

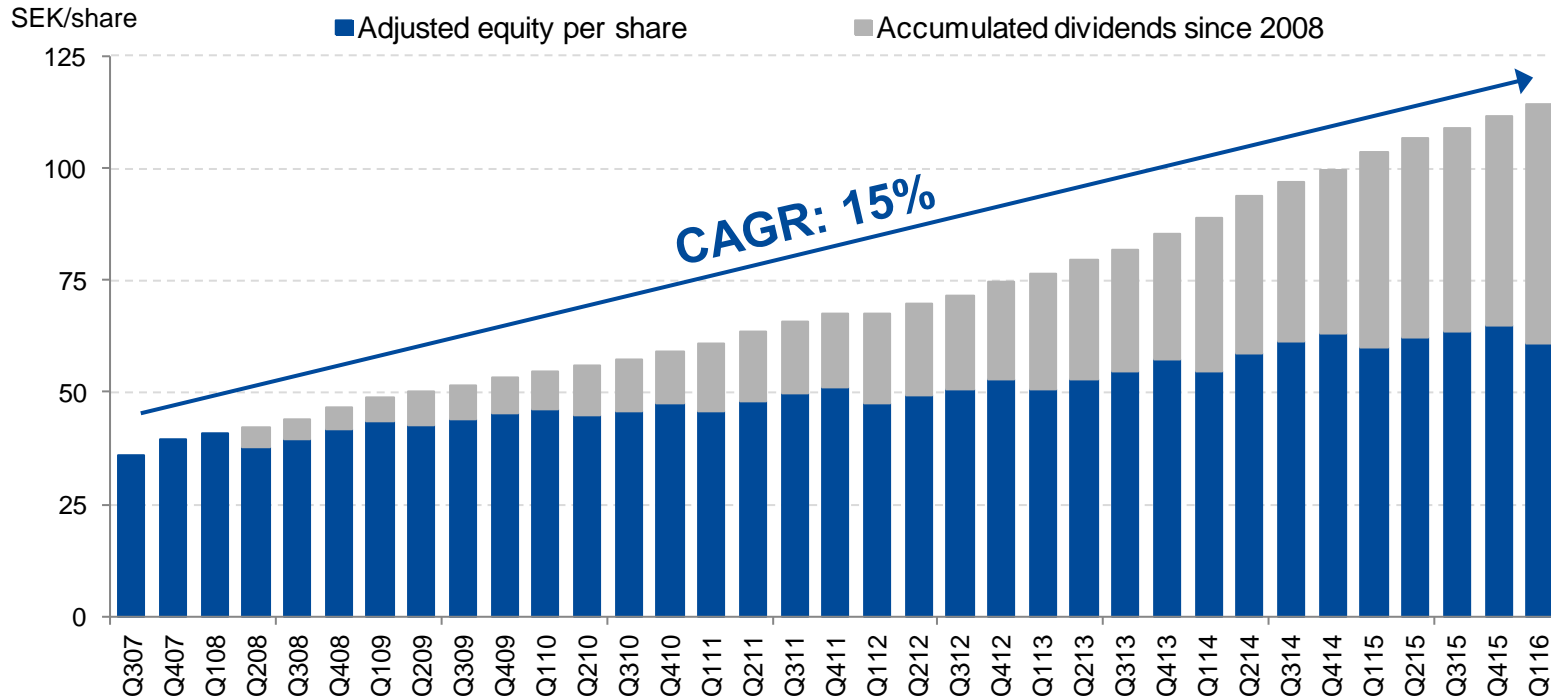
Handelsbanken

January – March 2016

20 April 2016

Average annual growth in equity

Including dividends



Dividends reinvested in ROE per quarter
CAGR = Compounded annual growth rate

Summary January – March 2016

- ROE increased to 13.1% (12.9)
- Operating profit amounted to SEK 4,967m (4,955)
- EPS increased by 3% to SEK 2.12 (2.05)
- The loan loss ratio fell to 0.04% (0.07)
- CET1 ratio increased to 22.7% (21.1) and the liquidity reserve exceeded SEK 800bn
- Handelsbanken acquires the Dutch asset manager Optimix
- Largest player for new savings in the Swedish fund market
- Ten new regional advisory units within savings, pensions and private banking to be set up in Sweden
- Realised gains from sale of shares amounted to SEK 827m (-)
- SEK 700m provision in order to facilitate the adaptation of the Swedish branch operations to changed customer behaviour resulting from digital development

Income statement, January – March

SEK m	Jan-Mar 2016	Jan-Mar 2015	Change
Net interest income	6,795	6,916	-2%
Net fee and commission income	2,170	2,310	-6%
Net gains/losses on financial transactions	1,162	428	171%
Risk result - insurance	76	26	192%
Other income	40	65	-38%
Total income	10,243	9,745	5%
Staff costs	-3,668	-3,126	17%
Other expenses	-1,428	-1,355	5%
Total expenses	-5,096	-4,481	14%
Profit before loan losses	5,147	5,264	-2%
Net loan losses	-187	-305	-39%
Gains/losses on disposal of property, equipment and intangible assets	7	-4	
Operating profit	4,967	4,955	0%
Taxes	-929	-1,063	-13%
Net profit from discontinued operations	5	19	-74%
Profit for the period	4,043	3,911	3%

SEK 827m realised gains from sale of shares

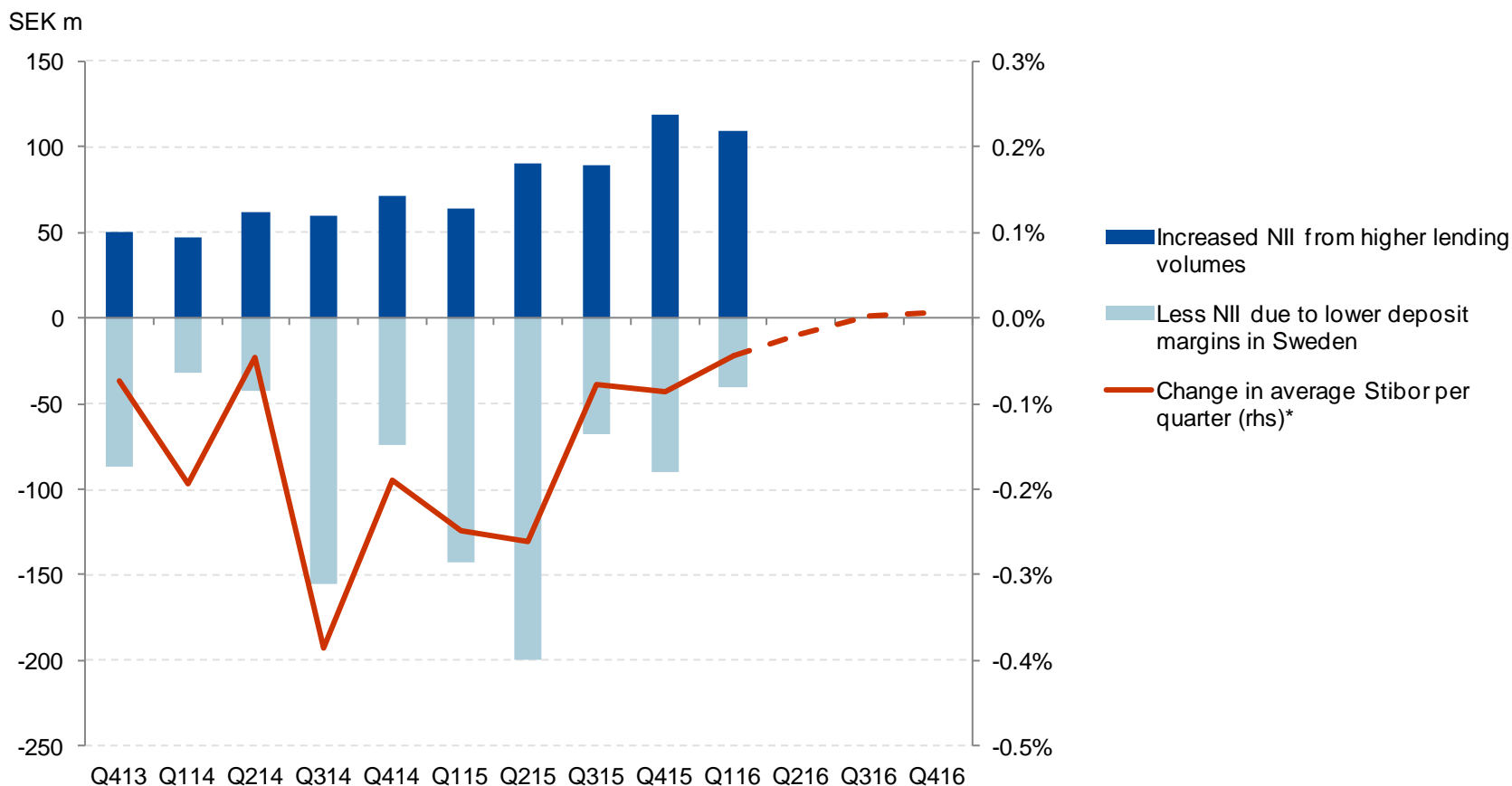


SEK 700m in provision



Underlying profit growth hidden by negative effects of lower interest rates

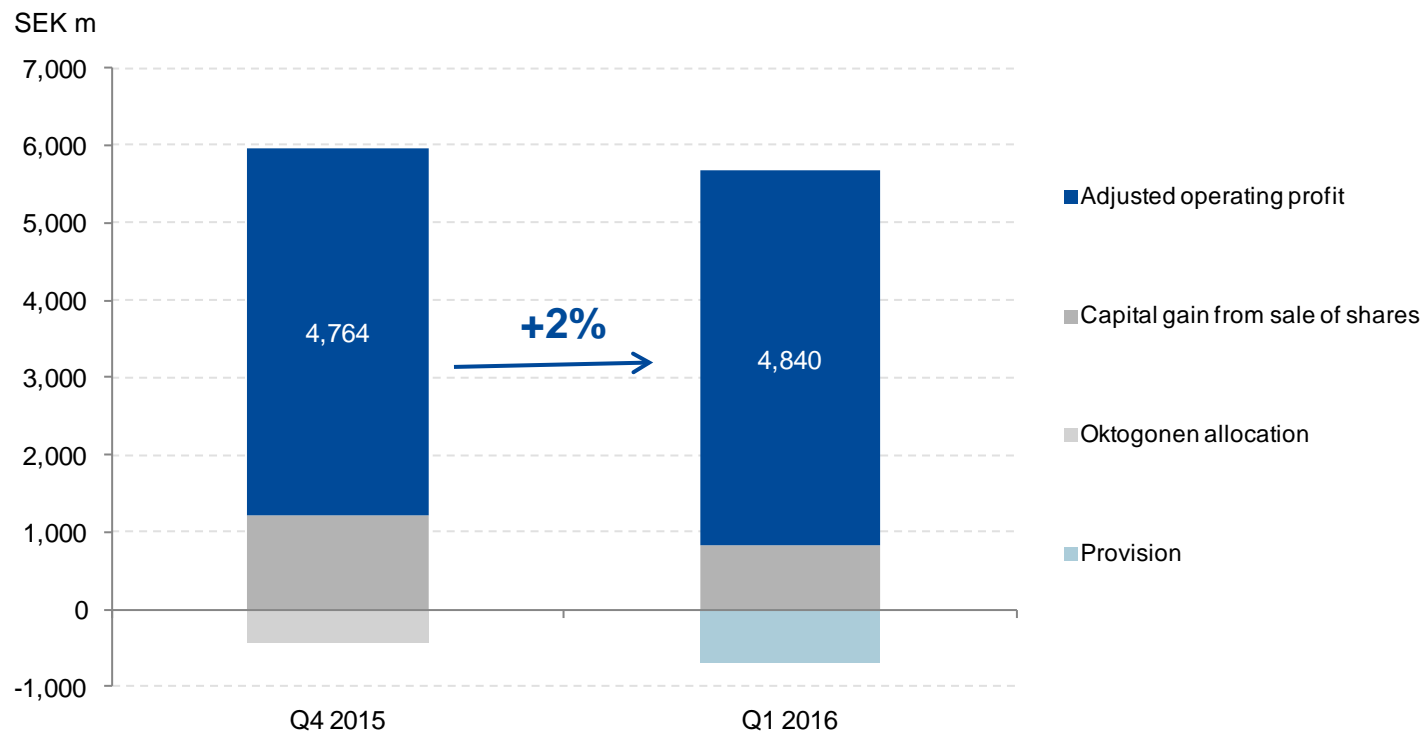
Change in NII contribution from the previous quarter



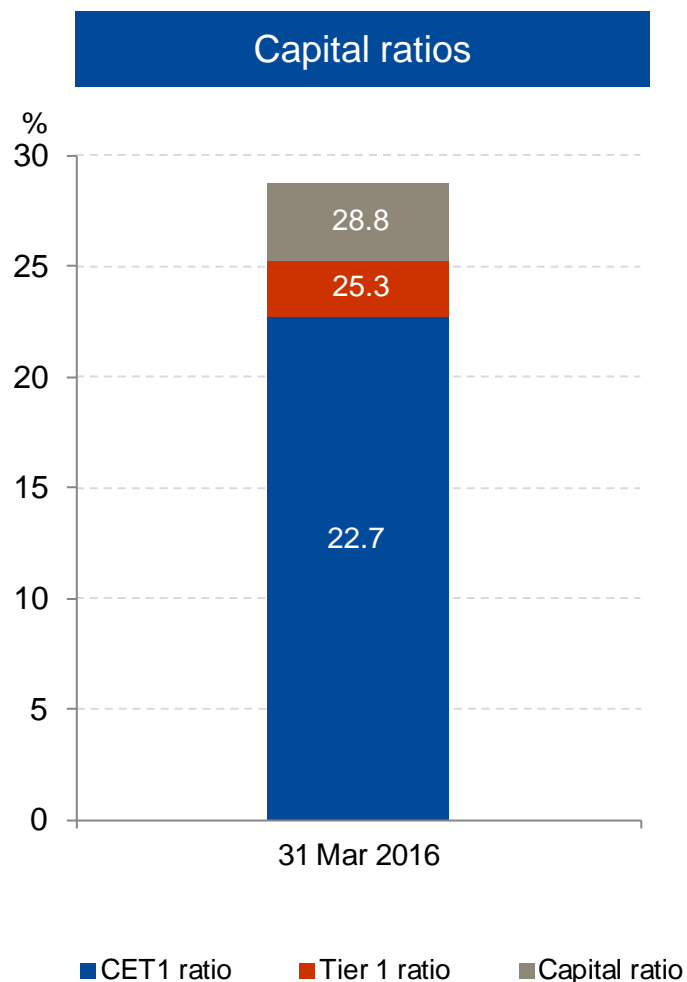
* Stibor expectations for 2016 are based on the pricing of FRA contracts in the fixed income market. Source: Macrobond 13 April 2016

Operating profit

Operating profit adjusted for non-recurring items



Financial stability



	31 Mar 2016	31 Dec 2015	Change
Capital CRR/CRD IV, %			
Capital ratio, %	28.8	27.2	+1.6%-points
Tier 1 ratio, %	25.3	23.8	+1.5%-points
Common equity tier 1 ratio, %	22.7	21.2	+1.5%-points
Leverage ratio, %	4.0	4.4	-0.4%-points
Total own funds, SEK bn	131.2	128.5	+2.7
Common equity tier 1 capital, SEK	103.6	100.5	+3.1

	31 Mar 2016
Liquidity	
LCR Total*	151%
LCR EUR*	134%
LCR USD*	161%
LCR according to the EU Commission's delegated act	170%

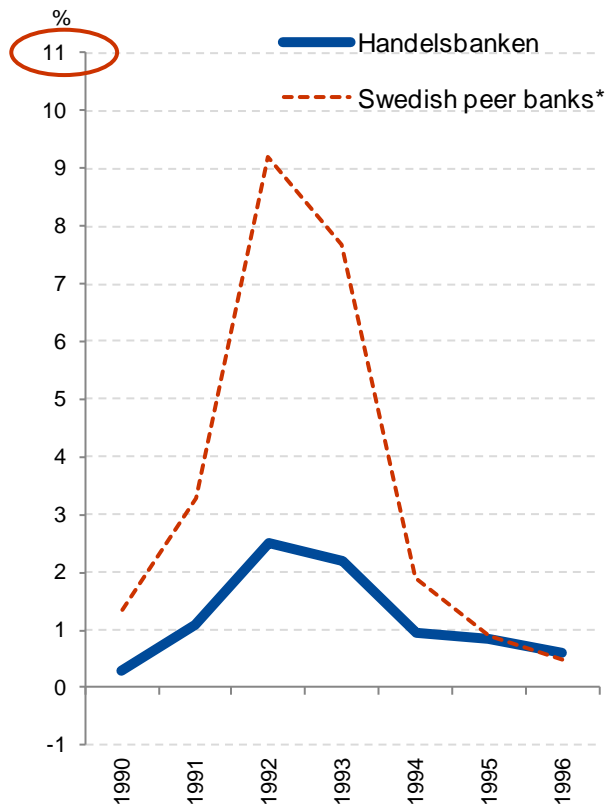
The Swedish FSA's proposal regarding increased corporate risk weights:

The assessment is that already after Q1, the Bank complies with forthcoming capital requirements that will result if the FSA's proposal is carried through.

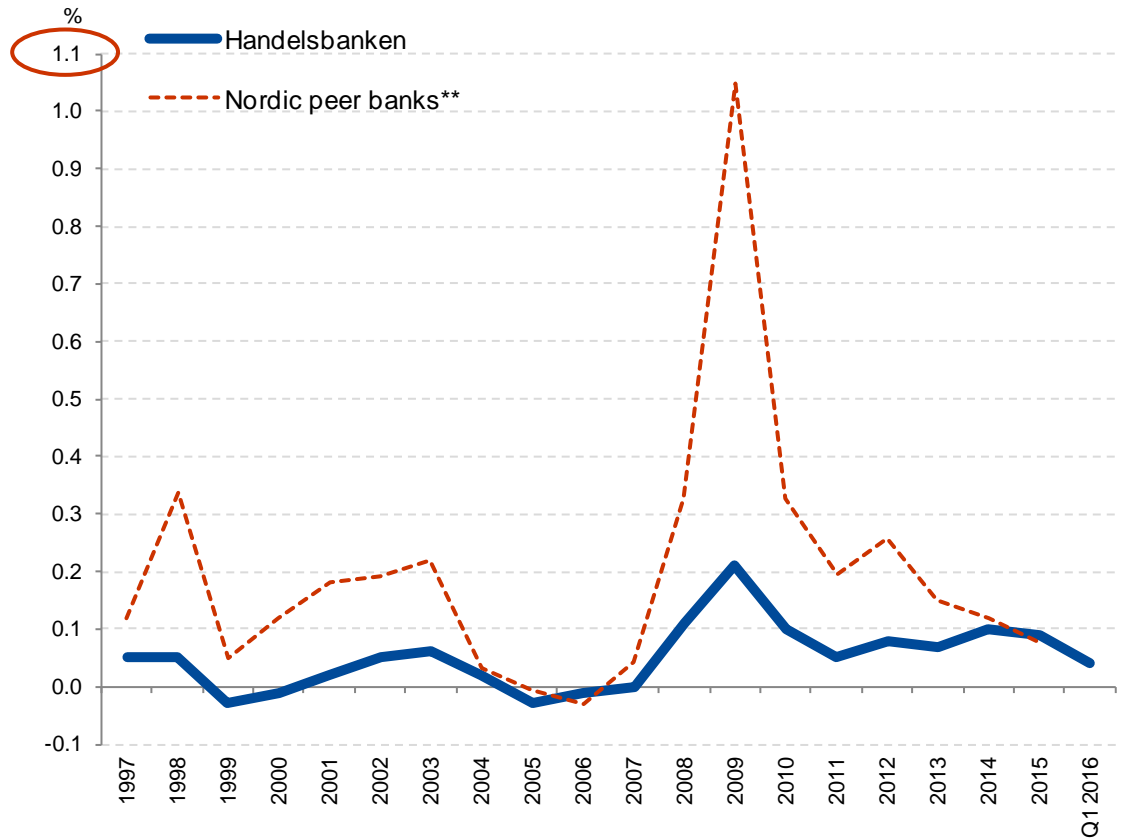
* According to the Swedish FSA's definition

Significantly lower loan losses

1990 – 1996



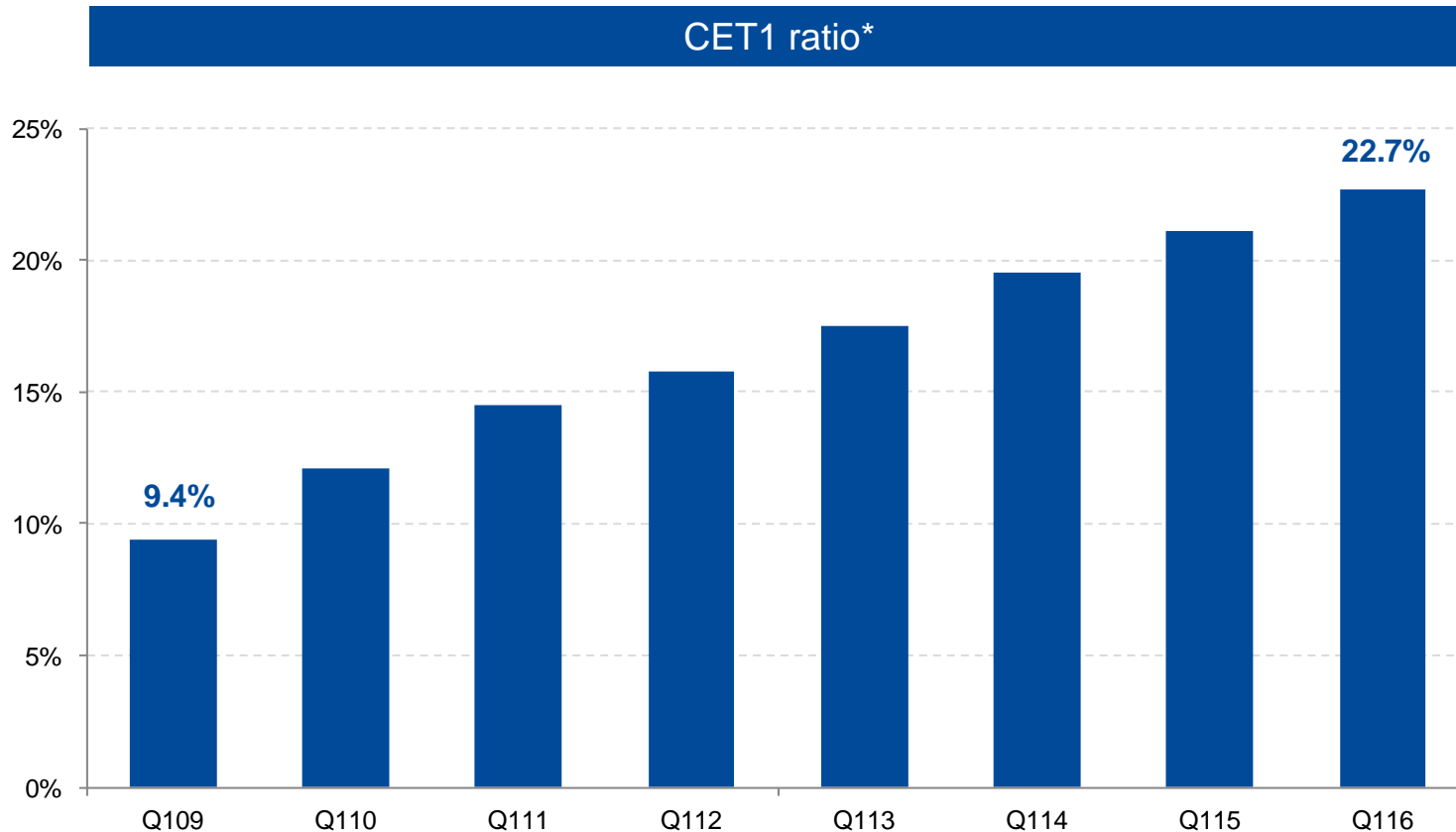
1997 – Q1 2016



* Gota bank (nationalised 1992), Nordea (Nordbanken [nationalised 1992]) and SEB. Swedbank included from 1995

** Danske Bank, DNB, Nordea, SEB, and Swedbank

Continuous improvement of capitalisation



More than doubled since 2009

* According to Basel II until 2012, then according to CRR/CRD IV

Return on equity per home market

	Jan-Mar 2016
Handelsbanken UK	16%
Handelsbanken Denmark	14%
Handelsbanken Sweden*	14%
Handelsbanken Norway	12%
Handelsbanken Finland	11%
Handelsbanken the Netherlands	10%
Handelsbanken Group	13%

* Excluding provision of SEK 700m

Handelsbanken the Netherlands

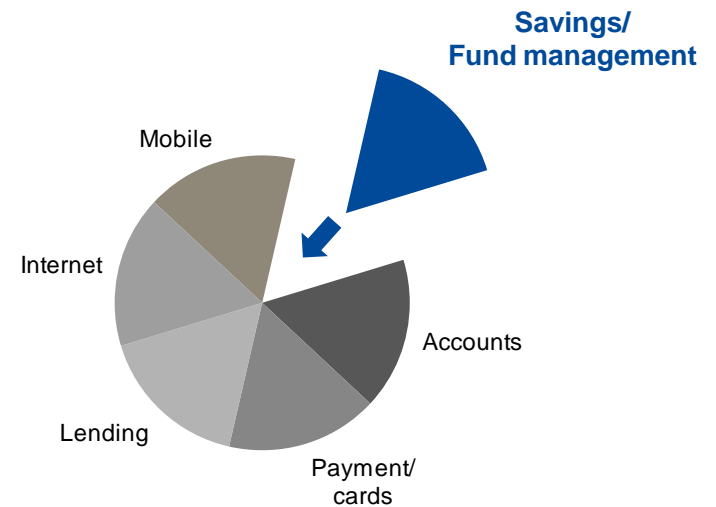


Positive business development

- Operating profit doubled compared to Q1 2015
 - Household lending increased by 38% and total lending by 25%
 - C/I ratio dropped by 10.6%-points
 - Loan loss ratio 0.00%
 - The most satisfied customers

Now a full-service bank on the private side

- Complete product offering
- Acquisition of asset manager

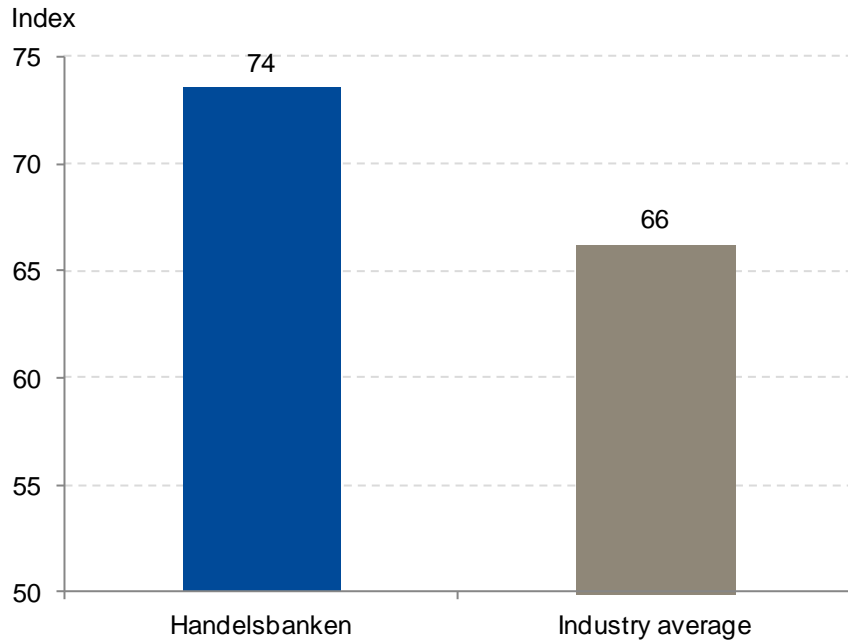


Acquisition of asset manager Optimix

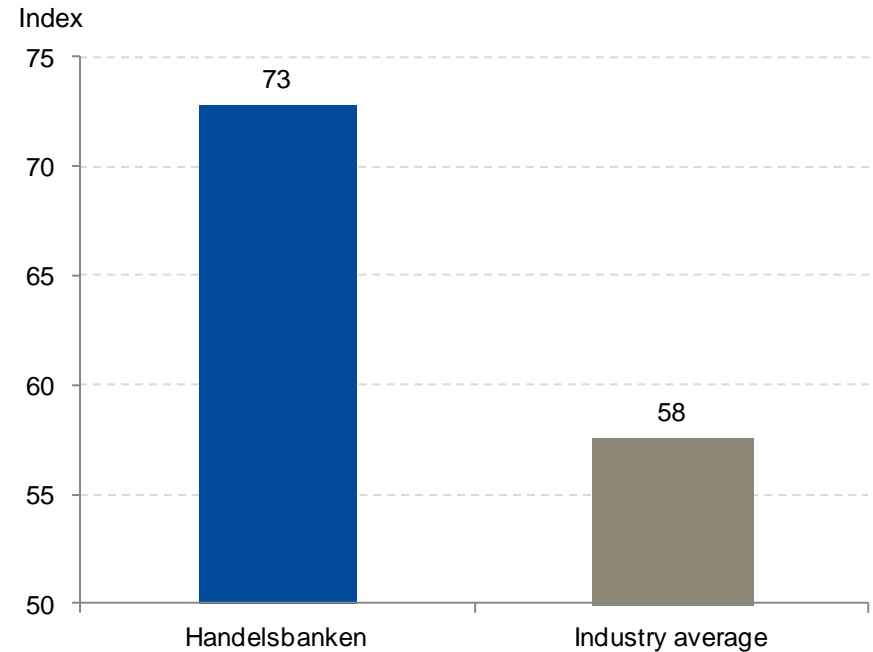
- Creates a platform for the expansion of the Dutch branch operations in fund and wealth management
- Adds qualified fund management services to the Bank's client offering
- EUR 2bn in assets under management including own mutual funds
- The acquisition requires regulatory approvals and is expected to be finalised in Q3
- Important last piece of the puzzle in becoming a complete full-service bank in the Netherlands

The most satisfied customers in the Netherlands

Private customers



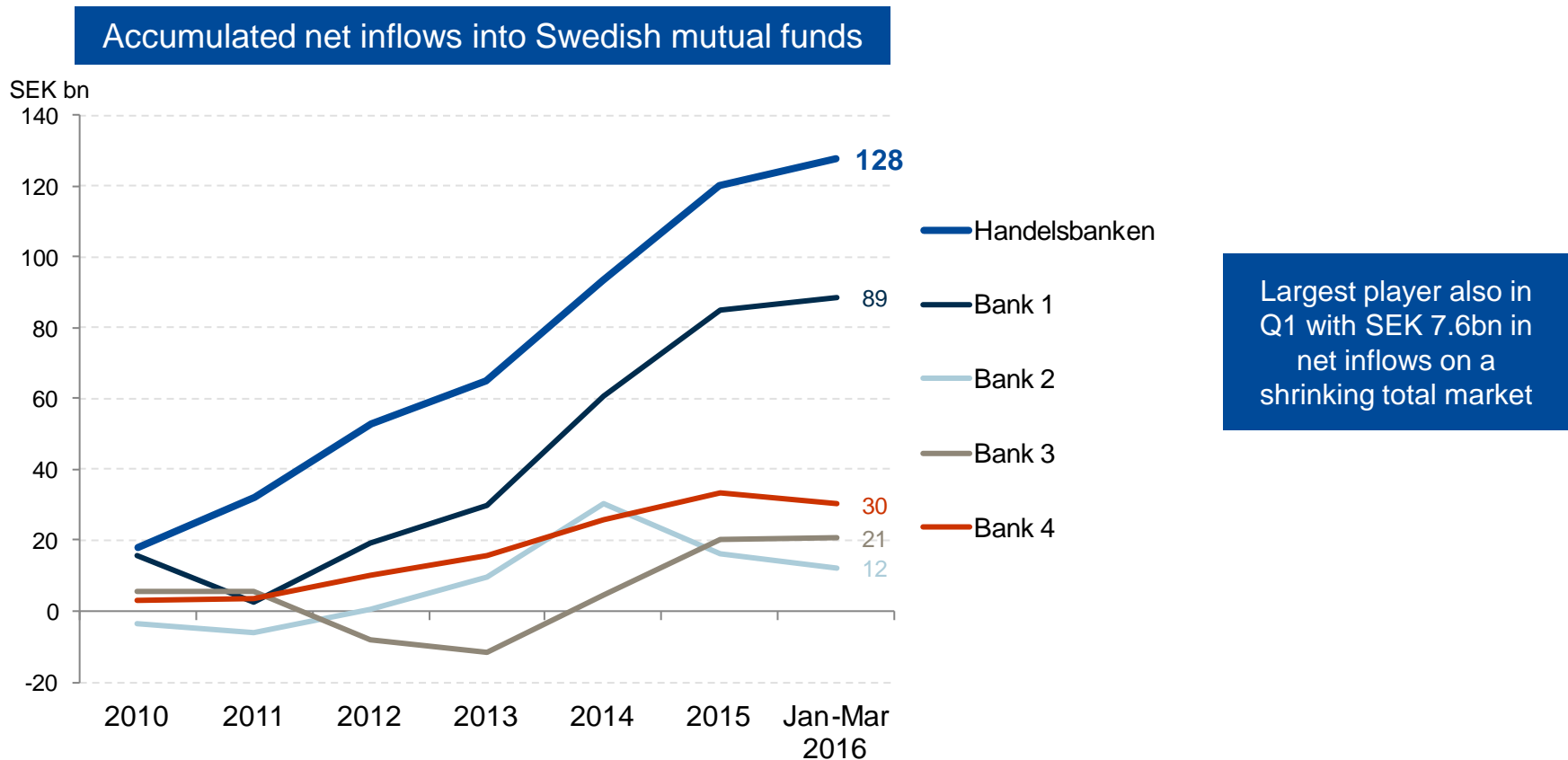
Corporate customers



Ranked top for customer satisfaction in an independent survey of Dutch bank customers

Source: EPSI Rating 2015

Largest institution for new savings in the Swedish fund market



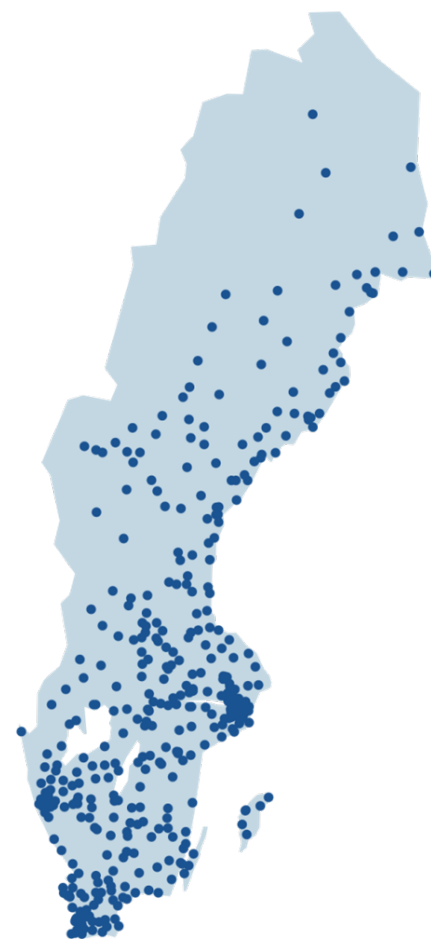
Source: Moneymate. Mutual fund volumes include equity, mixed, hedge and fixed income funds. Competitor banks included are Danske Bank, Nordea, SEB and Swedbank

Strengthened local presence and improved administrative efficiency in Sweden

Ten new regional advisory units within savings, pensions and private banking

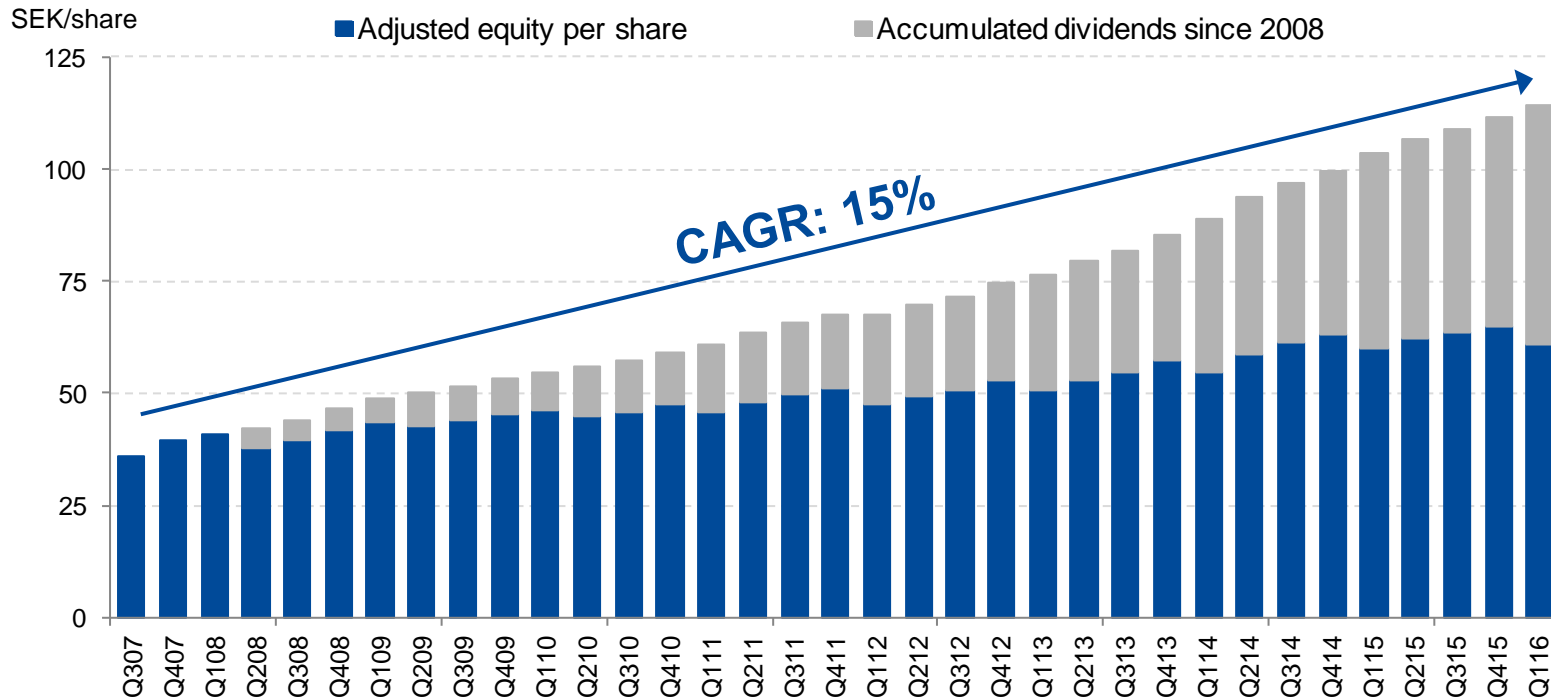
Increased administrative efficiency by merging the eastern and southern regions

SEK 700m provision in order to facilitate adaptation to changed customer behaviour



Average annual growth in equity

Including dividends



Dividends reinvested in ROE per quarter
 CAGR = Compounded annual growth rate

Appendix

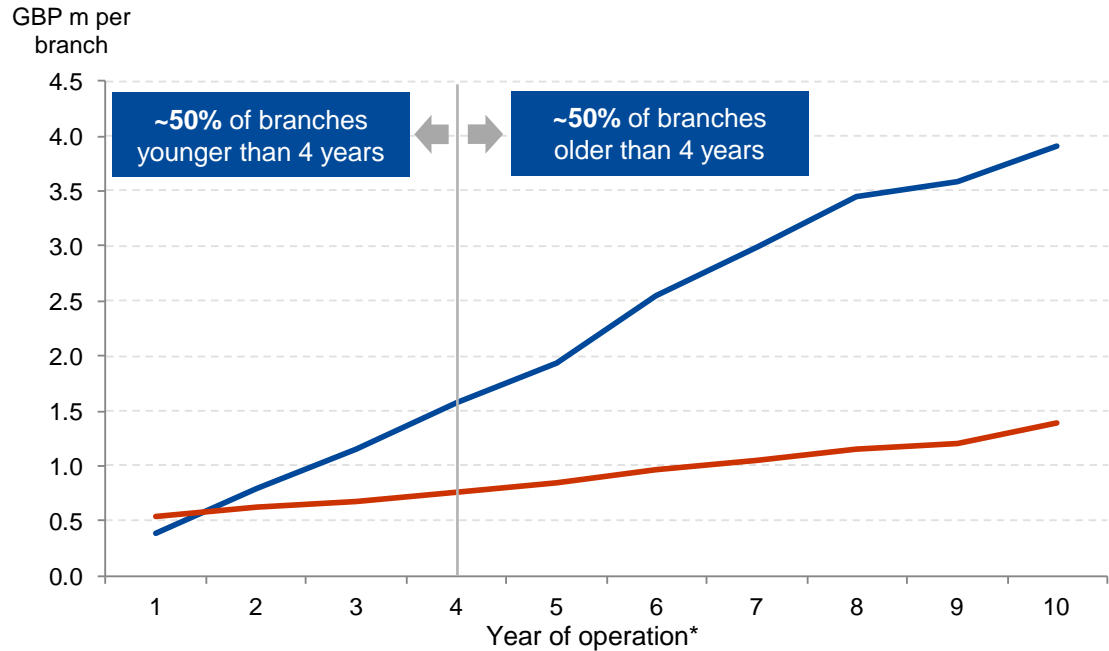
Income statement, Q1

SEK m	Q1 2016	Q4 2015	Change
Net interest income	6,795	6,971	-3%
Net fee and commission income	2,170	2,343	-7%
Net gains/losses on financial transactions	1,162	1,503	-23%
Risk result - insurance	76	36	111%
Other income	40	56	-29%
Total income	10,243	10,909	-6%
Staff costs	-3,668	-3,353	9%
Other expenses	-1,428	-1,554	-8%
Total expenses	-5,096	-4,907	4%
Profit before loan losses	5,147	6,002	-14%
Net loan losses	-187	-475	-61%
Gains/losses on disposal of property, equipment and intangible assets	7	6	17%
Operating profit	4,967	5,533	-10%
Taxes	-929	-1,076	-14%
Net profit from discontinued operations	5	44	-89%
Profit for the period	4,043	4,501	-10%

Continued expansion and increased availability

- Operating profit in local currency increased by 18% compared to Q1 2015
 - Net commission income rose by 21%
 - Average household deposit growth of 35%
- The highest customer satisfaction according to EPSI

Income and expense trend in branches in the UK



* Year 1 = first full calendar year

— Average income per branch in the respective year of operation
 — Average cost per branch in the respective year of operation

Non-encumbered assets, NEA

31 March 2015

SEK bn	NEA	Accumulated coverage ratio in % of unsecured funding*
Cash with central banks and securities in the liquidity portfolio	647	76%
Mortgage loans	432	126%
Other household lending	208	150%
Property company lending lowest risk class (1-3)	246	179%
Other corporate lending lowest risk class (1-3)	158	197%
Loans to credit institutions lowest risk class (1-3)	45	203%
Other corporate lending	229	229%
Other assets	38	234%
Total non-encumbered assets (NEA)	2,003	234%
Encumbered assets without underlying liabilities**	58	
<i>Encumbered assets with underlying liabilities</i>	796	
Total assets, Group	2,857	

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

** Over-collateralisation in cover pool (OC)

Long-term bond funding, January – March

Long term bond issuance, SEK bn	Q1 2016	Q1 2015	Change
Senior bonds	21	1	20
Covered bonds	49	24	25
Subordinated loans	0	10	-10
Total	70	35	35

Issues in Q1 include:

- GBP 250m, 6-year senior bonds
- EUR 1.25bn, EUR 7-year covered bonds
- AUD 625m, 5/10-year senior bonds
- USD 1.75bn, USD 5-year senior bonds

Income statement – five quarters

SEK m	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Net interest income	6,795	6,971	6,834	7,019	6,916
Net fee and commission income	2,170	2,343	2,308	2,359	2,310
Net gains/losses on financial transactions	1,162	1,503	226	451	428
Risk result - insurance	76	36	40	55	26
Other income	40	56	53	337	65
Total income	10,243	10,909	9,461	10,221	9,745
Staff costs	-3,668	-3,353	-2,953	-3,149	-3,126
Other expenses	-1,428	-1,554	-1,323	-1,458	-1,355
Total expenses	-5,096	-4,907	-4,276	-4,607	-4,481
Profit before loan losses	5,147	6,002	5,185	5,614	5,264
Net loan losses	-187	-475	-458	-359	-305
Gains/losses on disposal of property, equipment and intangible assets	7	6	4	1	-4
Operating profit	4,967	5,533	4,731	5,256	4,955

Change in net interest income

NII Q4 2015 , SEK m	6,971	Change
Lending and deposits in Handelsbanken Sweden	-36	
Deposit margins	-41	
Deposit volumes	-6	
Lending margins	-40	
Lending volumes	51	
Lending and deposits in home markets outside Sweden	23	
Deposit margins	18	
Deposit volumes	-4	
Lending margins	-55	
Lending volumes	64	
Total lending and deposits in home markets	-13	0%
Other in branch operations	-24	
Mandatory government fees (deposit insur., stability fund etc.)	-169	
Benchmark effect	91	
Day count effect	-23	
Exchange rate movements	-84	
Other	46	
Other	-163	-2%
NII Q1 2016	6,795	-3%

Change in net interest income

NII Q1 2015 , SEK m	6,916	Change
Lending and deposits in Handelsbanken Sweden	-298	
Deposit margins	-392	
Deposit volumes	-35	
Lending margins	-47	
Lending volumes	176	
Lending and deposits in home markets outside Sweden	91	
Deposit margins	37	
Deposit volumes	15	
Lending margins	-175	
Lending volumes	214	
Total lending and deposits in home markets	-207	-3%
Other in branch operations	156	
Mandatory government fees (deposit insur., stability fund etc.)	-20	
Benchmark effect	53	
Day count effect	22	
Exchange rate movements	-120	
Other	-5	
Other	86	1%
NII Q1 2016	6,795	-2%

Change in common equity tier 1 ratio

CRR/CRD IV

Common equity tier 1 ratio Q4 2015, %	21.2
Change, percentage points:	
Common equity tier 1 capital	0.7
Earnings after estimated dividends	0.9
Currency effects	-0.2
IAS 19	0.3
AFS holdings	-0.1
Other and rounding	-0.2
Lending volume	0.1
Lending growth	0.0
Currency effects	0.1
Net effect different quality of inflows and outflows in loan portfolio	0.1
Credit risk migration in the lending portfolio	0.0
Other effects, net	0.6
Change in common equity tier 1 ratio	1.5
Common equity tier 1 ratio Q1 2016, %	22.7

Change in common equity tier 1 ratio

CRR/CRD IV

Common equity tier 1 ratio Q1 2015, %	21.1
Change, percentage points:	
Common equity tier 1 capital	-0.1
Earnings after estimated dividends	1.5
Currency effects	-0.6
IAS 19	-0.6
AFS holdings	-0.1
Other and rounding	-0.3
Lending volume	-0.1
Lending growth	-0.4
Currency effects	0.3
Net effect different quality of inflows and outflows in loan portfolio	1.0
Credit risk migration in the lending portfolio	-0.2
Other effects, net	1.0
Change in common equity tier 1 ratio	1.6
Common equity tier 1 ratio Q1 2016, %	22.7

Mandatory government fees

Q1 2016, SEK m	Resolution fund	Deposit guarantee	Total
Sweden	-106	-63	-169
UK	-17	-5	-22
Denmark	-8	-4	-12
Finland	-11	-3	-14
Norway	-21	-6	-27
Netherlands	-2	0	-2
Capital Markets	-19	0	-19
Other	-71	-	-71
Total	-255	-81	-336

Fees and commissions

SEK m	Jan-Mar 2016	Jan-Mar 2015	Change
Brokerage and other securities commissions	233	322	-28%
Mutual funds	695	726	-4%
Custody and other asset management fees	147	147	0%
Advisory services	104	50	108%
Insurance	158	181	-13%
Payments	718	774	-7%
Loans and deposits	280	277	1%
Guarantees	99	108	-8%
Other	119	114	4%
Commission income	2,553	2,699	-5%
Securities	-66	-65	2%
Payments	-300	-305	-2%
Other	-17	-19	-11%
Commission expense	-383	-389	-2%
Net fee and commission income	2,170	2,310	-6%

Oktagonen quarterly



Effective tax rate

	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Effective tax rate	2016	2015	2015	2015	2015	2014	2014	2014	2014
Per quarter	18.7%	19.4%	21.7%	21.1%	21.5%	21.7%	20.8%	21.2%	21.1%
Accumulated year to date	18.7%	20.9%	21.4%	21.3%	21.5%	21.2%	21.0%	21.1%	21.1%

Balance sheet

SEK bn	Jan-Mar 2016	Jan-Mar 2015	Change
Cash and central banks	508	530	-4%
Loans to the public	1,902	1,826	4%
Loans to other credit institutions	47	80	-42%
Interest-bearing securities	149	133	12%
Other assets	251	350	-28%
Total assets	2,857	2,919	-2%
Deposits and borrowing from the public	1,042	1,055	-1%
Due to credit institutions	193	221	-13%
Issued securities	1,258	1,206	4%
Other liabilities	241	313	-23%
Total equity	123	124	-1%
Total liabilities and equity	2,857	2,919	-2%

Loans to the public*

SEK bn, end of period	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
<i>Households</i>	728	714	701	689	674
<i>Corporates</i>	478	478	475	470	478
Handelsbanken Sweden	1,206	1,193	1,176	1,159	1,152
<i>Households</i>	83	81	82	86	86
<i>Corporates</i>	137	129	121	125	124
Handelsbanken Norway	220	210	203	211	210
<i>Households</i>	63	64	64	62	59
<i>Corporates</i>	126	130	131	130	126
Handelsbanken UK	189	194	195	192	185
<i>Households</i>	35	35	36	35	35
<i>Corporates</i>	80	80	80	79	78
Handelsbanken Finland	115	115	116	114	113
<i>Households</i>	49	48	47	45	45
<i>Corporates</i>	38	36	38	38	35
Handelsbanken Denmark	87	84	85	83	80
<i>Households</i>	12	11	10	10	9
<i>Corporates</i>	12	11	11	10	10
Handelsbanken Netherlands	24	22	21	20	19
Other	58	46	56	58	61
<i>Households</i>	977	960	946	933	914
<i>Corporates</i>	922	903	905	904	906
Total lending to the public	1,899	1,863	1,851	1,837	1,820

* Excluding loans to the Swedish National Debt Office

Deposits from the public

SEK bn, end of period	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
<i>Households</i>	288	280	275	271	253
<i>Corporates</i>	193	191	188	194	190
Handelsbanken Sweden	481	470	463	465	443
<i>Households</i>	25	26	24	23	20
<i>Corporates</i>	78	76	86	84	78
Handelsbanken UK	103	102	110	107	98
<i>Households</i>	18	18	17	19	18
<i>Corporates</i>	43	39	40	48	63
Handelsbanken Norway	61	57	57	67	81
<i>Households</i>	13	13	13	13	12
<i>Corporates</i>	17	17	18	23	19
Handelsbanken Finland	30	30	31	36	31
<i>Households</i>	14	14	14	14	12
<i>Corporates</i>	16	17	24	21	15
Handelsbanken Denmark	30	31	38	35	27
<i>Households</i>	1	1	1	1	1
<i>Corporates</i>	5	2	5	5	5
Handelsbanken Netherlands	6	3	6	6	6
Other	332	61	344	378	370
<i>Households</i>	365	356	351	349	324
<i>Corporates</i>	677	398	698	745	731
Total deposits from the public	1,042	754	1,049	1,094	1,055

Lending in home markets outside Sweden

Average volumes local currency

	Q1 2016	Q4 2015	Change
Private, local currency			
Denmark, DKK bn	39.1	37.9	3.2%
Finland, EUR m	3,952	3,962	-0.3%
Norway, NOK bn	84.3	83.4	1.1%
UK, GBP m	5,288	5,094	3.8%
Netherlands, EUR m	1,238	1,141	8.5%

Corporate, local currency

Denmark, DKK bn	28.7	28.2	1.8%
Finland, EUR m	8,742	8,657	1.0%
Norway, NOK bn	139.4	127.1	9.7%
UK, GBP m	10,566	10,357	2.0%
Netherlands, EUR m	1,273	1,233	3.2%

Lending in home markets outside Sweden

Average volumes local currency

Private, local currency	Jan-Mar 2016	Jan-Mar 2015	Change
Denmark, DKK bn	39.1	35.6	9.8%
Finland, EUR m	3,952	3,918	0.9%
Norway, NOK bn	84.3	79.5	6.0%
UK, GBP m	5,288	4,532	16.7%
Netherlands, EUR m	1,238	900	37.6%

Corporate, local currency

Denmark, DKK bn	28.7	27.3	5.1%
Finland, EUR m	8,742	8,704	0.4%
Norway, NOK bn	139.4	116.3	19.9%
UK, GBP m	10,566	9,697	9.0%
Netherlands, EUR m	1,273	1,116	14.1%

Deposits in home markets outside Sweden

Average volumes local currency

	Q1 2016	Q4 2015	Change
Private, local currency			
Denmark, DKK bn	11.3	11.5	-1.7%
Finland, EUR m	1,381	1,363	1.3%
Norway, NOK bn	18.6	17.8	4.5%
UK, GBP m	2,060	1,948	5.7%
Netherlands, EUR m	53	47	12.8%

Corporate, local currency

Denmark, DKK bn	17.1	16.7	2.4%
Finland, EUR m	2,052	1,886	8.8%
Norway, NOK bn	40.8	47.4	-13.9%
UK, GBP m	6,744	6,744	0.0%
Netherlands, EUR m	408	600	-32.0%

Deposits in home markets outside Sweden

Average volumes local currency

Private, local currency	Jan-Mar 2016	Jan-Mar 2015	Change
Denmark, DKK bn	11.3	10.1	11.9%
Finland, EUR m	1,381	1,353	2.1%
Norway, NOK bn	18.6	16.6	12.0%
UK, GBP m	2,060	1,526	35.0%
Netherlands, EUR m	53	48	10.4%

Corporate, local currency

Denmark, DKK bn	17.1	15.7	8.9%
Finland, EUR m	2,052	2,431	-15.6%
Norway, NOK bn	40.8	55.5	-26.5%
UK, GBP m	6,744	6,105	10.5%
Netherlands, EUR m	408	811	-49.7%