' Association

Peers: Danske Bank branch, Nordea, SEB and Swedbank

People – on site – makes a difference

Necessities

Digital technology



- Necessity
- All banks have it
- Easy to copy

Product



- Standardised
- Easy to compare
- Easy to copy

Price

Bindningstid	Räntesats %	Sensast ränteförändring	Förändring*
3 mån	4.37%	2011-10-19	+0.08%
1 år	4.37%	2011-10-19	+0.04%
2 år	4.15%	2011-10-19	+0.10%
3 år	4.31%	2011-10-19	+0.07%
5 år	4.66%	2011-10-19	+0.10%
10 år		2011-10-19	+0.08%

Bindningstid	Upplysningsränta %	Sensast ändrad
3 mån*	2.81	2011-10-24
1 år	2.35	2011-10-24
2 år	2.44	2011-10-24
3 år	2.74	2011-10-24
5 år	3.38	2011-10-24
10 år	3.74	2011-10-24



- Set by the market
- Easy to compare
- Easy to evaluate

Differences

Local presence



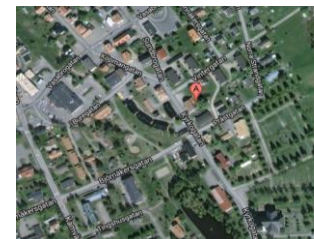
- Creates sense of belonging
- The town's own bank
- Increases availability

Personal service



- On customer's terms
- Builds relations
- Customer always meets the decision maker

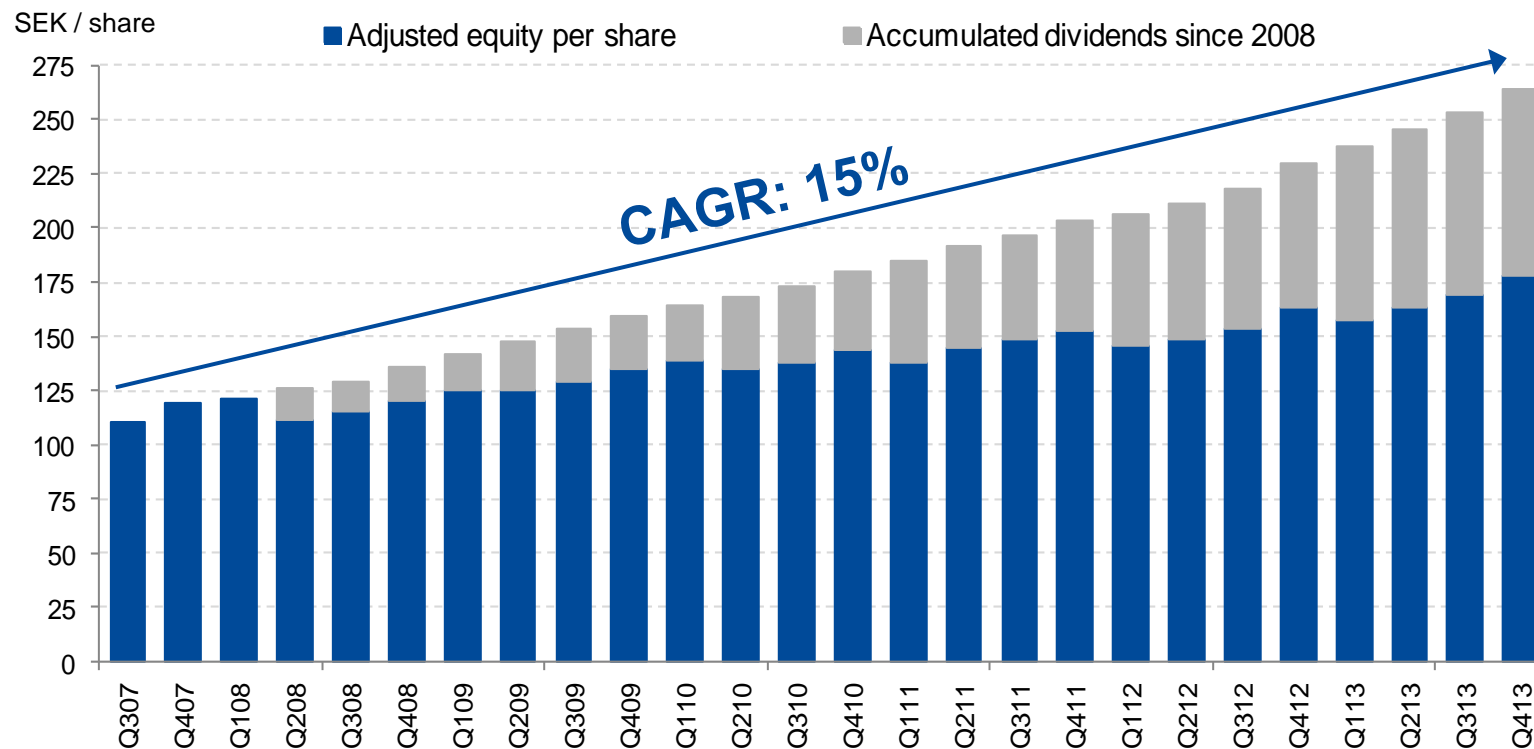
Unique local knowledge



- Better risk assessment
- Unique customer knowledge
- More business opportunities

Average annual growth in equity

Including dividends



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

Appendix

Non-encumbered assets, NEA

31 December 2013

SEK bn	IPT (NEA)	Accumulated coverage ratio in % of unsecured funding*
Cash with central banks and securities in the liquidity portfolio	460	60%
Mortgage loans	340	105%
Other household lending	130	122%
Property company lending lowest risk class (1-3)	203	149%
Other corporate lending lowest risk class (1-3)	168	171%
Loans to credit institutions lowest risk class (1-3)	68	179%
Other corporate lending	224	209%
Other assets	101	222%
Total non-encumbered assets (NEA)	1,694	222%
Encumbered assets without underlying liabilities**	57	
<i>Encumbered assets with underlying liabilities</i>	<i>739</i>	
Total assets, Group	2,490	

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

**Over-collateralisation in cover pool (OC)

Income statement - five quarters

SEK m	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Net interest income	6,772	6,683	6,673	6,541	6,484
Net fee and commission income	2,107	1,896	1,924	1,877	1,910
Net gains/losses on financial transactions	304	354	440	259	366
Risk result - insurance	35	30	26	51	88
Other income	60	46	177	72	43
Total income	9,278	9,009	9,240	8,800	8,891
Staff costs	-2,980	-2,845	-2,796	-2,783	-2,923
Other expenses	-1,527	-1,312	-1,419	-1,399	-1,623
Total expenses	-4,507	-4,157	-4,215	-4,182	-4,546
Profit before loan losses	4,771	4,852	5,025	4,618	4,345
Net loan losses	-322	-284	-306	-283	-395
Gains/losses on disposal of property, equipment and intangible assets	9	3	4	1	-2
Operating profit	4,458	4,571	4,723	4,336	3,948

Change in net interest income

NII Q3 2013, SEK m	6,683	Change
Deposits, branch operations in Sweden		
- margins	-87	
- volumes	12	
Lending, branch operations in Sweden		
- margins	11	
- volumes	18	
Deposits and lending non-Swedish branches	42	
Mandatory government fees (deposit insur. stabilisation fund etc)	4	
Benchmark effect	58	
Other	4	
NII Q4 2013 , underlying	6,745	1%
Day count effect	0	
Exchange rate movements	27	
NII Q4 2013	6,772	1%

Change in net interest income

NII 2012, SEK m	26,081	Change
Deposits, branch operations in Sweden		
- margins	-958	
- volumes	47	
Lending, branch operations in Sweden		
- margins	202	
- volumes	435	
Deposits and lending non-Swedish branches	1,584	
Mandatory government fees (deposit insur. stabilisation fund etc)	-35	
Benchmark effect	33	
Other	-423	
NII 2013, underlying	26,966	3%
Day count effect	-13	
Exchange rate movements	-285	
NII 2013	26,669	2%

Change in common equity tier 1 ratio

Basel II

Common equity tier 1 ratio Q3 2013, %	19.3
<hr/>	
Change, %-points:	
Common equity tier 1 capital	-0.1
- of which earnings after estimated dividends	-0.4
- of which conversions of staff convertibles	0.0
- of which currency effects	0.4
- of which IAS 19	0.1
- of which other and rounding	-0.2
<hr/>	
Lending volume	0.0
- of which lending growth	0.1
- of which currency effects	-0.1
<hr/>	
Net effect different quality of inflows and outflows in loan portfolio	0.2
Credit risk migration in the lending portfolio	-0.2
Advanced IRB for large corporates and validation of IRB model	0.0
Model changes and other effects, net	0.0
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Change in common equity tier 1 ratio	-0.1
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Common equity tier 1 ratio Q4 2013, %	19.2
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Change in common equity tier 1 ratio

Basel II

Common equity tier 1 ratio Q4 2012, %	17.9
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Change, %-points:	
Common equity tier 1 capital	0.5
- of which earnings after estimated dividends	0.7
- of which conversions of staff convertibles	0.1
- of which removed transitional rules and investments in insurance holdings	-0.5
- of which currency effects	0.1
- of which IAS 19	0.2
- of which other and rounding	-0.1
<hr/>	
Lending volume	-0.4
- of which lending growth	-0.4
- of which currency effects	0.0
<hr/>	
Net effect different quality of inflows and outflows in loan portfolio	0.8
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	0.8
<hr/>	
Change in common equity tier 1 ratio	1.3
<hr/>	
Common equity tier 1 ratio Q4 2013, %	19.2
<hr/>	

Mandatory government fees

Full year 2013, SEK m	Stabilisation Fund	Deposit guarantee	Total
Sweden	-414	-220	-634
UK	-41	-8	-49
Denmark	-25	-19	-44
Finland	-35	-12	-47
Norway	-74	-23	-97
Netherlands	-4	0	-4
International	-15	-5	-20
Other	-205	-1	-206
Total	-813	-288	-1,101

Fees and commissions

SEK m	Full year 2013	Full year 2012	Change
Brokerage and other securities commissions	1,189	1,137	5%
Mutual funds	2,008	1,680	20%
Custody and other asset management fees	427	348	23%
Advisory services	278	195	43%
Insurance	571	583	-2%
Payments	2,813	2,676	5%
Loans and deposits	1,124	1,195	-6%
Guarantees	438	466	-6%
Other	446	470	-5%
Commission income	9,294	8,750	6%
Securities	-228	-216	6%
Payments	-1,175	-1,070	10%
Other	-87	-95	-8%
Commission expense	-1,490	-1,381	8%
Net fee and commission income	7,804	7,369	6%

Dividends

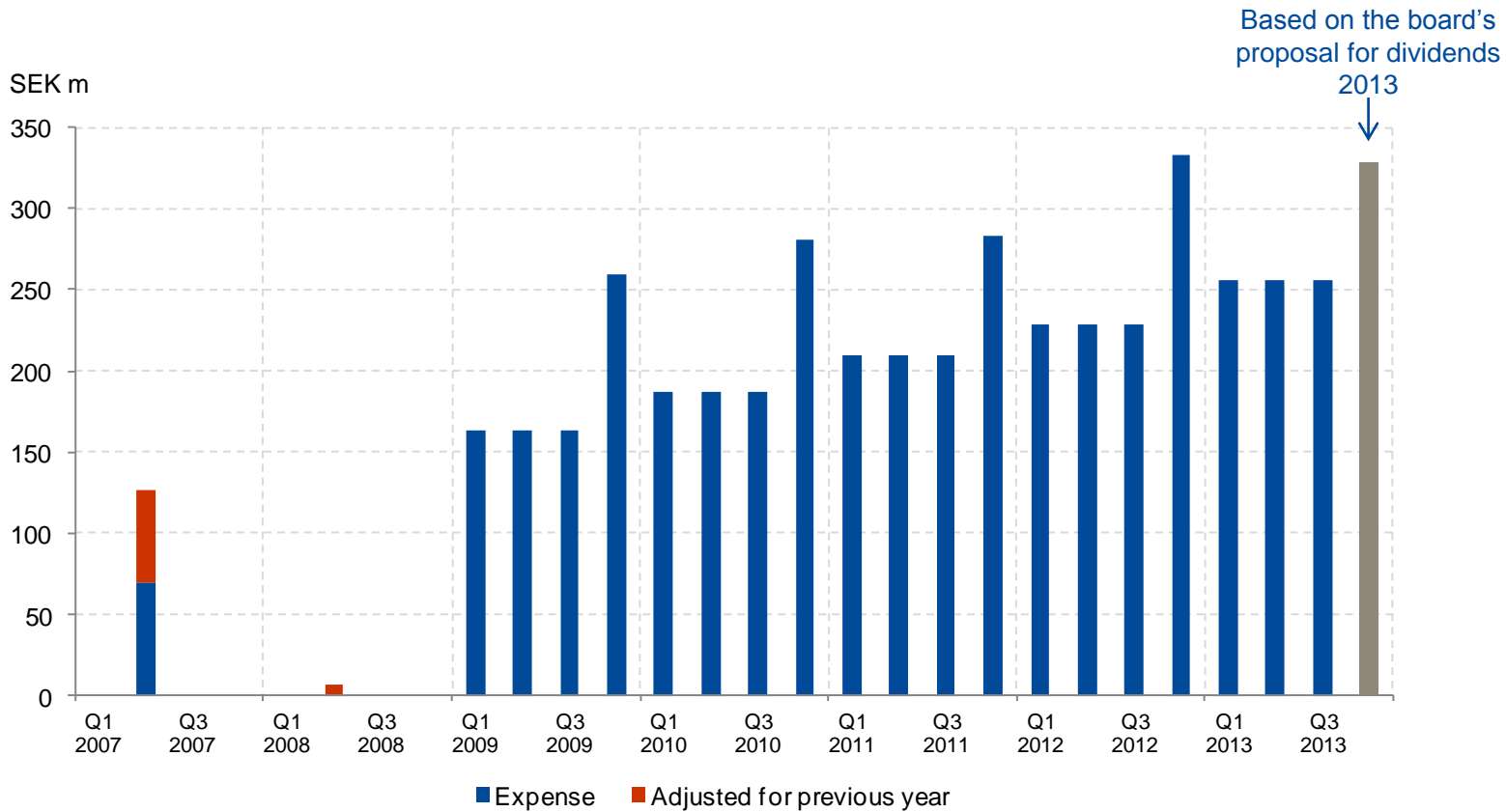
	2013*	2012
Ordinary dividend per share, SEK	11.50	10.75
Total dividend per share, SEK	16.50	10.75
Total dividends, SEKbn	10.5	6.8

* Board proposal

Record date for dividends: 31 March 2014

Ex-dividend date: 27 March 2014

Oktagonen quarterly, Q1 2007 – Q4 2013



Effective tax rate

Effective tax rate	Q413	Q313	Q213	Q113	Q412*	Q312	Q212	Q112
Per quarter	21.5%	21.8%	22.6%	20.4%	-10.1%	26.5%	25.2%	27.9%
Accumulated year to date	21.6%	21.6%	21.5%	20.4%	18.1%	26.5%	26.5%	27.9%

* Negative tax rate in Q4 2012 due to recalculation of deferred taxes as a consequence of changed corporate tax rate in Sweden

Balance sheet

SEK bn	Full year 2013	Full year 2012	Change
Cash and central banks	370	249	49%
Loans to the public	1,696	1,680	1%
Loans to other credit institutions	63	90	-31%
Interest-bearing securities	122	117	4%
Other assets	239	247	-3%
Total assets	2,490	2,384	4%
Deposits and borrowing from the public	825	682	21%
Due to credit institutions	172	184	-7%
Issued securities	1,151	1,151	0%
Other liabilities	231	263	-12%
Total equity	111	104	7%
Total liabilities and equity	2,490	2,384	4%

Loans to the public*

SEK bn, end of period	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<i>Households</i>	627	620	614	604	597
<i>Corporates</i>	485	489	493	497	482
Branch office operations in Sweden	1,111	1,110	1,107	1,101	1,078
<i>Households</i>	81	79	81	80	83
<i>Corporates</i>	117	117	121	119	127
Branch office operations in Norway	198	197	202	200	209
<i>Households</i>	39	36	33	30	30
<i>Corporates</i>	92	89	86	81	83
Branch office operations in Great Britain	132	125	119	110	113
<i>Households</i>	34	33	33	30	31
<i>Corporates</i>	74	70	71	66	66
Branch office operations in Finland	107	103	103	96	97
<i>Households</i>	38	35	34	32	32
<i>Corporates</i>	34	35	38	37	35
Branch office operations in Denmark	72	70	73	68	67
<i>Households</i>	5	5	4	4	3
<i>Corporates</i>	13	10	11	10	11
Branch office operations in the Netherlands	18	15	15	14	14
Other	53	61	64	58	86
<i>Households</i>	827	811	803	785	779
<i>Corporates</i>	864	870	880	862	885
Total lending to the public	1,691	1,681	1,683	1,647	1,664

* Excluding loans to the National Debt Office

Deposits from the public

SEK bn, end of period	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
<i>Households</i>	233	228	228	219	217
<i>Corporates</i>	171	163	156	164	167
Branch office operations in Sweden	404	391	384	383	384
<i>Households</i>	15	15	16	15	16
<i>Corporates</i>	44	37	33	38	47
Branch office operations in Norway	59	52	49	53	62
<i>Households</i>	9	8	7	6	6
<i>Corporates</i>	49	36	27	22	24
Branch office operations in Great Britain	58	45	34	27	30
<i>Households</i>	12	11	11	11	11
<i>Corporates</i>	16	15	14	11	16
Branch office operations in Denmark	28	26	25	22	27
<i>Households</i>	11	11	11	11	11
<i>Corporates</i>	23	17	13	12	14
Branch office operations in Finland	34	28	24	22	25
<i>Households</i>	0	0	0	0	0
<i>Corporates</i>	6	11	7	7	4
Branch office operations in the Netherlands	6	11	8	7	4
Other	236	255	113	128	150
<i>Households</i>	287	280	281	268	267
<i>Corporates</i>	538	528	356	374	415
Total deposits from the public	825	808	637	642	682

Lending in home markets outside Sweden

Average volumes

	Q4 2013	Q3 2013	Change
Private, local currency			
Denmark, DKK bn	30.6	29.4	4.1%
Finland, EUR m	3,773	3,736	1.0%
Norway, NOK bn	74.2	72.4	2.5%
UK, GBP m	3,580	3,344	7.1%
Netherlands, EUR m	567	515	10.1%

Corporate, local currency

Denmark, DKK bn	27.9	29.8	-6.4%
Finland, EUR m	8,166	7,990	2.2%
Norway, NOK bn	112.0	111.5	0.4%
UK, GBP m	8,677	8,509	2.0%
Netherlands, EUR m	1,264	1,256	0.6%

Lending in home markets outside Sweden

Average volumes

Private, local currency	Full year 2013	Full year 2012	Change
Denmark, DKK bn	29.1	25.5	14.1%
Finland, EUR m	3,693	3,480	6.1%
Norway, NOK bn	72.0	67.9	6.0%
UK, GBP m	3,252	2,537	28.2%
Netherlands, EUR m	478	240	99.2%

Corporate, local currency

Denmark, DKK bn	30.0	27.4	9.5%
Finland, EUR m	7,979	7,152	11.6%
Norway, NOK bn	110.8	106.9	3.6%
UK, GBP m	8,381	7,119	17.7%
Netherlands, EUR m	1,250	1,417	-11.8%

Deposits in home markets outside Sweden

Average volumes

	Q4 2013	Q3 2013	Change
Private, local currency			
Denmark, DKK bn	9.3	9.2	1.1%
Finland, EUR m	1,273	1,248	2.0%
Norway, NOK bn	14.3	14.3	0.0%
UK, GBP m	821	779	5.4%
Netherlands, EUR m	27	26	3.8%

Corporate, local currency

Denmark, DKK bn	14.6	12.3	18.7%
Finland, EUR m	2,457	1,597	53.9%
Norway, NOK bn	39.5	31.7	24.6%
UK, GBP m	4,132	3,093	33.6%
Netherlands, EUR m	1,264	836	51.2%

Deposits in home markets outside Sweden

Average volumes

Private, local currency	Full year 2013	Full year 2012	Change
Denmark, DKK bn	9.1	8.7	4.6%
Finland, EUR m	1,262	1,287	-1.9%
Norway, NOK bn	14.0	13.3	5.3%
UK, GBP m	688	463	48.6%
Netherlands, EUR m	26	17	52.9%

Corporate, local currency

Denmark, DKK bn	13.6	13.6	0.0%
Finland, EUR m	1,764	2,135	-17.4%
Norway, NOK bn	35.6	36.2	-1.7%
UK, GBP m	2,988	2,326	28.5%
Netherlands, EUR m	918	633	45.0%

Branch operations in home markets

Q4 2013	Sweden	Norway	UK	Denmark	Finland	Netherlands
Operating profit, SEK m	3,101	641	351	199	151	17
Return on allocated capital, %	17.5	17.1	15.0	12.6	9.0	6.9
C/I ratio, %	35.3	32.1	57.8	48.5	38.2	67.1
Loan loss ratio	0.03	0.08	-0.01	0.40	0.54	0.17
Branches*	462	49	161	56	45	18
Employees, average	4,357	655	1,405	625	485	110
Household lending, SEK bn*	627	81	39	38	34	5
Corporate lending, SEK bn*	485	117	92	34	74	13
Household deposits, SEK bn*	233	15	9	12	11	0
Corporate deposits, SEK bn*	171	44	49	16	23	6

* end of period

Branch operations in home markets

Full year 2013	Sweden	Norway	UK	Denmark	Finland	Netherlands
Operating profit, SEK m	12,489	2,592	1,143	812	683	73
Return on allocated capital, %	17.7	17.0	13.2	12.7	9.9	7.7
C/I ratio, %	35.6	31.2	55.3	49.3	41.5	67.4
Loan loss ratio	0.03	0.08	0.14	0.25	0.30	0.05
Branches*	462	49	161	56	45	18
Employees, average	4,420	650	1,260	624	490	102
Household lending, SEK bn*	627	81	39	38	34	5
Corporate lending, SEK bn*	485	117	92	34	74	13
Household deposits, SEK bn*	233	15	9	12	11	0
Corporate deposits, SEK bn*	171	44	49	16	23	6

* end of period