

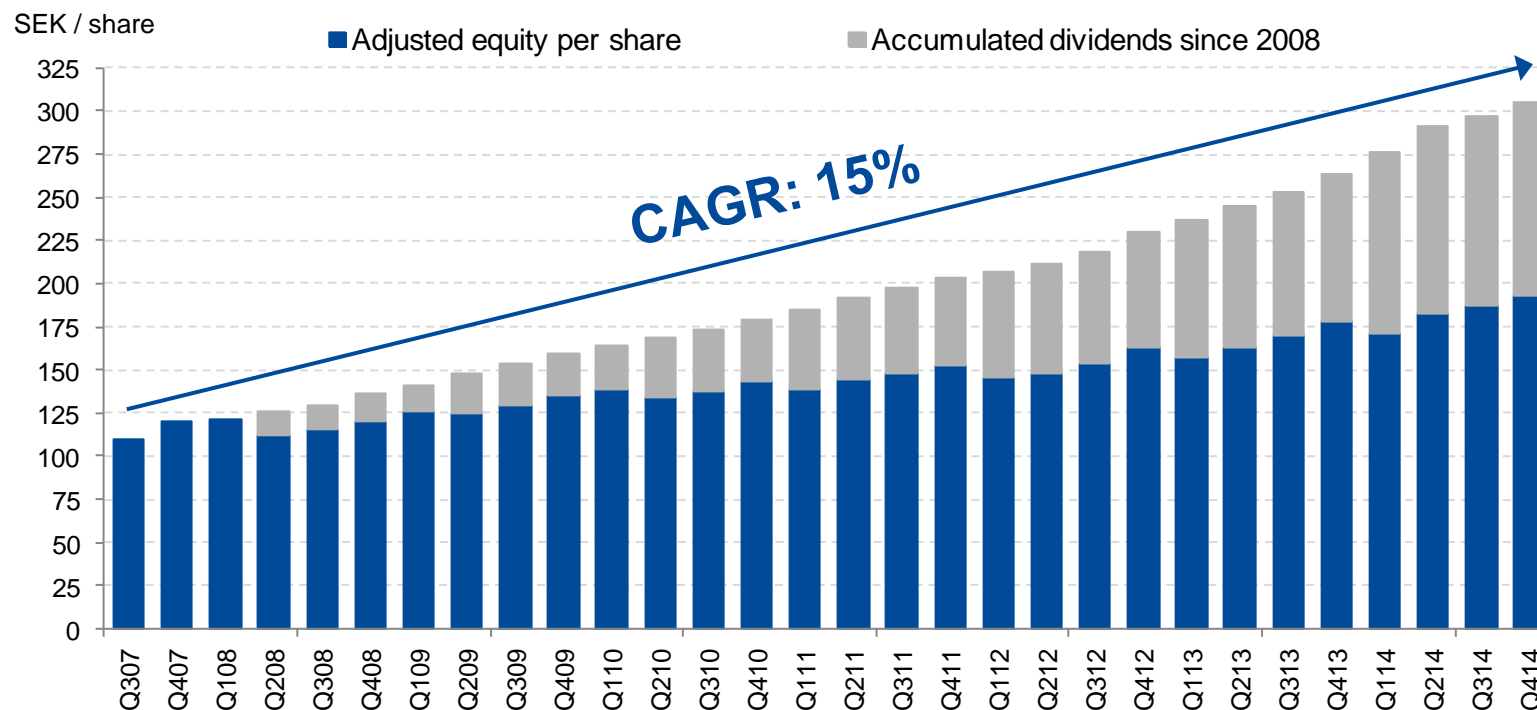
Handelsbanken

January – December 2014

4 February 2015

Average annual growth in equity

Including dividends



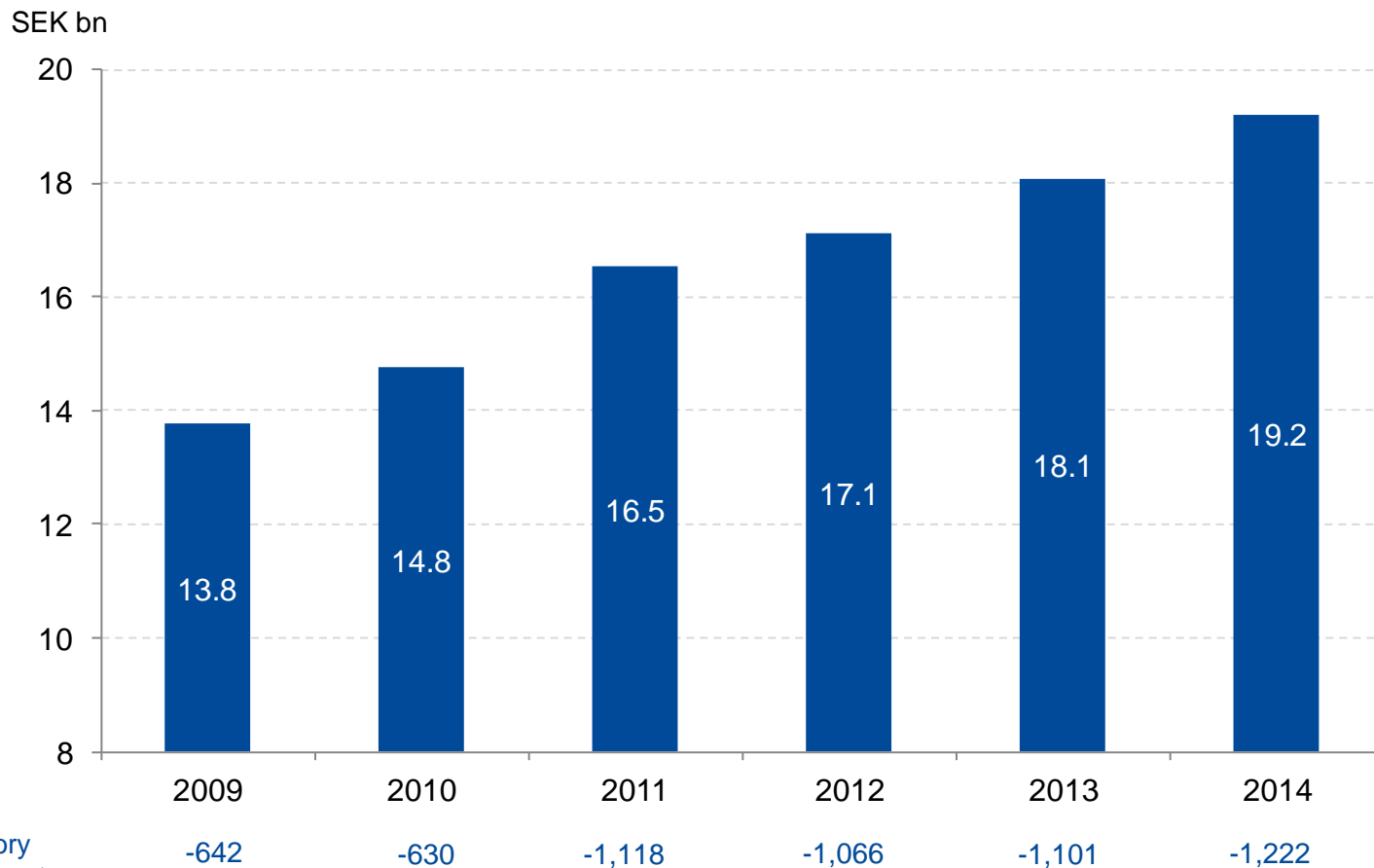
Dividends reinvested in ROE per quarter
 CAGR = Compounded Annual Growth Rate

Summary 2014

- Operating profit increased by 6% to SEK 19,211m (18,088), the highest in the Bank's 143-year history
 - The impact from falling interest rates of SEK -1,374m affected profits negatively by 8%
- Earnings per share increased by 6% to SEK 23.89
- The Board proposes a ordinary dividend of SEK 12.50 per share and also an extra dividend of SEK 5.00 per share
- On basis of the Bank's share reaching an all time high during 26 days of trading in 2014 and 71 days during the past three years the Board has decided to propose a stock split of 3:1
- NII increased by 2% in the group and by 11% in home markets outside Sweden, despite the continued decline in interest rates
- The C/I ratio improved to 45.2%
- Continued expansion and 24 new branches

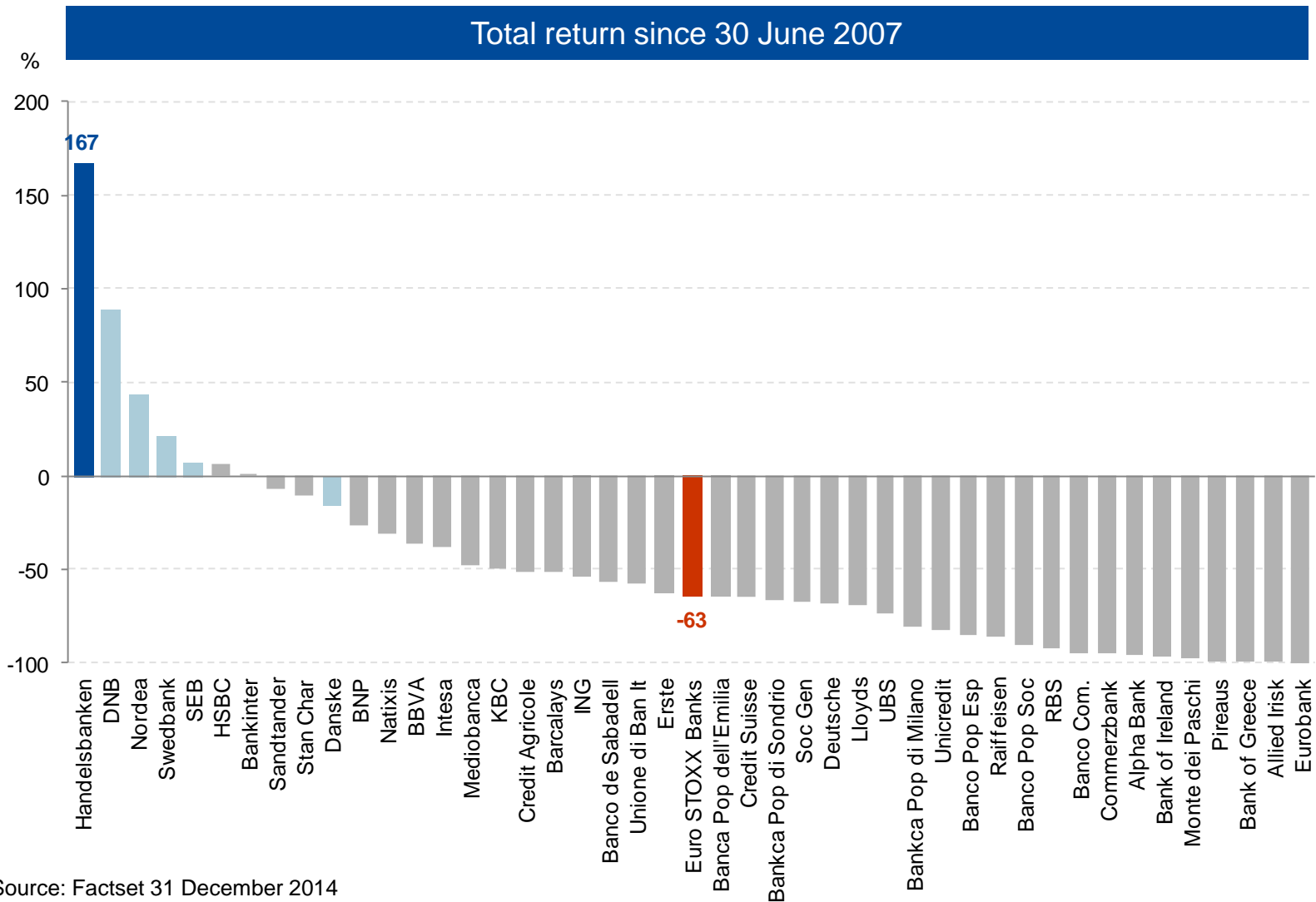
Operating profit, January – December

The Group's 2014 operating profit of SEK 19.2bn is the highest ever



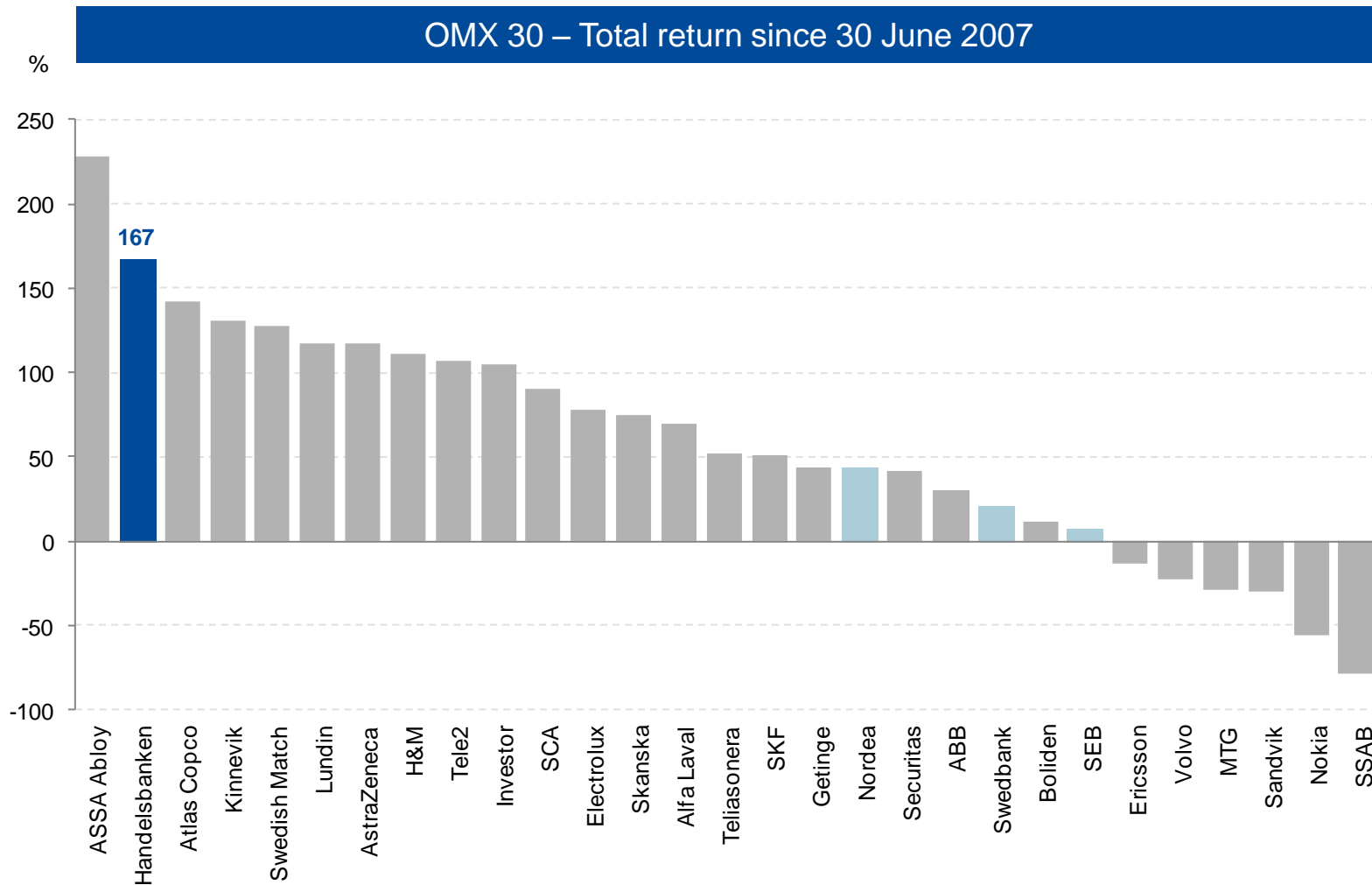
Mandatory government fees, SEK m

Total return during the financial crisis



Source: Factset 31 December 2014

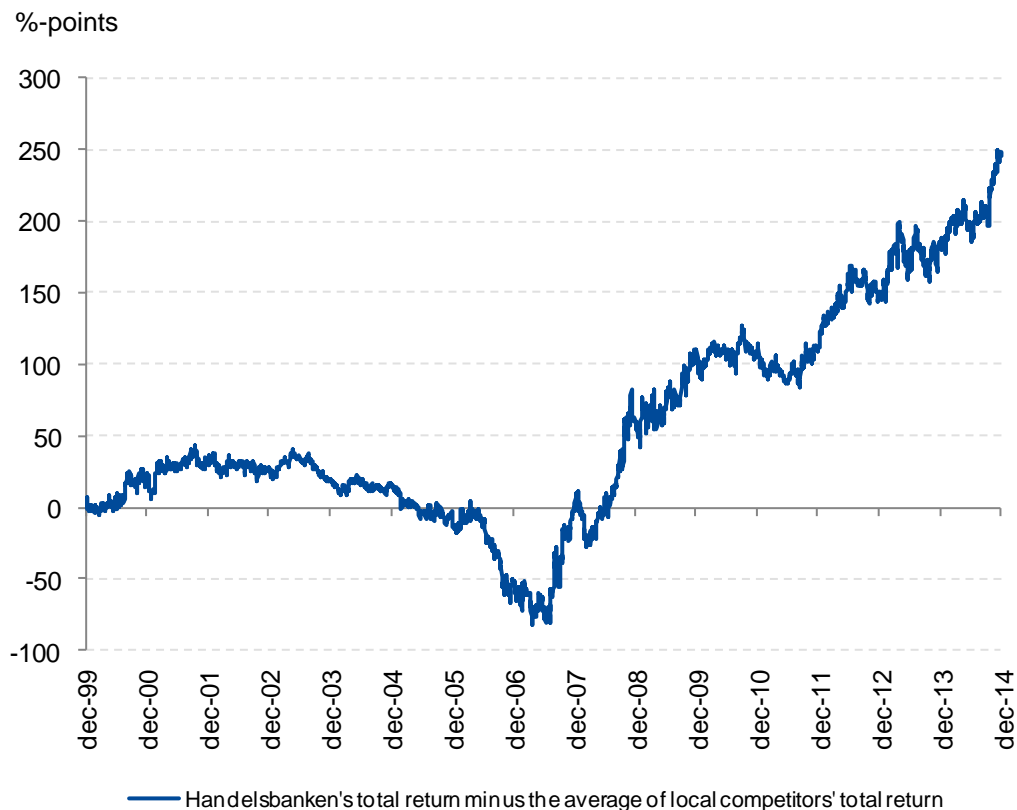
Total return during the financial crisis



Source: Factset 31 December 2014

Total return compared to peers

Total return compared to peers*



Handelsbanken:
+521%

Peers:
+275%

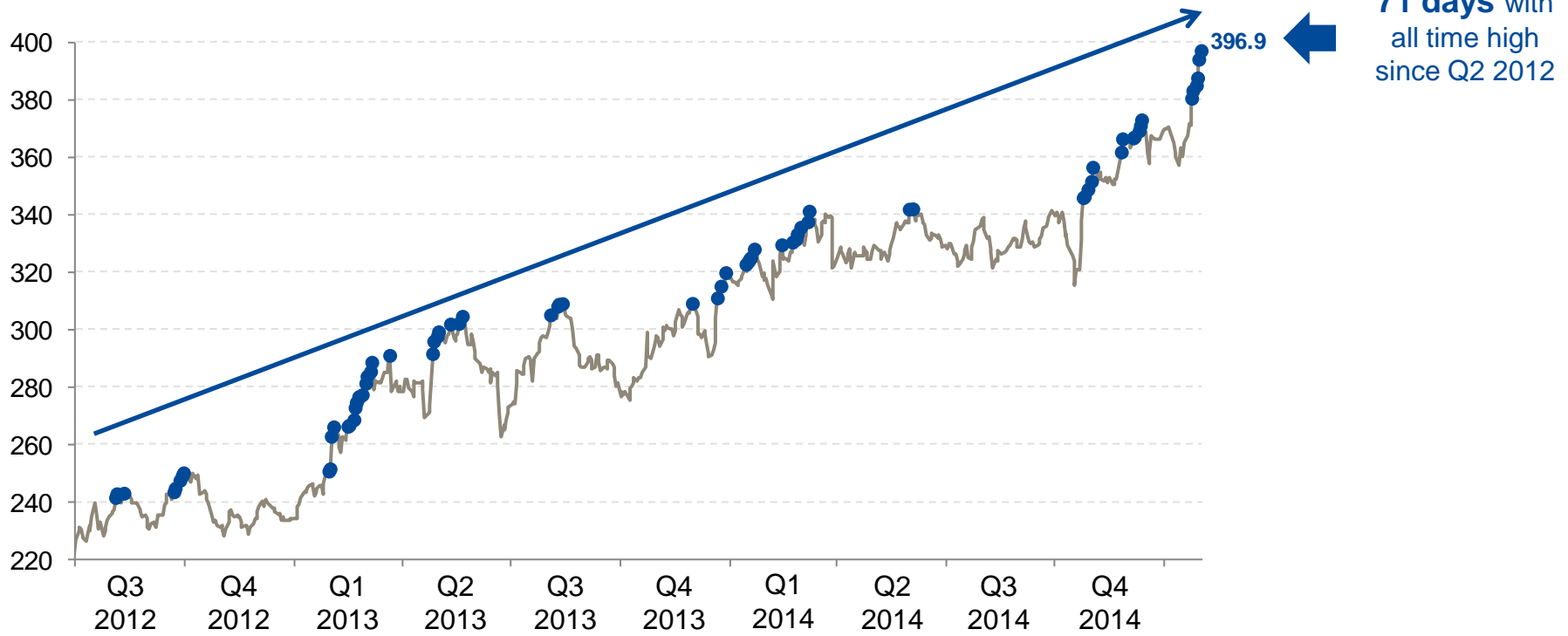
Source: Factset, Net Total Return

* Peers include Nordea, SEB and Swedbank

Ten consecutive quarters with share price at all time high*

Days with all time high for the share price

SEK per share

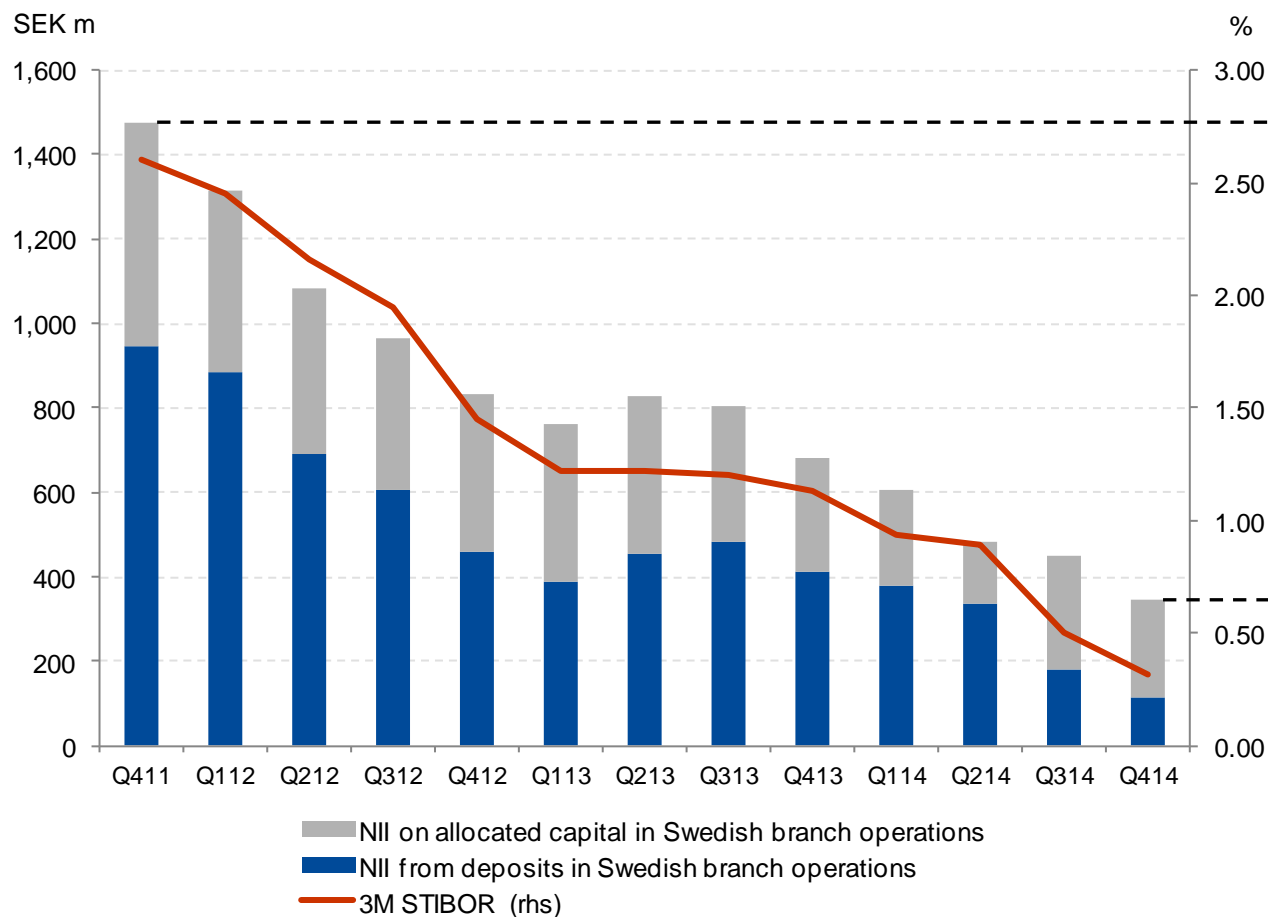


Source: Factset

* Quarters defined as the period between the Nordic banking sector reports

NII from deposits and equity

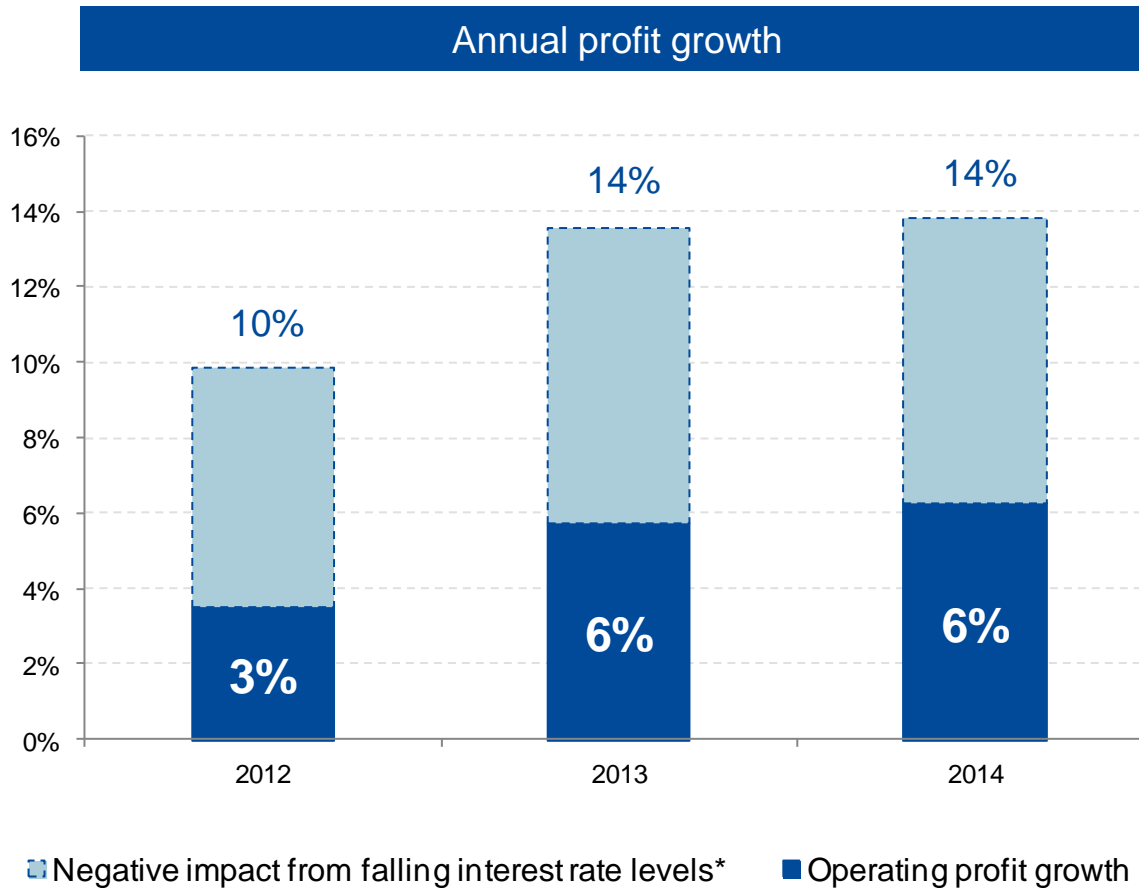
Swedish branch operations



SEK -1.1bn less NII per quarter in Swedish branch operations due to lower interest rate level

14% profit growth in 2014 before negative impact from falling interest rates

Group



* Calculated as operating profit adjusted for each year's negative impact on earnings from falling short term interest rates in relation to the reported operating profits in the prior year

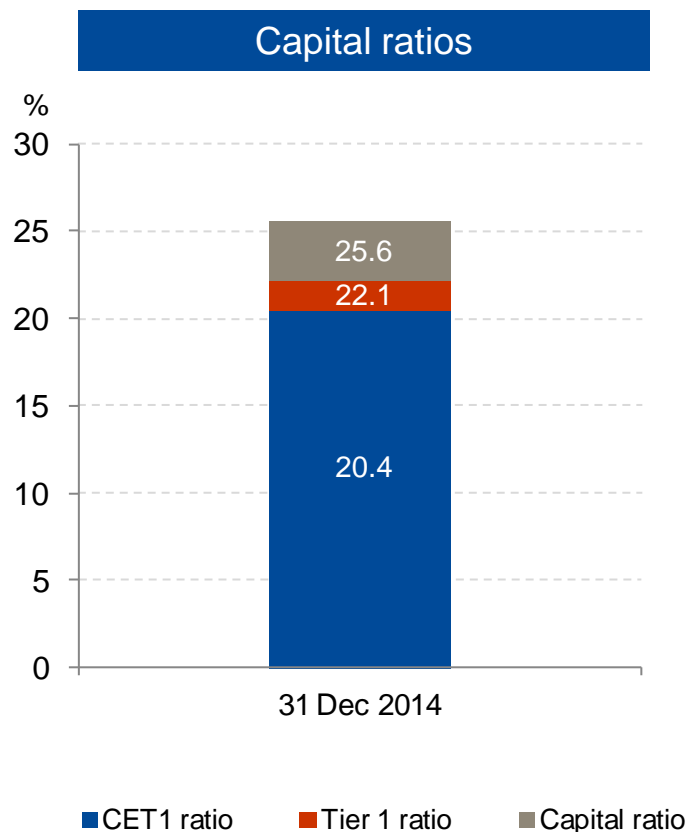
Income statement, January – December

SEK m	Full year 2014	Full year 2013	Change
Net interest income	27,244	26,669	2%
Net fee and commission income	8,556	7,804	10%
Net gains/losses on financial transactions	1,777	1,357	31%
Risk result - insurance	165	142	16%
Other income	572	355	61%
Total income	38,314	36,327	5%
Staff costs	-11,766	-11,404	3%
Other expenses	-5,561	-5,657	-2%
Total expenses	-17,327	-17,061	2%
Profit before loan losses	20,987	19,266	9%
Net loan losses	-1,781	-1,195	49%
Gains/losses on disposal of property, equipment and intangible assets	6	17	-65%
Operating profit	19,212	18,088	6%
Taxes	-4,069	-3,915	4%
Net profit from discontinued operations	41	122	-66%
Profit for the period	15,184	14,295	6%

Income statement, Q4

SEK m	Q4 2014	Q4 2013	Change
Net interest income	6,883	6,772	2%
Net fee and commission income	2,228	2,107	6%
Net gains/losses on financial transactions	264	304	-13%
Risk result - insurance	34	35	-3%
Other income	147	60	145%
Total income	9,556	9,278	3%
Staff costs	-3,026	-2,980	2%
Other expenses	-1,526	-1,527	0%
Total expenses	-4,552	-4,507	1%
Profit before loan losses	5,004	4,771	5%
Net loan losses	-697	-322	116%
Gains/losses on disposal of property, equipment and intangible assets	4	9	-56%
Operating profit	4,311	4,458	-3%
Taxes	-935	-966	-3%
Net profit from discontinued operations	-34	35	
Profit for the period	3,342	3,527	-5%

Financial stability



Capital CRD IV, %	31 Dec 2014	31 Dec 2013	Change
Capital ratio, %	25.6	21.6	+4
Tier 1 ratio, %	22.1	21.0	+1.1
Common equity tier 1 ratio, %	20.4	18.9	+1.5
Total capital base, SEK bn	122.9	106.4	+16.5
Common equity tier 1 capital, SEK	98.1	93.0	+5,1

Liquidity	31 Dec 2014
LCR Total*	140%
LCR EUR*	154%
LCR USD*	137%
LCR according to CRR	173%

* According to the Swedish FSA's definition

Handelsbanken's home markets

Number of branches, 31 Dec 2014:

Sweden	463
UK*	189
Denmark	57
Norway	51
Finland	46
Netherlands**	22
Total***	828

* Including eleven appointed branch managers

** Including two appointed branch managers

*** In home markets

Bergen Sentrum



Hakaniemi



Brande



Hede



Stratford upon Avon



Den Haag



Return on equity per segment

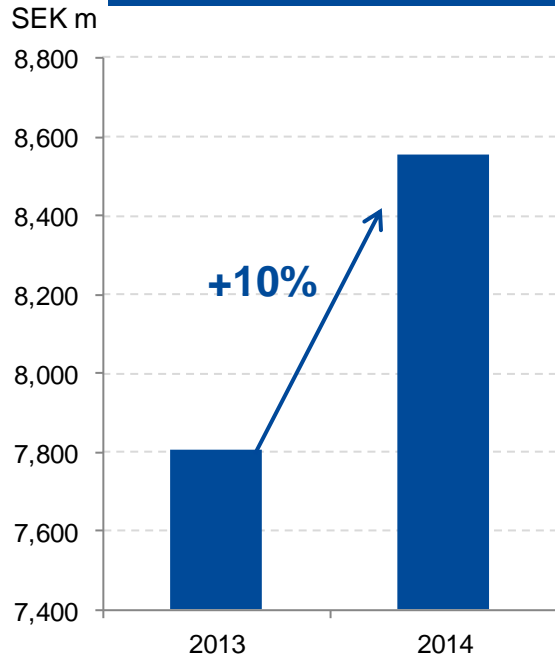
2014

Branch operations in Sweden	16%
Branch operations in Norway	16%
Branch operations in the UK	15%
Branch operations in Finland	12%
Branch operations in Denmark	9%
Branch operations in the Netherlands	9%

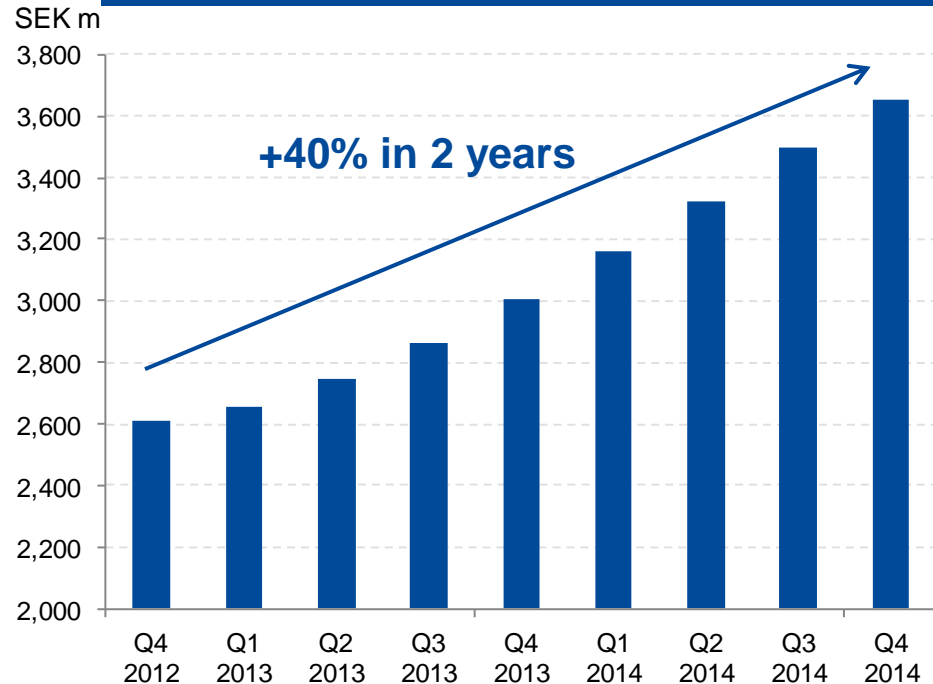
Net fee and commission income

Largest for net inflows into Swedish savings market in the past 5 years*

Net commission income



Net commission income from mutual funds, asset management and insurance**

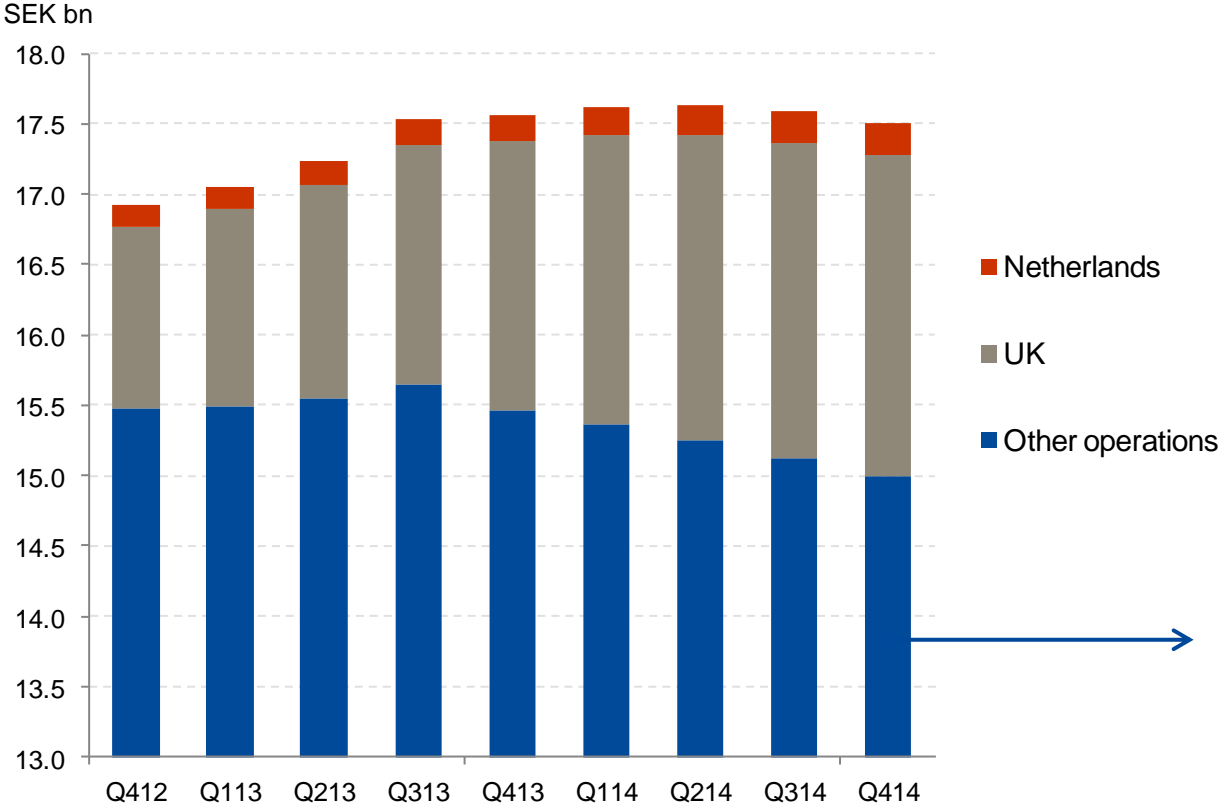


* Source: SFM / Moneymate, including equity, mixed, hedge and fixed income funds

** 12-month rolling

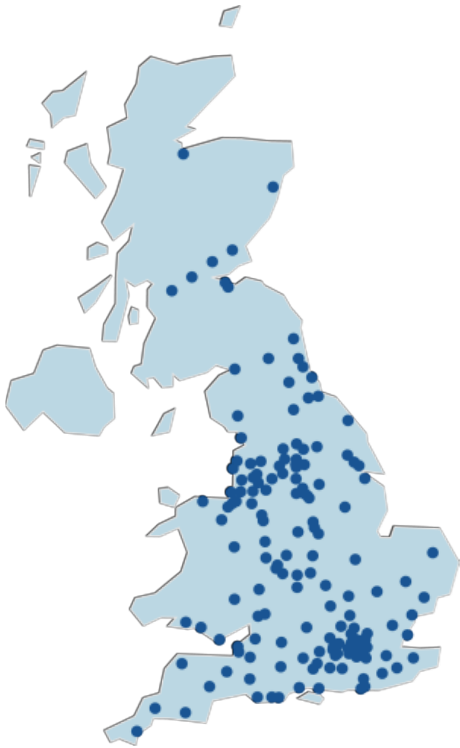
Stable cost base despite expansion

Twelve-month rolling costs adjusted for currency effects*



Costs outside the growth regions down 5% from Q3 2013

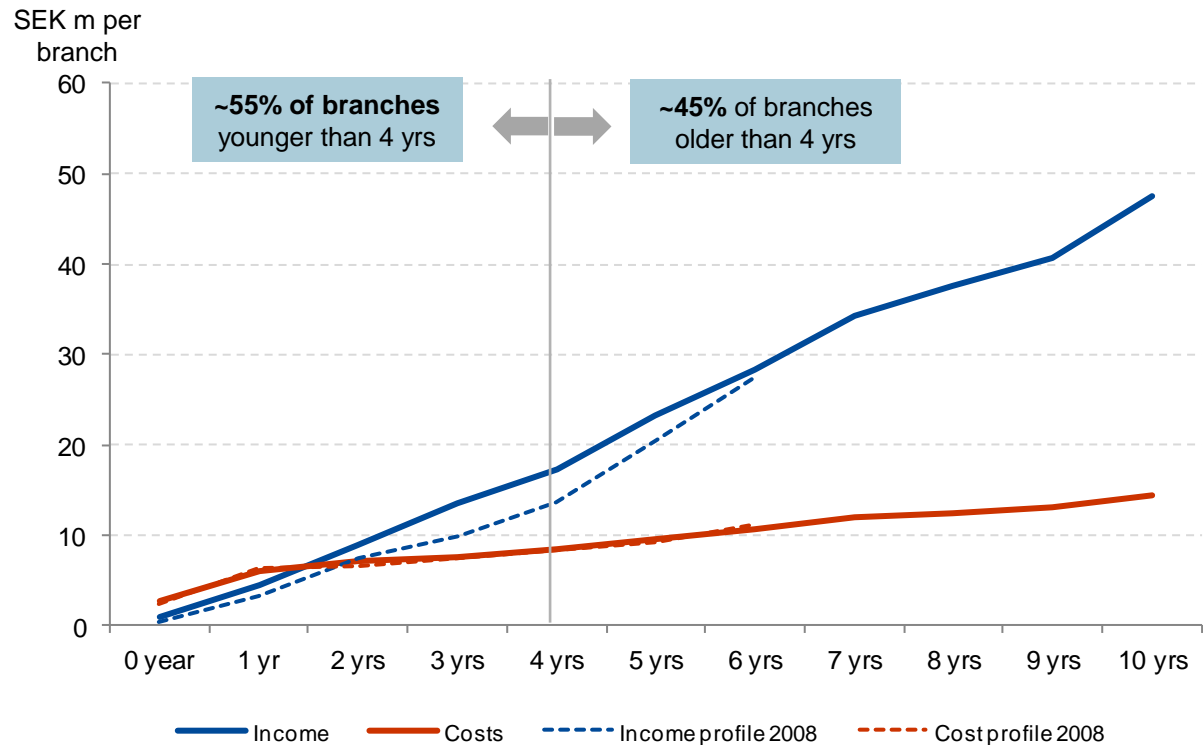
* Historical costs in home markets outside Sweden are adjusted to exchange rates per Q4 2014



Continued expansion and increased availability

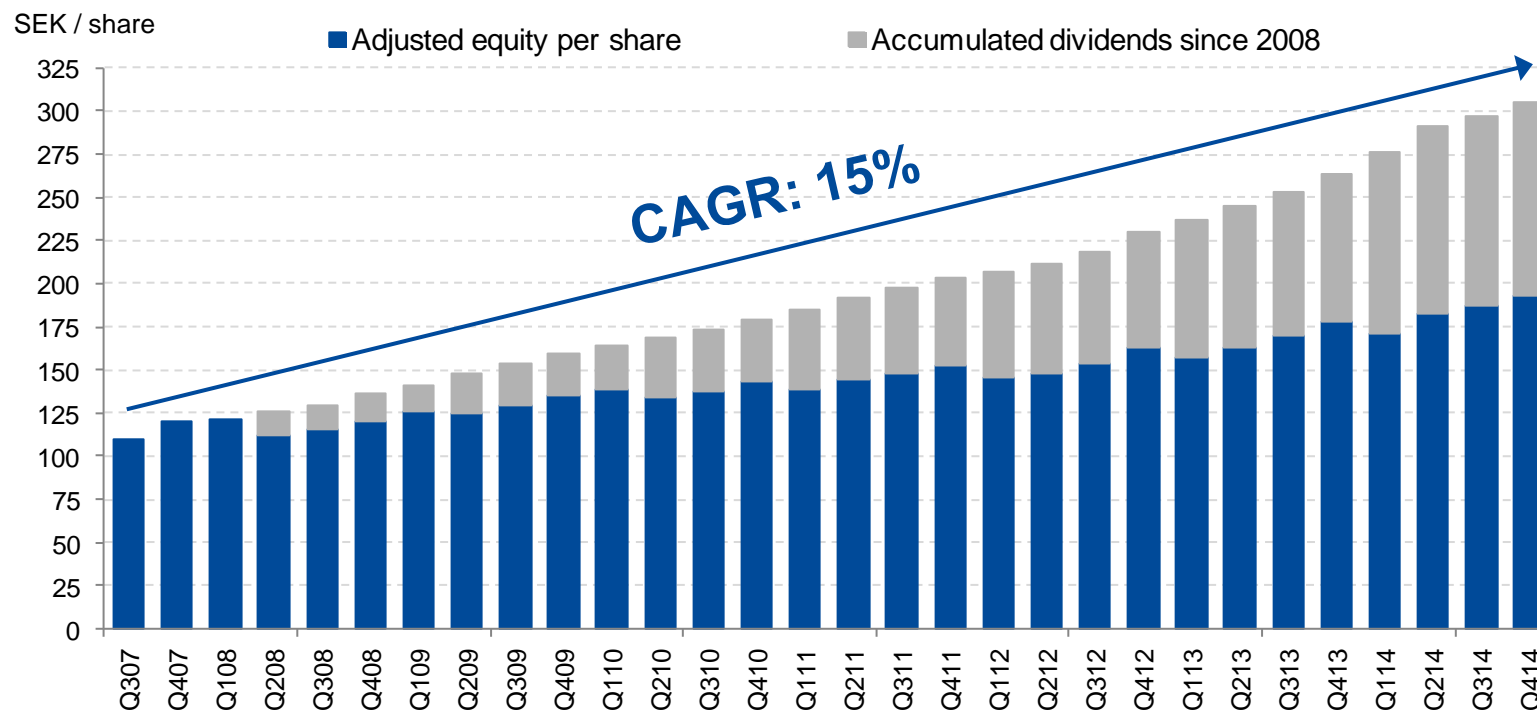
- 188 branches including appointed branch managers
- More than 1,750 employees in the UK
- Earnings increased by 28% in local currency in January - December

Income and expense trend in branches in the UK*



Average annual growth in equity

Including dividends



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

Appendix

The Board's proposal to the AGM 2015

	2014	2013	2012
Ordinary dividend per share, SEK	12.50	11.50	10.75
Total dividend per share, SEK	17.50	16.50	10.75
Total dividends, SEKbn	11.1	10.5	6.8
Payout ratio, ordinary dividend	52%	51%	47%
Payout ratio, total dividend	73%	73%	47%
Dividend growth, ordinary dividend	9%	7%	10%
Dividend growth, total dividend	6%	54%	10%

Record date for dividends: 27 March 2015

Ex-dividend date: 26 March 2015

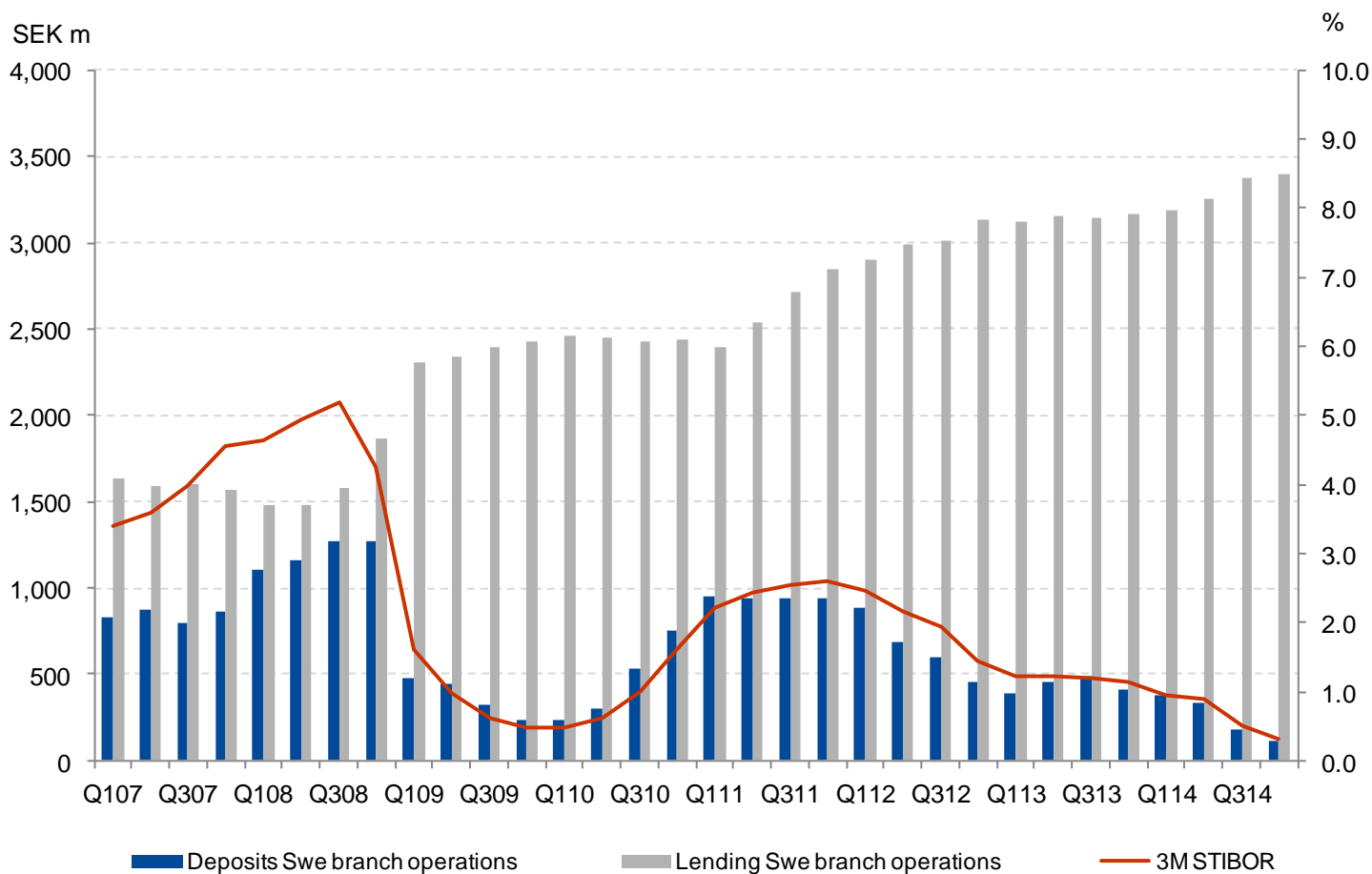
Payment: 1 April 2015

The Board also proposes to the AGM:

- A stock split 3:1
- Extension of the existing buyback programme for one year of a maximum of 40 million shares before stock split, or 120 million shares after stock split
- Increase the range for number of shares in the articles of association

Net interest income from lending and deposits

Swedish branch operations



Source: Bloomberg. Reference rate until Q2 2008 1M STIBOR and subsequently 3M STIBOR for variable deposits and lending

Non-encumbered assets, NEA

31 December 2014

SEK bn	IPT (NEA)	Accumulated coverage ratio in % of unsecured funding*
Cash with central banks and securities in the liquidity portfolio	648	77%
Mortgage loans	400	125%
Other household lending	151	142%
Property company lending lowest risk class (1-3)	221	169%
Other corporate lending lowest risk class (1-3)	169	189%
Loans to credit institutions lowest risk class (1-3)	63	196%
Other corporate lending	223	223%
Other assets	117	237%
Total non-encumbered assets (NEA)	1,992	237%
Encumbered assets without underlying liabilities**	57	
<i>Encumbered assets with underlying liabilities</i>	<i>768</i>	
Total assets, Group	2,817	

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

** Over-collateralisation in cover pool (OC)

Long-term funding, January – December

Long term issuance, SEK bn	2014	2013
Senior bonds	29	68
Extendible notes	-	40
Covered bonds	144	173
Subordinated loans	16	-
Total	189	281

Issues in Q4 include:

- EUR 1.25bn 7-year covered

Income statement – five quarters

SEK m	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013
Net interest income	6,883	7,004	6,704	6,653	6,772
Net fee and commission income	2,228	2,133	2,135	2,060	2,107
Net gains/losses on financial transactions	264	389	466	658	304
Risk result - insurance	34	46	43	42	35
Other income	147	58	299	68	60
Total income	9,556	9,630	9,647	9,481	9,278
Staff costs	-3,026	-2,943	-2,910	-2,887	-2,980
Other expenses	-1,526	-1,287	-1,389	-1,359	-1,527
Total expenses	-4,552	-4,230	-4,299	-4,246	-4,507
Profit before loan losses	5,004	5,400	5,348	5,235	4,771
Net loan losses	-697	-497	-272	-315	-322
Gains/losses on disposal of property, equipment and intangible assets	4	1	1	0	9
Operating profit	4,311	4,904	5,077	4,920	4,458

Change in net interest income

NII Q3 2014, SEK m	7,004	Change
Lending and deposits in Swedish branch operations	-15	
Deposit margins	-74	
Deposit volumes	5	
Lending margins	40	
Lending volumes	14	
Lending and deposits in home markets outside Sweden	28	
Deposit margins	-20	
Deposit volumes	-1	
Lending margins	-8	
Lending volumes	57	
Total lending and deposits in home markets	13	0%
Other branch operations	-32	
Mandatory government fees (deposit insur., stabilisation fund etc)	-41	
Benchmark effect	-48	
Exchange rate movements	11	
Other	-24	
Other	-134	-2%
NII Q4 2014	6,883	-2%

Change in net interest income

NII 2013, SEK m	26,669	Change
Lending and deposits in Swedish branch operations	25	
Deposit margins	-769	
Deposit volumes	50	
Lending margins	408	
Lending volumes	336	
Lending and deposits in home markets outside Sweden	906	
Deposit margins	96	
Deposit volumes	269	
Lending margins	-116	
Lending volumes	657	
Total lending and deposits in home markets	931	3%
Other branch operations	-80	
Mandatory government fees (deposit insur., stabilisation fund etc)	-121	
Benchmark effect	-46	
Exchange rate movements	427	
Other	-536	
Other	-356	-1%
NII 2014	27,244	2%

Change in common equity tier 1 ratio

CRD IV

Common equity tier 1 ratio Q314, %	20.7
Change, %-points:	
Common equity tier 1 capital	-0.5
Earnings after estimated dividends	-0.4
Currency effects	0.1
IAS 19	-0.1
Other and rounding	-0.1
Lending volume	0.0
Lending growth	0.1
Currency effects	-0.1
Net effect different quality of inflows and outflows in loan portfolio	0.2
Credit risk migration in the lending portfolio	-0.1
Other effects, net	0.1
Change in common equity tier 1 ratio	-0.3
Common equity tier 1 ratio Q414, %	20.4

Change in common equity tier 1 ratio

CRD IV

Common equity tier 1 ratio Q413, %	18.9
Change, %-points:	
Common equity tier 1 capital	1.0
Earnings after estimated dividends	0.7
Currency effects	0.7
IAS 19	-0.4
Other and rounding	0.0
Lending volume	-0.6
Lending growth	-0.3
Currency effects	-0.3
Net effect different quality of inflows and outflows in loan portfolio	0.4
Credit risk migration in the lending portfolio	0.1
Other effects, net	0.6
Change in common equity tier 1 ratio	1.5
Common equity tier 1 ratio Q414, %	20.4

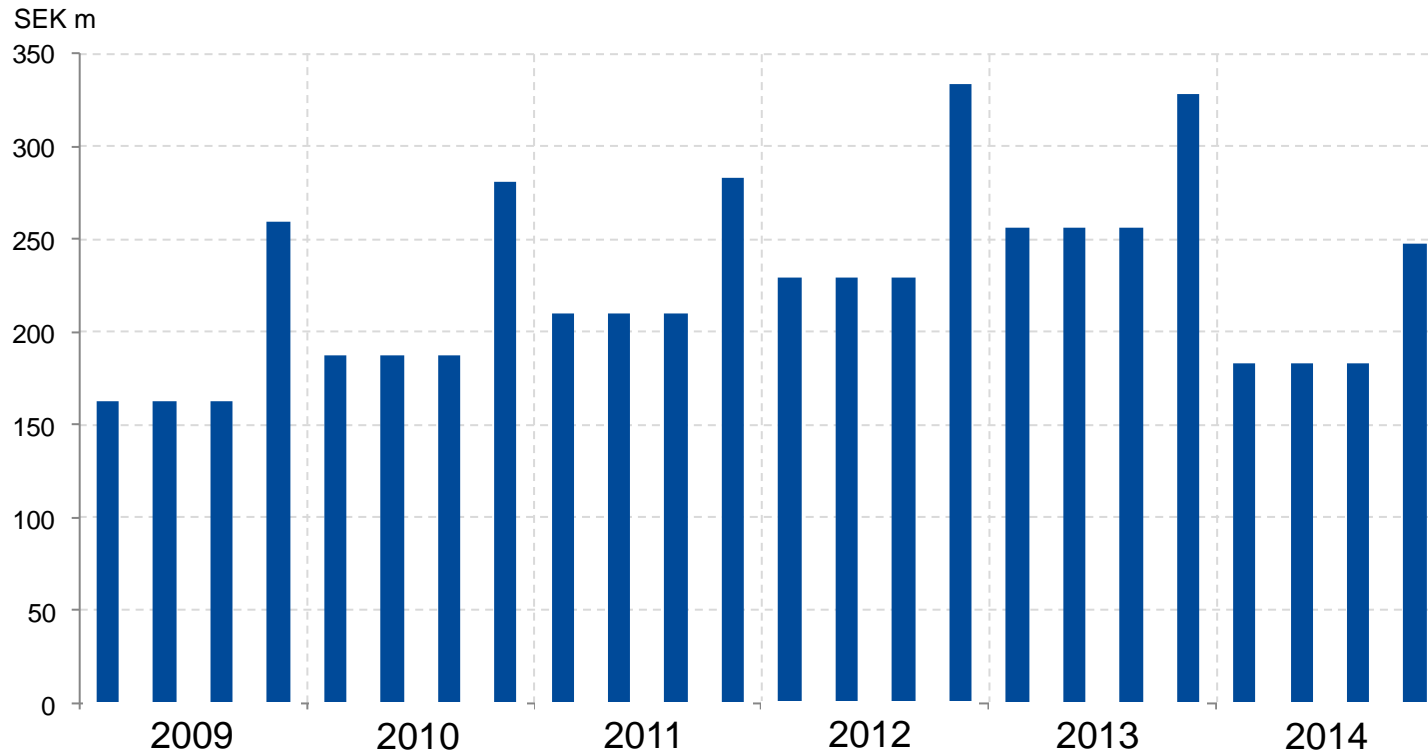
Mandatory government fees

Jan - Dec 2014, SEK m	Stabilisation Fund	Deposit guarantee	Total
Sweden	-443	-231	-674
UK	-57	-11	-68
Denmark	-29	-22	-51
Finland	-40	-12	-52
Norway	-80	-24	-104
Netherlands	-7	0	-7
International	-62	-1	-63
Other	-203	-	-203
Total	-921	-301	-1,222

Fees and commissions

SEK m	Full year 2014	Full year 2013	Change
Brokerage and other securities commissions	1,104	1,189	-7%
Mutual funds	2,475	2,008	23%
Custody and other asset management fees	540	427	26%
Advisory services	235	278	-15%
Insurance	637	571	12%
Payments	3,133	2,813	11%
Loans and deposits	1,131	1,124	1%
Guarantees	424	438	-3%
Other	464	446	4%
Commission income	10,143	9,294	9%
Securities	-225	-228	-1%
Payments	-1,278	-1,175	9%
Other	-84	-87	-3%
Commission expense	-1,587	-1,490	7%
Net fee and commission income	8,556	7,804	10%

Oktagonen quarterly



Effective tax rate

<u>Effective tax rate</u>	<u>Q414</u>	<u>Q314</u>	<u>Q214</u>	<u>Q114</u>	<u>Q413</u>	<u>Q313</u>	<u>Q213</u>	<u>Q113</u>
Per quarter	21.7%	20.8%	21.2%	21.1%	21.7%	21.8%	22.6%	20.4%
Accumulated year to date	21.2%	21.0%	21.1%	21.1%	21.6%	21.6%	21.5%	20.4%

Balance sheet

SEK bn	Full year 2014	Full year 2013	Change
Cash and central banks	506	370	37%
Loans to the public	1,808	1,696	7%
Loans to other credit institutions	70	63	10%
Interest-bearing securities	142	122	17%
Other assets	291	234	24%
Total assets	2,817	2,485	13%
Deposits and borrowing from the public	1,022	825	24%
Due to credit institutions	200	172	16%
Issued securities	1,213	1,151	5%
Other liabilities	255	226	13%
Total equity	127	111	14%
Total liabilities and equity	2,817	2,485	13%

Loans to the public*

SEK bn, end of period	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013
<i>Households</i>	664	656	648	635	627
<i>Corporates</i>	462	472	473	473	475
Branch operations in Sweden	1,126	1,128	1,121	1,109	1,101
<i>Households</i>	84	88	85	83	81
<i>Corporates</i>	120	126	123	121	117
Branch operations in Norway	204	214	208	204	198
<i>Households</i>	54	50	46	42	39
<i>Corporates</i>	116	111	103	95	92
Branch operations in UK	170	161	149	137	132
<i>Households</i>	35	34	35	34	34
<i>Corporates</i>	83	77	80	74	74
Branch operations in Finland	118	111	115	108	107
<i>Households</i>	45	42	41	38	38
<i>Corporates</i>	35	37	35	35	34
Branch operations in Denmark	80	79	76	74	72
<i>Households</i>	8	7	6	6	5
<i>Corporates</i>	11	10	11	9	13
Branch operations in the Netherlands	19	17	17	15	18
Other	72	64	68	69	63
<i>Households</i>	896	883	865	842	827
<i>Corporates</i>	893	891	888	873	864
Total lending to the public	1,789	1,774	1,753	1,715	1,691

* Excluding loans to the Swedish National Debt Office

Deposits from the public

SEK bn, end of period	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013
<i>Households</i>	250	245	245	234	233
<i>Corporates</i>	183	156	157	157	161
Branch operations in Sweden	433	401	402	391	394
<i>Households</i>	19	16	15	12	9
<i>Corporates</i>	70	70	77	58	49
Branch operations in UK	89	86	92	71	58
<i>Households</i>	17	18	17	16	15
<i>Corporates</i>	54	58	49	49	44
Branch operations in Norway	71	76	66	65	59
<i>Households</i>	13	12	11	11	11
<i>Corporates</i>	26	29	30	30	23
Branch operations in Finland	39	41	41	41	34
<i>Households</i>	13	12	12	12	12
<i>Corporates</i>	17	17	14	13	16
Branch operations in Denmark	30	29	26	24	28
<i>Households</i>	0	0	0	0	0
<i>Corporates</i>	8	8	10	9	6
Branch operations in the Netherlands	8	8	10	9	6
Other	352	294	306	267	245
<i>Households</i>	319	311	309	291	287
<i>Corporates</i>	704	623	634	576	538
Total deposits from the public	1,022	934	943	867	825

Lending in home markets outside Sweden

Average volumes local currency

	Q4 2014	Q3 2014	Change
Private, local currency			
Denmark, DKK bn	34.3	33.3	3.0%
Finland, EUR m	3,924	3,851	1.9%
Norway, NOK bn	77.9	76.6	1.7%
UK, GBP m	4,352	4,138	5.2%
Netherlands, EUR m	824	760	8.4%

Corporate, local currency

Denmark, DKK bn	28.7	28.2	1.8%
Finland, EUR m	8,587	8,590	0.0%
Norway, NOK bn	116.0	112.9	2.7%
UK, GBP m	9,587	9,144	4.8%
Netherlands, EUR m	1,109	1,121	-1.1%

Lending in home markets outside Sweden

Average volumes local currency

Private, local currency	Full year 2014	Full year 2013	Change
Denmark, DKK bn	32.8	29.1	12.7%
Finland, EUR m	3,843	3,693	4.1%
Norway, NOK bn	76.3	72.0	6.0%
UK, GBP m	4,044	3,252	24.4%
Netherlands, EUR m	723	478	51.3%

Corporate, local currency

Denmark, DKK bn	28.3	30.0	-5.7%
Finland, EUR m	8,438	7,979	5.8%
Norway, NOK bn	113.9	110.8	2.8%
UK, GBP m	9,109	8,381	8.7%
Netherlands, EUR m	1,209	1,250	-3.3%

Deposits in home markets outside Sweden

Average volumes local currency

	Q4 2014	Q3 2014	Change
Private, local currency			
Denmark, DKK bn	10.2	10.1	1.0%
Finland, EUR m	1,332	1,240	7.4%
Norway, NOK bn	15.9	15.9	0.0%
UK, GBP m	1,454	1,335	8.9%
Netherlands, EUR m	39	34	14.7%

Corporate, local currency

Denmark, DKK bn	13.8	13.4	3.0%
Finland, EUR m	3,405	3,426	-0.6%
Norway, NOK bn	49.9	49.8	0.2%
UK, GBP m	6,267	6,466	-3.1%
Netherlands, EUR m	1,007	1,099	-8.4%

Deposits in home markets outside Sweden

Average volumes local currency

Private, local currency	Full year 2014	Full year 2013	Change
Denmark, DKK bn	9.9	9.1	8.8%
Finland, EUR m	1,264	1,262	0.2%
Norway, NOK bn	15.3	14.0	9.3%
UK, GBP m	1,261	688	83.3%
Netherlands, EUR m	32	26	23.1%

Corporate, local currency

Denmark, DKK bn	13.7	13.6	0.7%
Finland, EUR m	3,249	1,764	84.2%
Norway, NOK bn	47.1	35.6	32.3%
UK, GBP m	6,133	2,988	105.3%
Netherlands, EUR m	1,033	918	12.5%