

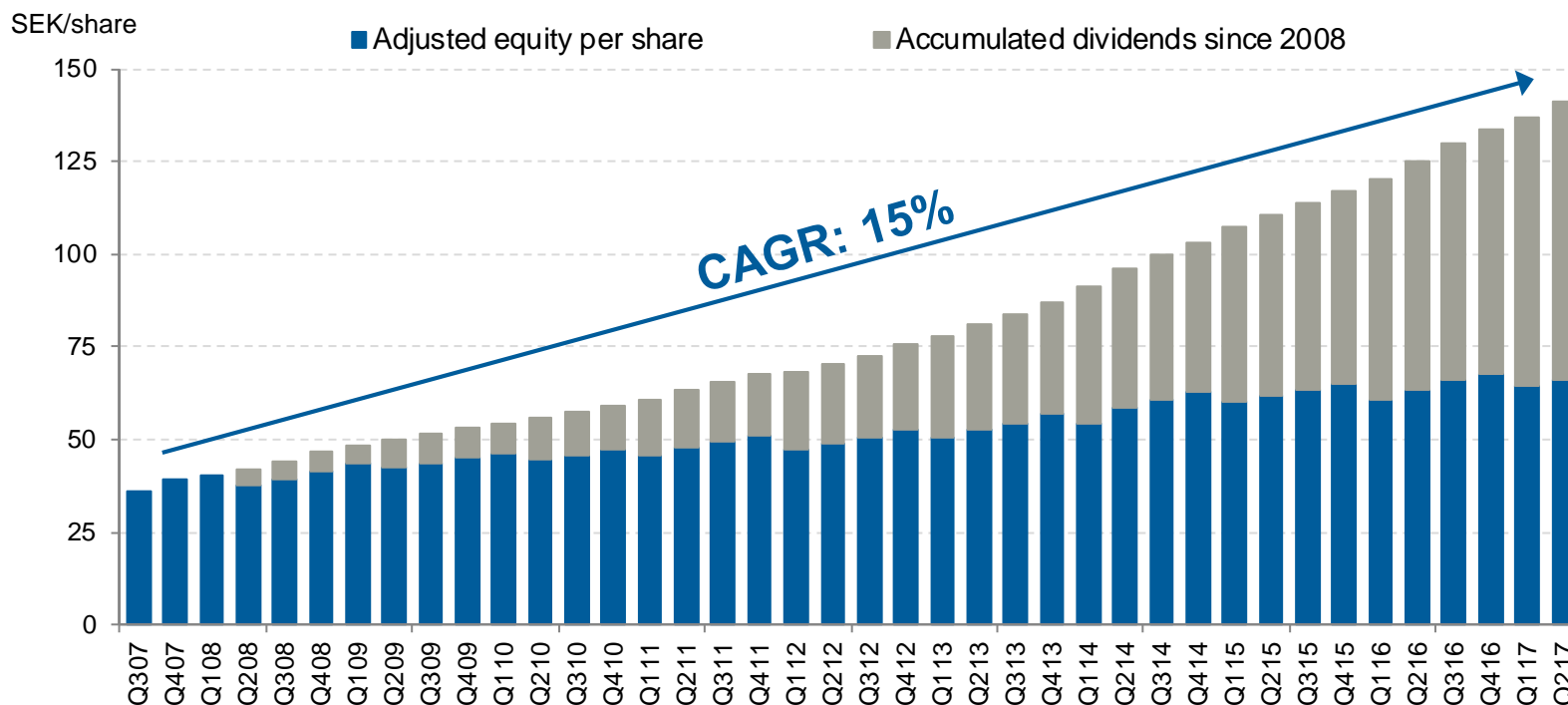
Handelsbanken

January – June 2017

18 July 2017

Average annual growth in equity

Including dividends*



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

Summary January – June 2017

- Operating profit increased by 8% to SEK 10,604m adjusted for non-recurring items and Oktogonen
- EPS amounted to SEK 4.20 (4.31)
- ROE dropped to 12.6% (13.7)
- Income increased by 5% adjusted for capital gains in the first half of 2016
- Net interest income rose by 6% to SEK 14,402m (13,603)
- Net fee and commission income increased by 9% to SEK 4,862m (4,450)
- The loan loss ratio was unchanged at 0.04% (0.04)
- The CET1 ratio increased to 23.4% (23.0), bringing it somewhat above the bank's target range

Income statement, Q2

SEK m	Q2 2017	Q1 2017	Change
Net interest income	7,321	7,081	3%
Net fee and commission income	2,508	2,354	7%
Net gains/losses on financial transactions	317	547	-42%
Risk result - insurance	53	36	47%
Other income	39	18	117%
Total income	10,238	10,036	2%
Staff costs	-3,242	-2,918	11%
Other expenses	-1,555	-1,580	-2%
Total expenses	-4,797	-4,498	7%
Profit before loan losses	5,441	5,538	-2%
Net loan losses	-186	-196	-5%
Gains/losses on disposal of property, equipment and intangible assets	2	5	-60%
Operating profit	5,257	5,347	-2%
Taxes	-1,201	-1,236	-3%
Net profit from discontinued operations	-	-	
Profit for the period	4,056	4,111	-1%

+2% adjusted for SEK +239m
one-off item in Norway in Q1
and currency effects

Income statement, January – June

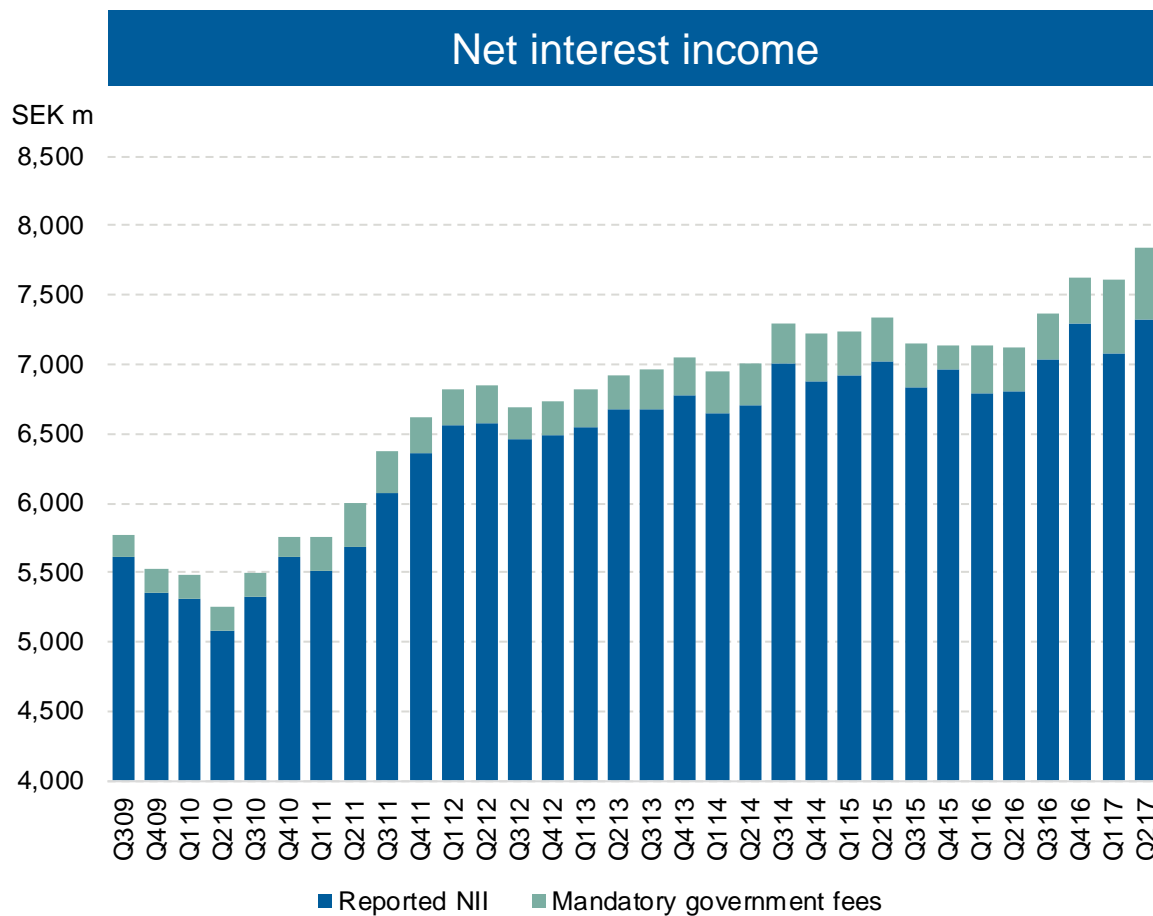
SEK m	Jan-Jun 2017	Jan-Jun 2016	Change
Net interest income	14,402	13,603	6%
Net fee and commission income	4,862	4,450	9%
Net gains/losses on financial transactions	864	1,685	-49%
Risk result - insurance	89	111	-20%
Other income	57	316	-82%
Total income	20,274	20,165	1%
Staff costs	-6,160	-6,620	-7%
Other expenses	-3,135	-2,893	8%
Total expenses	-9,295	-9,513	-2%
Profit before loan losses	10,979	10,652	3%
Net loan losses	-382	-416	-8%
Gains/losses on disposal of property, equipment and intangible assets	7	8	-13%
Operating profit	10,604	10,244	4%
Taxes	-2,437	-2,020	21%
Net profit from discontinued operations	-	13	
Profit for the period	8,167	8,237	-1%

+11% adjusted for SEK 908m realised capital gains in 2016

Unchanged adjusted for:

SEK -700m reserve 2016
SEK -486m Oktogonen 2017
SEK +239m one-off in Norway 2017

Highest net interest income so far



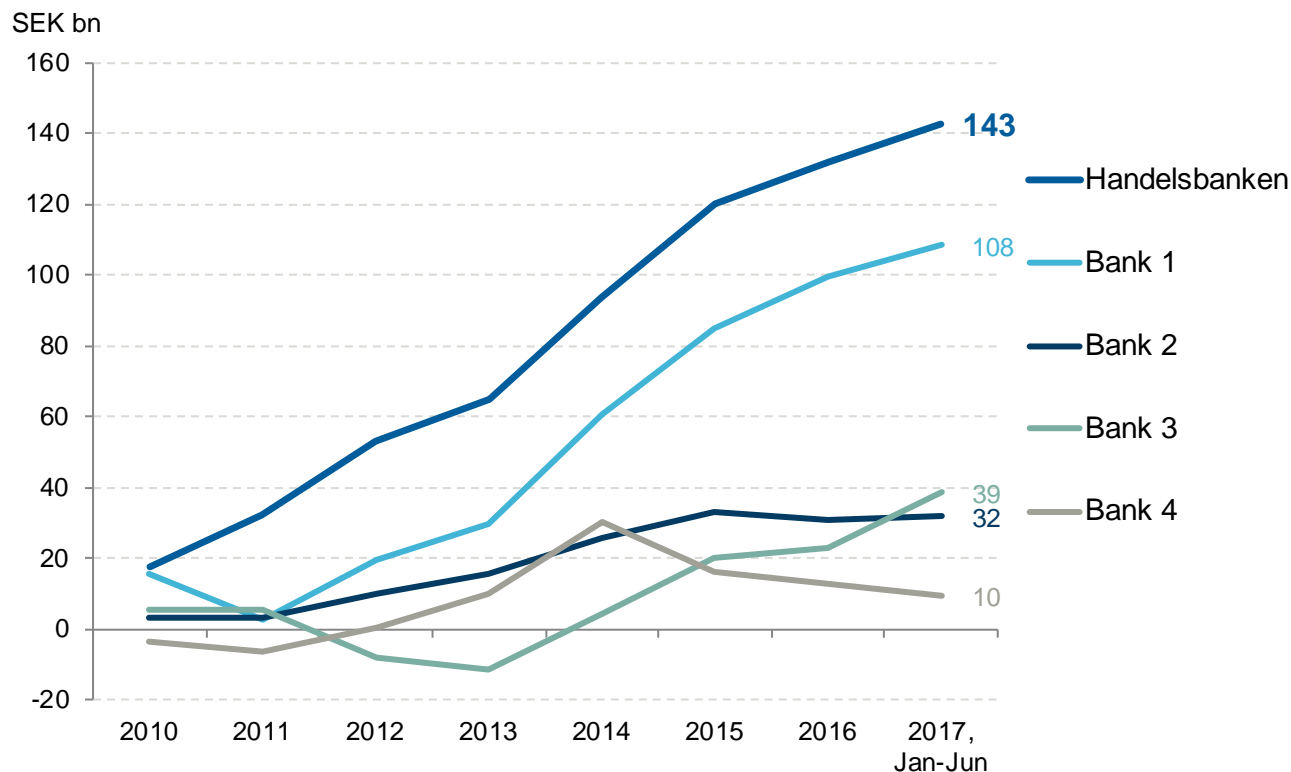
Growth in all home markets

Q2 2017 compared to Q2 2016, local currency

	Lending	Deposits	Net fee and commission income
Sweden	4%	11%	3%
UK	11%	28%	19%
Denmark	5%	24%	24%
Finland	3%	31%	14%
Norway	4%	9%	7%
The Netherlands	31%	63%	467%
Home markets	5.5%	15.0%	9.0%

Largest institution for new savings in the Swedish fund market

Accumulated net inflows into Swedish mutual funds



24% of the market's total net inflow since 2009

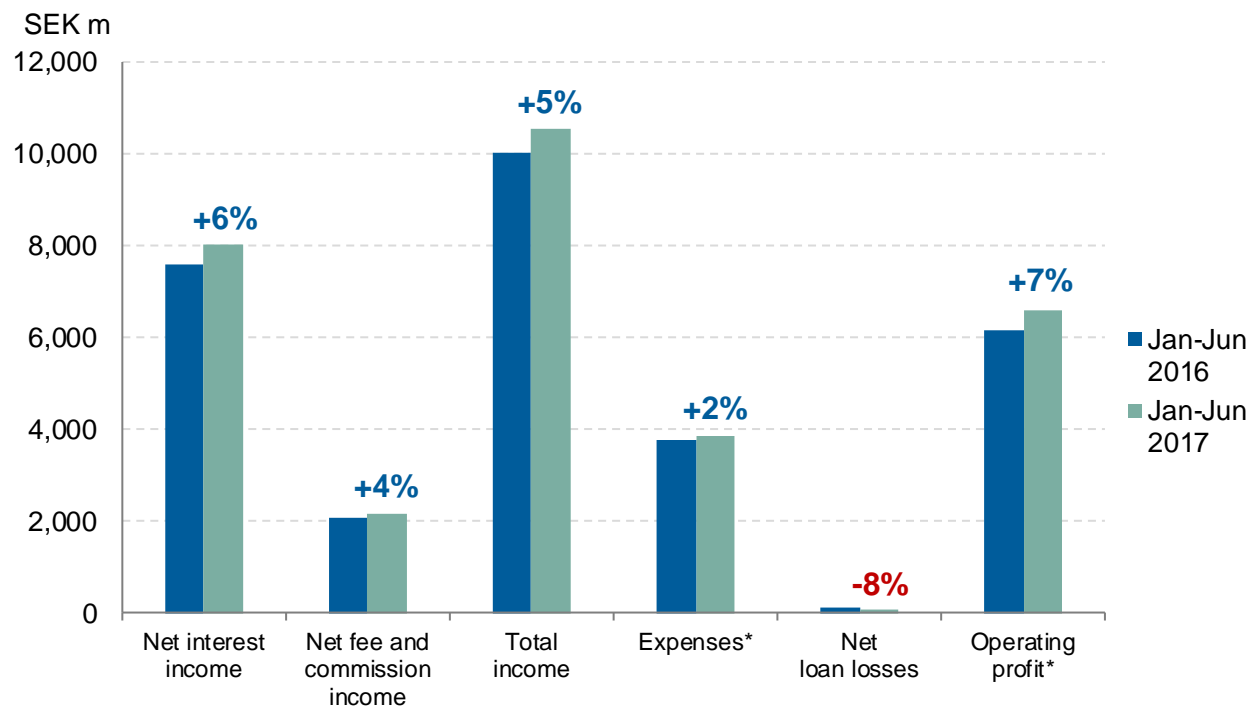
Handelsbanken's market share of total outstanding mutual fund volumes in Sweden is 11%

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

Redeeming coins



Strong development in Handelsbanken Sweden



Increased NII, fee and commissions, and income

Lower staff costs and loan losses

Higher operating profit

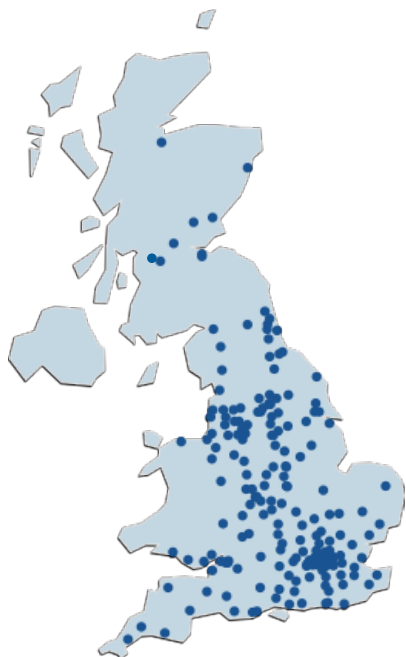
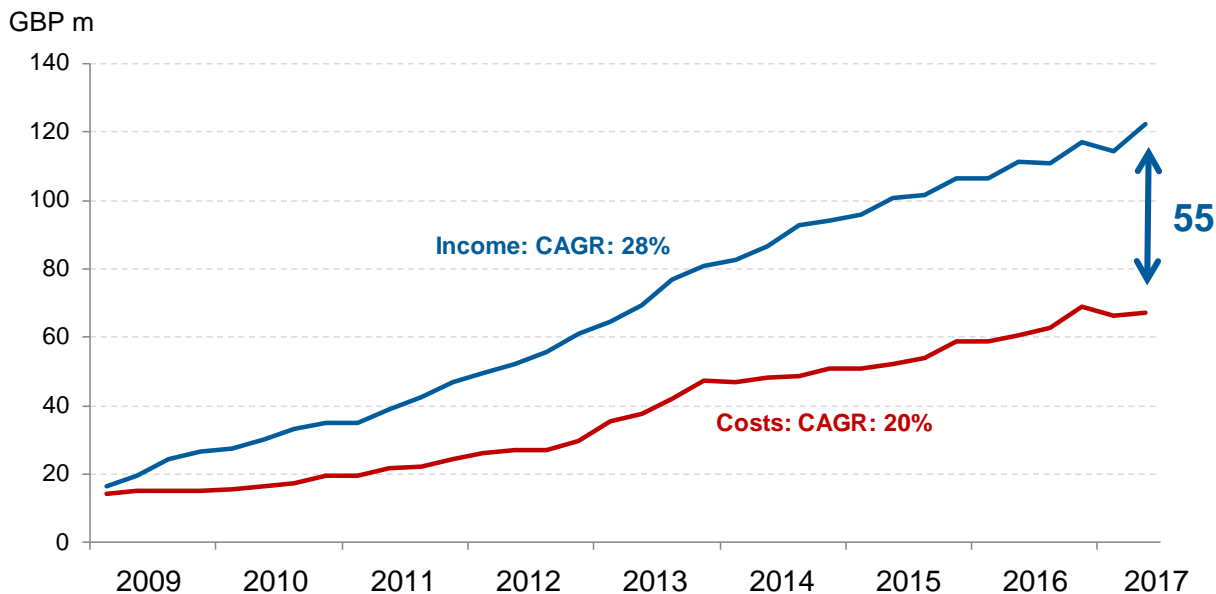
* Excluding SEK 700m in restructuring reserve in Q1 2016

Continued expansion and increased availability

- Operating profit in local currency up by 9% compared to the first half of 2016
 - NII increased by 9% and net commission income by 24%
 - The loan loss ratio fell to 0.04% (0.07)
 - Average deposit volumes from households increased by 54%

- The highest customer satisfaction according to EPSI

Income and expense trend in the UK



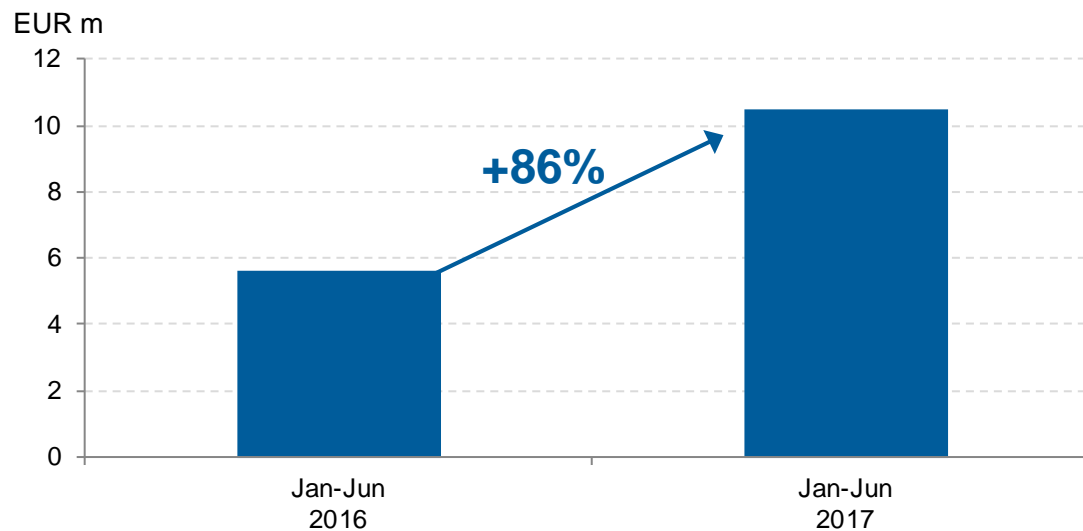
Handelsbanken the Netherlands

Strong progress

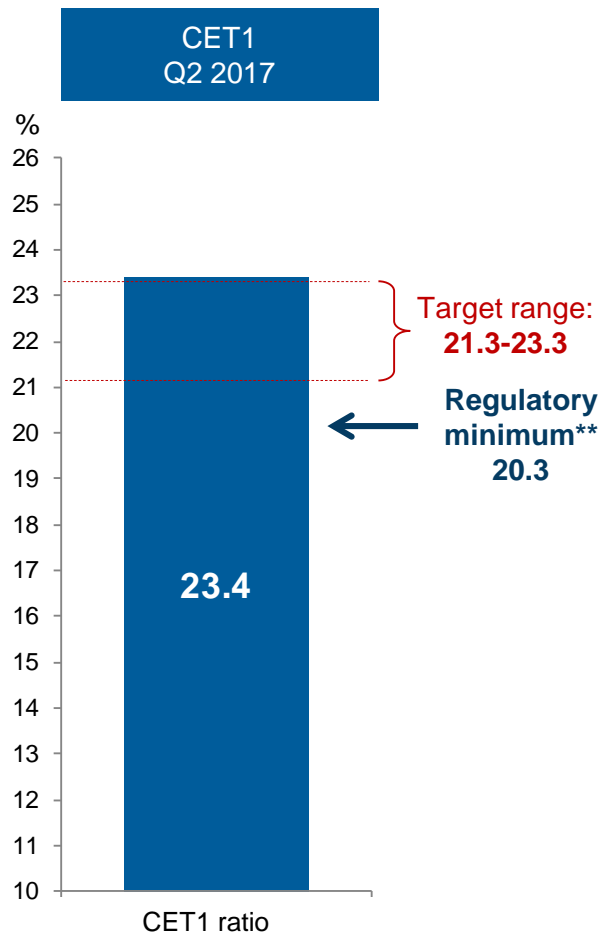
- Operating profit in local currency up by 86% compared to the first half of 2016
 - ROE was 12% (9%)
 - Average lending increased by 34% and to households by 41%
 - C/I ratio dropped by 5.3 percentage points
 - Loan loss ratio of 0.00%
 - The most satisfied customers according to EPSI



Operating profit in local currency



Financial stability



	30 Jun 2017	30 Jun 2016	Change
Capital CRR/CRD IV, %			
Capital ratio, %	29.0	28.9	+0.1%-points
Tier 1 ratio, %	25.8	25.5	+0.3%-points
Common equity tier 1 ratio, %	23.4	23.0	+0.4%-points
Total own funds, SEK bn	146.2	137.1	+9.1
Common equity tier 1 capital, SEK bn	117.9	109.0	+8.9

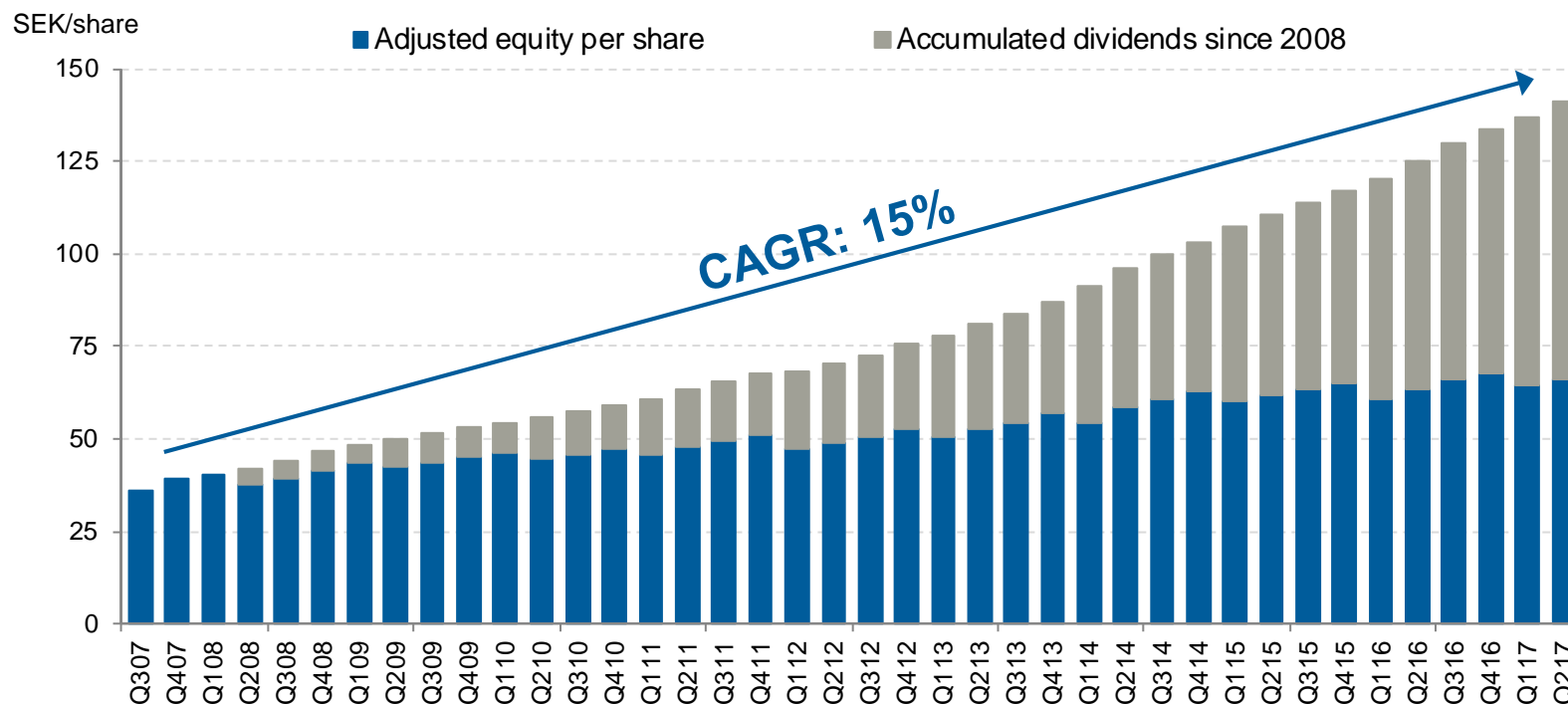
	30 Jun 2017
Liquidity	
LCR Total*	120%
LCR EUR*	132%
LCR USD*	177%
LCR according to the EU Commission's delegated act	136%
NSFR	106%

* According to the Swedish FSA's definition

** FSA requirement at the end of Q1 2017

Average annual growth in equity

Including dividends*

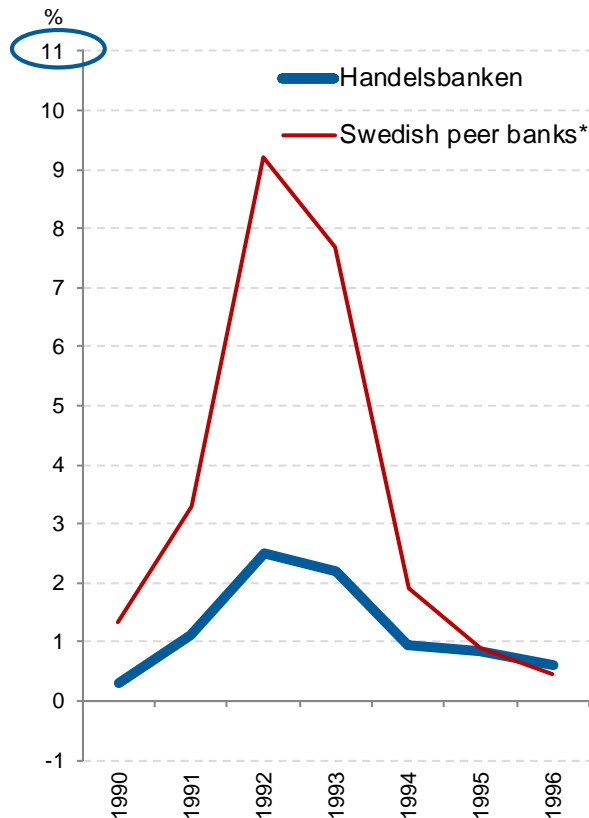


* Dividends reinvested in ROE per quarter
CAGR = Compounded annual growth rate

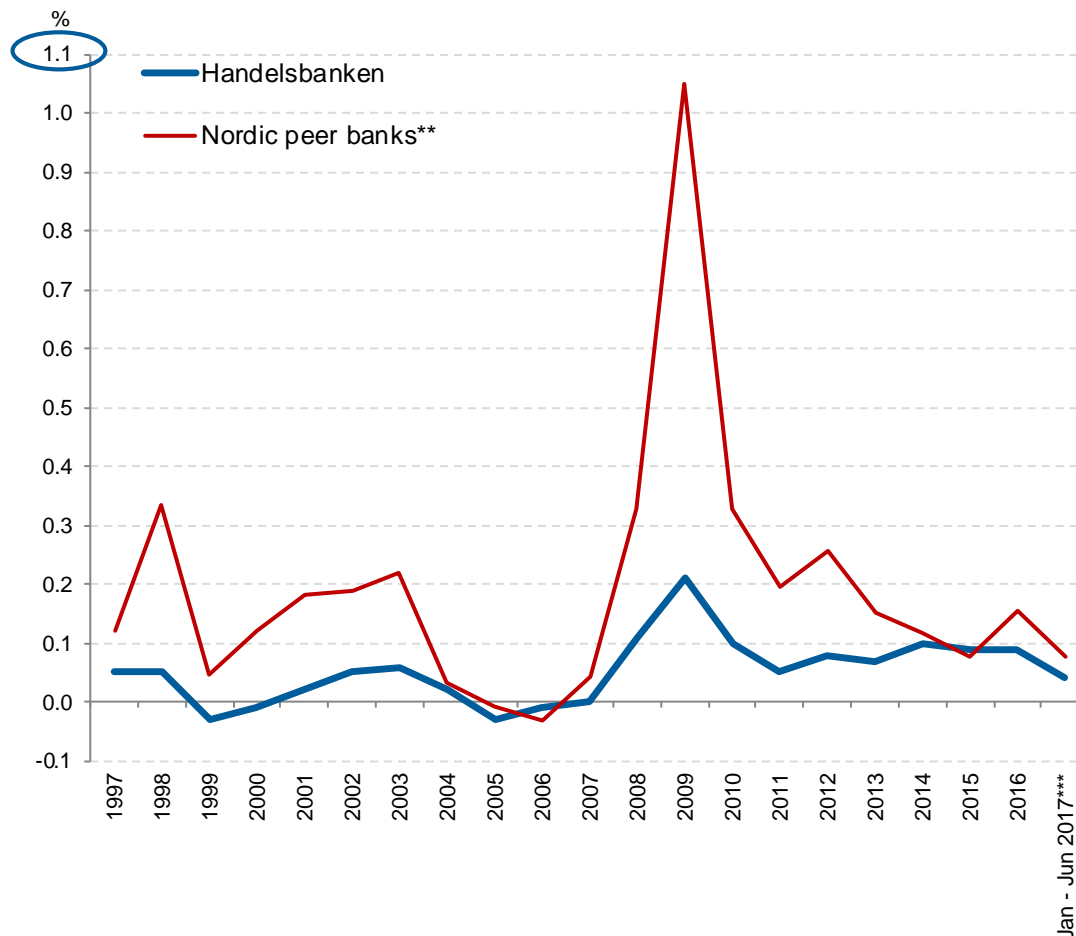
Appendix

Significantly lower loan losses

Loan loss ratio
1990 – 1996



Loan loss ratio
1997 – Q2 2017



Jan - Jun 2017***

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

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

*** January – June for Handelsbanken, Q1 2017 for peers

Return on equity per home market

	Jan-Jun 2017
Handelsbanken Sweden	15%
Handelsbanken Norway	14%*
Handelsbanken Denmark	14%
Handelsbanken UK	14%
Handelsbanken Finland	13%
Handelsbanken the Netherlands	12%
Handelsbanken Group	13%

* 12% excluding one-off effect

Income statement – five quarters

SEK m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Net interest income	7,321	7,081	7,299	7,041	6,808
Net fee and commission income	2,508	2,354	2,447	2,259	2,280
Net gains/losses on financial transactions	317	547	269	1,112	523
Risk result - insurance	53	36	6	25	35
Other income	39	18	104	36	276
Total income	10,238	10,036	10,125	10,473	9,922
Staff costs	-3,242	-2,918	-2,981	-2,941	-2,952
Other expenses	-1,555	-1,580	-1,632	-1,371	-1,465
Total expenses	-4,797	-4,498	-4,613	-4,312	-4,417
Profit before loan losses	5,441	5,538	5,512	6,161	5,505
Net loan losses	-186	-196	-832	-476	-229
Gains/losses on disposal of property, equipment and intangible assets	2	5	18	6	1
Operating profit	5,257	5,347	4,698	5,691	5,277

Change in net interest income from previous quarter

NII Q1 2017, SEK m	7,081	
Lending margin	-3	
Lending volume	49	
Deposit margin	4	
Deposit volume	12	
Day count effect	3	
Mandatory government fees	4	
Other, including allocation from Treasury	61	
Handelsbanken Sweden	130	2%
Lending margin	16	
Lending volume	37	
Deposit margin	-24	
Deposit volume	9	
Day count effect	26	
Exchange rate movements	17	
Mandatory government fees	3	
Other, including allocation from Treasury	45	
Home markets outside Sweden	129	2%
Capital Markets	0	0%
Benchmark effect	-23	
Other	4	
Other units and other	-19	0%
Change in NII	240	3%
<i>Of which related to government fees</i>	<i>11</i>	<i>0%</i>
NII Q2 2017	7,321	

Change in net interest income from previous year

NII Jan - Jun 2016, SEK m	13,603	
Lending margin	54	
Lending volume	251	
Deposit margin	16	
Deposit volume	60	
Day count effect	0	
Mandatory government fees	-212	
Other, including allocation from Treasury	281	
Handelsbanken Sweden	450	3%
Lending margin	-107	
Lending volume	322	
Deposit margin	-9	
Deposit volume	74	
Day count effect	-23	
Exchange rate movements	-5	
Mandatory government fees	-138	
Other, including allocation from Treasury	206	
Home markets outside Sweden	320	2%
Capital Markets	-35	0%
Benchmark effect	-45	
Other	109	
Other units and other	64	0%
Change in NII	799	6%
<i>Of which related to government fees</i>	-389	-3%
NII Jan - Jun 2017	14,402	

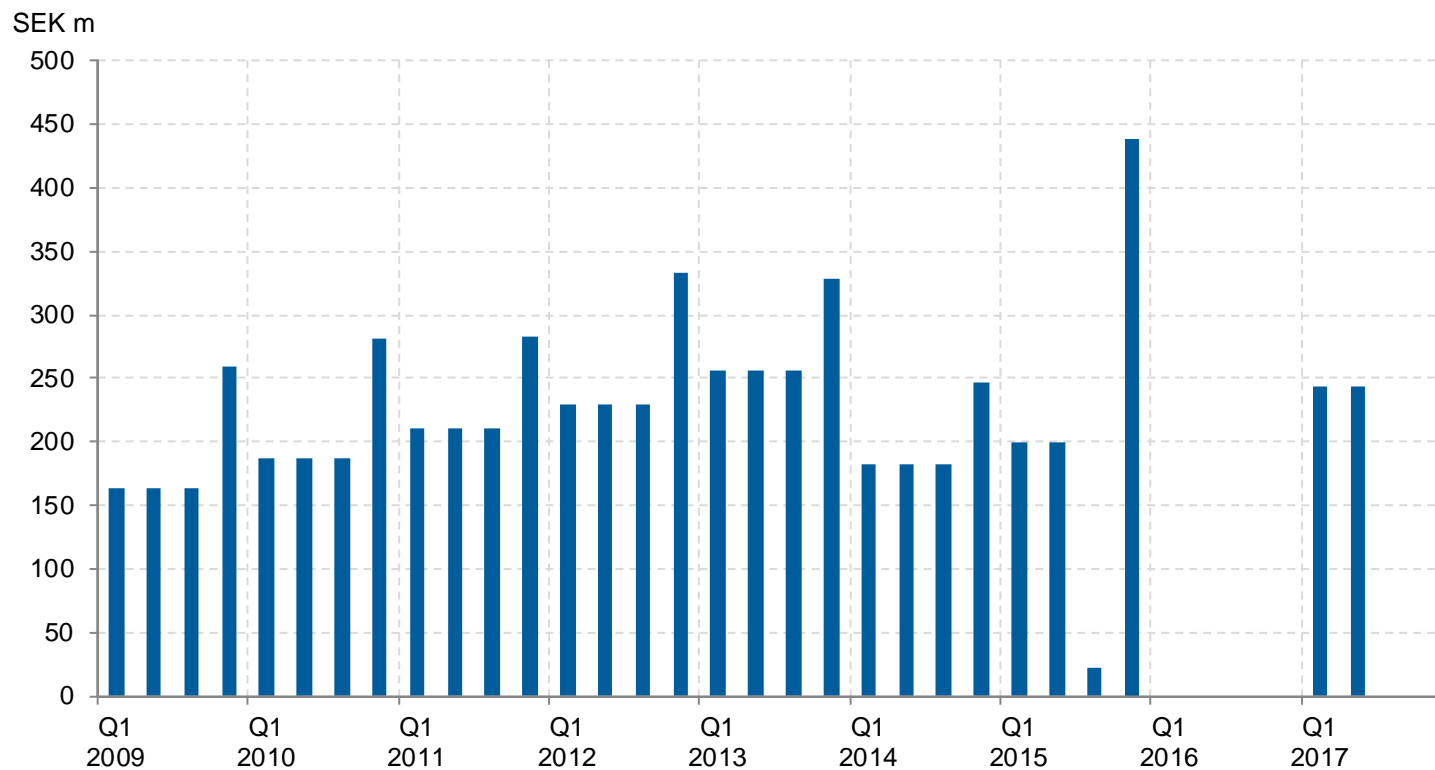
Fees and commissions

SEK m	Jan-Jun 2017	Jan-Jun 2016	Change
Brokerage and other securities commissions	507	462	10%
Mutual funds	1,744	1,412	24%
Custody and other asset management fees	333	295	13%
Advisory services	161	202	-20%
Insurance	328	309	6%
Payments	1,607	1,513	6%
Loans and deposits	609	570	7%
Guarantees	196	207	-5%
Other	249	246	1%
Total fee and commission income	5,734	5,216	10%
Securities	-142	-136	4%
Payments	-699	-593	18%
Other	-31	-37	-16%
Total fee and commission expense	-872	-766	14%
Net fee and commission income	4,862	4,450	9%

Mandatory government fees

Q2 2017, SEK m	Resolution fund	Deposit guarantee	Total
Sweden	-201	-69	-270
UK	-39	-6	-45
Denmark	-15	-4	-19
Finland	-23	-3	-26
Norway	-41	-7	-48
The Netherlands	-4	0	-4
Capital Markets	-15	0	-15
Other	-89	-	-89
Total	-427	-89	-516

Oktagonen quarterly



Effective tax rate

	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Effective tax rate	2017	2017	2016	2016	2016	2016	2015	2015	2015
Per quarter	22.8%	23.1%	26.7%	19.8%	20.7%	18.7%	19.4%	21.7%	21.1%
Accumulated year to date	23.0%	23.1%	21.3%	19.7%	19.7%	18.7%	20.9%	21.4%	21.3%

Change in common equity tier 1 ratio from previous quarter

CRR/CRD IV

Common equity tier 1 ratio Q1 2017, %	23.8
Change, percentage points:	
Common equity tier 1 capital	0.3
Earnings after estimated dividends	0.3
Currency effects	-0.2
IAS 19	0.2
Other and rounding	0.0
Lending volume	0.0
Lending growth	-0.2
Currency effects	0.2
Net effect different quality of inflows and outflows in loan portfolio	0.0
Credit risk migration in the lending portfolio	-0.2
Other effects, net	-0.5
Change in common equity tier 1 ratio	-0.4
Common equity tier 1 ratio Q2 2017, %	23.4

Change in common equity tier 1 ratio from previous year

CRR/CRD IV

Common equity tier 1 ratio Q2 2016, %	23.0
Change, percentage points:	
Common equity tier 1 capital	1.8
Earnings after estimated dividends	1.0
Conversions of staff convertibles	0.1
Currency effects	-0.1
IAS 19	1.7
Effect new PD models	-0.2
AFS holdings	-0.1
Other and rounding	-0.6
Lending volume	0.0
Lending growth	-0.1
Currency effects	0.1
Net effect different quality of inflows and outflows in loan portfolio	0.3
Credit risk migration in the lending portfolio	-0.2
Sale of AFS holdings	0.6
Effect new PD models	-1.6
Other effects, net	-0.5
Change in common equity tier 1 ratio	0.4
Common equity tier 1 ratio Q2 2017, %	23.4

Balance sheet

SEK bn	Jan-Jun 2017	Jan-Jun 2016	Change
Cash and central banks	490	583	-16%
Loans to the public	2,011	1,937	4%
Loans to other credit institutions	34	48	-31%
Interest-bearing securities	181	164	10%
Other assets	245	299	-18%
Total assets	2,961	3,031	-2%
Deposits and borrowing from the public	1,120	1,135	-1%
Due to credit institutions	203	207	-2%
Issued securities	1,265	1,320	-4%
Other liabilities	238	239	0%
Total equity	135	130	4%
Total liabilities and equity	2,961	3,031	-2%

Non-encumbered assets, NEA

30 June 2017

SEK bn	NEA	Accumulated coverage ratio in % of unsecured funding*
Cash with central banks and securities in the liquidity portfolio	664	74%
Mortgage loans	553	136%
Other household lending	185	156%
Property company lending lowest risk class (1-3)	265	186%
Other corporate lending lowest risk class (1-3)	150	203%
Loans to credit institutions lowest risk class (1-3)	28	206%
Other corporate lending	249	234%
Other assets	23	236%
Total non-encumbered assets (NEA)	2,117	236%
Encumbered assets without underlying liabilities**	57	
<i>Encumbered assets with underlying liabilities</i>	<i>787</i>	
Total assets, Group	2,961	

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

** Over-collateralisation in cover pool (OC)

Long-term bond funding, January – June

Long term bond issuance, SEK bn	Q2 2017	Jan-Jun 2016	Change
Senior bonds	10	27	-17
Covered bonds	65	93	-28
Total	75	120	-45

Loans to the public*

SEK bn, end of period	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
<i>Households</i>	785	770	760	754	745
<i>Corporates</i>	491	480	471	473	479
Handelsbanken Sweden	1,276	1,250	1,231	1,227	1,224
<i>Households</i>	89	92	93	93	87
<i>Corporates</i>	151	151	152	156	146
Handelsbanken Norway	240	243	245	249	233
<i>Households</i>	67	67	65	64	63
<i>Corporates</i>	133	133	128	126	125
Handelsbanken UK	200	200	193	190	188
<i>Households</i>	37	36	36	37	35
<i>Corporates</i>	86	86	84	84	83
Handelsbanken Finland	123	122	120	121	118
<i>Households</i>	57	56	56	55	52
<i>Corporates</i>	38	38	40	38	38
Handelsbanken Denmark	95	94	96	93	90
<i>Households</i>	19	18	16	15	14
<i>Corporates</i>	16	16	16	16	16
Handelsbanken the Netherlands	35	34	32	31	30
Other	42	46	45	52	52
<i>Households</i>	1,063	1,047	1,034	1,025	1,003
<i>Corporates</i>	948	942	929	938	932
Total lending to the public	2,010	1,989	1,963	1,963	1,935

* Excluding loans to the Swedish National Debt Office

Deposits from the public

SEK bn, end of period	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
<i>Households</i>	328	314	309	308	305
<i>Corporates</i>	232	247	199	204	195
Handelsbanken Sweden	560	561	508	512	500
<i>Households</i>	41	38	37	31	30
<i>Corporates</i>	95	88	80	80	81
Handelsbanken UK	136	126	117	111	111
<i>Households</i>	21	20	21	21	20
<i>Corporates</i>	45	52	44	58	42
Handelsbanken Norway	66	72	65	79	62
<i>Households</i>	15	14	14	14	14
<i>Corporates</i>	25	25	22	19	15
Handelsbanken Finland	40	39	36	33	29
<i>Households</i>	17	16	16	16	15
<i>Corporates</i>	27	18	21	19	19
Handelsbanken Denmark	44	34	37	35	34
<i>Households</i>	1	1	1	1	1
<i>Corporates</i>	6	8	2	6	2
Handelsbanken the Netherlands	7	9	3	7	3
Other	267	208	64	233	396
<i>Households</i>	430	410	404	399	392
<i>Corporates</i>	691	640	425	611	743
Total deposits from the public	1,120	1,050	829	1,009	1,135

Lending in home markets outside Sweden

Average volumes local currency

	Q2 2017	Q1 2017	Change
Private, local currency			
Denmark, DKK bn	43.8	43.4	0.9%
Finland, EUR m	4,053	4,024	0.7%
Norway, NOK bn	88.4	88.0	0.5%
UK, GBP m	6,073	5,916	2.7%
The Netherlands, EUR m	1,891	1,780	6.2%

Corporate, local currency

Denmark, DKK bn	28.8	29.6	-2.7%
Finland, EUR m	9,061	8,922	1.6%
Norway, NOK bn	148.7	145.8	2.0%
UK, GBP m	12,050	11,719	2.8%
The Netherlands, EUR m	1,717	1,695	1.3%

Lending in home markets outside Sweden

Average volumes local currency

Private, local currency	Jan-Jun 2017	Jan-Jun 2016	Change
Denmark, DKK bn	43.6	39.6	10.1%
Finland, EUR m	4,039	3,952	2.2%
Norway, NOK bn	88.2	84.8	4.0%
UK, GBP m	5,994	5,372	11.6%
The Netherlands, EUR m	1,836	1,302	41.0%

Corporate, local currency

Denmark, DKK bn	29.2	28.7	1.7%
Finland, EUR m	8,992	8,738	2.9%
Norway, NOK bn	147.3	141.0	4.5%
UK, GBP m	11,885	10,706	11.0%
The Netherlands, EUR m	1,706	1,335	27.8%

Deposits in home markets outside Sweden

Average volumes local currency

	Q2 2017	Q1 2017	Change
Private, local currency			
Denmark, DKK bn	12.9	12.2	5.7%
Finland, EUR m	1,642	1,625	1.0%
Norway, NOK bn	19.7	19.6	0.5%
UK, GBP m	3,603	3,297	9.3%
The Netherlands, EUR m	84	78	7.7%

Corporate, local currency			
Denmark, DKK bn	18.6	18.5	0.5%
Finland, EUR m	2,556	2,771	-7.8%
Norway, NOK bn	49.0	48.8	0.4%
UK, GBP m	8,490	7,840	8.3%
The Netherlands, EUR m	727	768	-5.3%

Deposits in home markets outside Sweden

Average volumes local currency

	Jan-Jun 2017	Jan-Jun 2016	Change
Private, local currency			
Denmark, DKK bn	12.5	11.6	7.8%
Finland, EUR m	1,633	1,406	16.1%
Norway, NOK bn	19.6	18.9	3.7%
UK, GBP m	3,450	2,242	53.9%
The Netherlands, EUR m	81	55	47.3%

Corporate, local currency

Denmark, DKK bn	18.6	15.3	21.6%
Finland, EUR m	2,663	1,909	39.5%
Norway, NOK bn	48.9	42.5	15.1%
UK, GBP m	8,165	6,898	18.4%
The Netherlands, EUR m	748	424	76.4%

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