

Fact book  
2014

Q1

Handelsbanken

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## This is Handelsbanken

*Founded in 1871, Handelsbanken is one of the leading banks in the Nordic region, with more than 800 branches in 24 countries. The Bank regards Sweden, Denmark, Finland, Norway, Great Britain and the Netherlands as its domestic markets.*

### HANDELSBANKEN'S GOAL

Handelsbanken's financial goal is to have higher profitability than the average of its competitors through having more satisfied customers and lower costs (including loan losses) than its competitors. This goal has been reached every year since 1972, or for 42 consecutive years.

### BUSINESS PHILOSOPHY

#### **Decentralisation – the branch is the bank**

The branches are fully responsible for all customer relationships, both corporate and private and regardless of size. For a credit to be granted it always has to be approved at the branch level. The branch manager is fully responsible for all business transactions with the customer.

Depending on the size of a credit, additional approvals may be required at regional and central level.

#### **Focus on customers, not on products**

The focus is always on the need of the individual customer and not on the sale of specific products. As a consequence, the bank does not perform any central marketing campaigns. The branch has the best knowledge of the local customer and marketing activities are therefore decided locally.

#### **Not a mass market bank**

Handelsbanken targets corporate and private customers with a better cash flow than average.

#### **No sales targets**

The business focus is always on profitability and never on volumes. As a consequence, the bank has no sales targets or market share goals.

#### **No bonuses**

Handelsbanken believes bonuses should be avoided in risk-taking operations, mainly because they risk providing the wrong incentives. Consequently, the bank has no bonus programme for any members of management or for any staff in the branch office operations, who all work on flat salaries.

Flat salaries, without bonuses, apply to all employees in the group except for a limited number of staff in the investment banking and asset management operations.

#### **No budgets**

The bank abolished budgets in 1972. In banking, where the ability to manage and minimize the risk is central, budgets or other longer term plans risks creating unwanted incentives and behaviour. Instead, the bank's decentralised organisation is focused on being flexible and quick in adapting to changes in the business environment.

#### **Credit policy**

The bank's credit policy is centralised and non-negotiable. It is the same in all markets and it remains unchanged over the business cycle.

Credit decisions should always be made based on the cash flow and repayment capacity of the customer. A weak or uncertain repayment capacity can never be offset by a high margin or by collateral. (*For more information, please see the bank's Pillar III report available at [www.handelsbanken.se/ireng](http://www.handelsbanken.se/ireng).*)

#### **Low risk tolerance**

The bank has a low risk tolerance and the business model is focused on underwriting and managing ultimate credit default risk at branch level. The aim is to minimise market risks and all other risks. Position taking is only accepted in client-driven transactions and within strictly defined limits.

The bank also aims at reducing macro risks in order to have a business model that is as independent as possible from the shifts in the business cycle.

#### **Follow-up and business control**

The need for follow-up and control increases with the degree of decentralisation. Consequently, the business control system is centralised and monitors profitability and business activity at individual branch office level.

Regional banks and other business segments are evaluated on return on equity. Branch offices are monitored on the cost/income ratio, including risk-weighted cost of capital, the true funding cost and actual loan losses.

## ADJUSTED COMPARISON FIGURES

As of 2013, the revised IAS 19 (Employee benefits) applies. All comparison figures (income statement, balance sheet, key ratios and capital measurements) have been restated as if the regulations had applied in 2012.

# Income statement

### Income statement - Svenska Handelsbanken Group

SEK m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Interest income	12,870	13,573	13,569	13,544	13,777	14,428	15,448	16,106
Interest expense	-6,217	-6,801	-6,886	-6,871	-7,236	-7,944	-8,986	-9,531
<b>Net interest income</b>	<b>6,653</b>	<b>6,772</b>	<b>6,683</b>	<b>6,673</b>	<b>6,541</b>	<b>6,484</b>	<b>6,462</b>	<b>6,575</b>
Net fee and commission income	2,060	2,107	1,896	1,924	1,877	1,910	1,742	1,825
Net gains/losses on financial transactions	658	304	354	440	259	366	191	219
Risk result - insurance	42	35	30	26	51	88	33	39
Other dividend income	4	1	4	155	1	1	8	142
Share of profit of associates	-11	7	5	2	-5	7	1	5
Other income	75	52	37	20	76	35	29	34
<b>Total income</b>	<b>9,481</b>	<b>9,278</b>	<b>9,009</b>	<b>9,240</b>	<b>8,800</b>	<b>8,891</b>	<b>8,466</b>	<b>8,839</b>
Staff costs	-2,887	-2,980	-2,845	-2,796	-2,783	-2,923	-2,678	-2,785
Other administrative expenses	-1,248	-1,411	-1,187	-1,304	-1,279	-1,511	-1,108	-1,236
Depreciation, amortisation and impairments of property, equipment and intangible assets	-111	-116	-125	-115	-120	-112	-113	-117
<b>Total expenses</b>	<b>-4,246</b>	<b>-4,507</b>	<b>-4,157</b>	<b>-4,215</b>	<b>-4,182</b>	<b>-4,546</b>	<b>-3,899</b>	<b>-4,138</b>
<b>Profit before loan losses</b>	<b>5,235</b>	<b>4,771</b>	<b>4,852</b>	<b>5,025</b>	<b>4,618</b>	<b>4,345</b>	<b>4,567</b>	<b>4,701</b>
Net loan losses	-315	-322	-284	-306	-283	-395	-277	-288
Gains/losses on disposal of property, equipment and intangible assets	0	9	3	4	1	-2	-1	0
<b>Operating profit</b>	<b>4,920</b>	<b>4,458</b>	<b>4,571</b>	<b>4,723</b>	<b>4,336</b>	<b>3,948</b>	<b>4,289</b>	<b>4,413</b>
Taxes	-1,038	-966	-997	-1,067	-885	400	-1,137	-1,113
<b>Profit for the period from continuing operations</b>	<b>3,882</b>	<b>3,492</b>	<b>3,574</b>	<b>3,656</b>	<b>3,451</b>	<b>4,348</b>	<b>3,152</b>	<b>3,300</b>
Profit for the period pertaining to discontinued operations, after tax	27	35	33	39	15	-64	8	29
<b>Profit for the period</b>	<b>3,909</b>	<b>3,527</b>	<b>3,607</b>	<b>3,695</b>	<b>3,466</b>	<b>4,284</b>	<b>3,160</b>	<b>3,329</b>
Attributable to								
Shareholders in Svenska Handelsbanken AB	3,909	3,527	3,607	3,695	3,466	4,283	3,160	3,329
Minority interest	0	0	0	0	0	1	0	0

As of 1 January 2013, changed accounting regulations for pensions apply, revised IAS 19. The comparative figures have been adjusted as from Q1 2012.

### Earnings per share

	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Profit for the year, attributable to shareholders in Svenska Handelsbanken AB	3,909	3,527	3,607	3,695	3,466	4,283	3,160	3,329
- of which interest expense on convertible subordinated loan after tax	-27	-28	-27	-29	-35	-35	-38	-41
Average number of outstanding shares, million	635.6	635.6	635.4	634.9	633.1	632.1	630.2	627.2
Average number of outstanding shares after dilution, million	647.5	647.6	647.7	647.6	647.3	647.8	647.8	647.5
Earnings per share, continuing operations, SEK	6.11	5.50	5.63	5.76	5.45	6.88	5.00	5.27
- after dilution	6.04	5.44	5.56	5.69	5.39	6.77	4.93	5.17
Earnings per share, discontinued operations, SEK	0.04	0.05	0.05	0.06	0.02	-0.10	0.01	0.04
- after dilution	0.04	0.05	0.05	0.06	0.02	-0.10	0.01	0.04
Earnings per share, total operations, SEK	6.15	5.55	5.68	5.82	5.47	6.78	5.01	5.31
- after dilution	6.08	5.49	5.61	5.75	5.41	6.67	4.94	5.21

**Handelsbanken Group - Key figures**

SEK m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Return on equity, total operations *	14.1%	13.3%	14.2%	15.1%	13.8%	17.5%	13.5%	14.8%
Return on equity, continuing operations*	14.0%	13.2%	14.0%	14.9%	13.7%	17.8%	13.5%	14.6%
C/I ratio, continuing operations	44.8%	48.6%	46.1%	45.6%	47.5%	51.1%	46.1%	46.8%
C/I ratio, continuing operations, incl. loan losses	48.1%	52.0%	49.3%	48.9%	50.7%	55.6%	49.3%	50.1%
Adjusted equity per share, SEK	170.64	177.71	169.01	162.81	157.20	162.63	153.21	147.87
Common equity tier 1 ratio, CRD IV	19.5%	18.9%	18.8%	17.8%	17.5%			
Total capital ratio, CRD IV	24.5%	21.6%	21.6%	21.1%	21.0%			
Capital base in relation to capital requirement according to Basel I floor	141%	124%	125%	123%	126%	125%	127%	123%
Average number of employees, continuing operations	11,633	11,585	11,825	11,361	11,242	11,156	11,381	11,095
Number of branches in Sweden	462	462	461	461	461	461	461	461
Number of branches in Great Britain	166	161	151	147	138	133	124	117
Number of branches in Denmark	57	56	55	55	55	54	54	54
Number of branches in Finland	45	45	45	45	45	45	45	45
Number of branches in Norway	49	49	49	49	49	49	49	49
Number of branches in Netherlands	18	18	16	15	15	13	12	12
Number of branches in Germany	7	7	7	7	7	7	7	7
Number of branches in other countries	12	12	12	12	12	12	13	15
<b>Total number of branches</b>	<b>816</b>	<b>810</b>	<b>796</b>	<b>791</b>	<b>782</b>	<b>774</b>	<b>765</b>	<b>760</b>

\* When calculating return on equity, equity is adjusted for the impact of unrealised changes in the value of financial assets classified as "Available for Sale" and for cash flow hedges and revaluation effects on defined-benefit pension plans.

**Consolidated statement of other comprehensive income**

SEK m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
<b>Profit for the period</b>	<b>3,909</b>	<b>3,527</b>	<b>3,607</b>	<b>3,695</b>	<b>3,466</b>	<b>4,284</b>	<b>3,160</b>	<b>3,329</b>
<b>Other comprehensive income</b>								
<b>Items that cannot be reclassified into profit or loss</b>								
Defined-benefit plans	417	341	851	-933	1,143	1,320	461	-1,033
Taxes on items that cannot be reclassified into profit or loss	-92	-72	-188	204	-251	-236	-121	272
<b>Total items that cannot be reclassified into profit or loss</b>	<b>325</b>	<b>269</b>	<b>663</b>	<b>-729</b>	<b>892</b>	<b>1,084</b>	<b>340</b>	<b>-761</b>
<b>Items that can be reclassified into profit or loss</b>								
Cash flow hedges	1,309	-1,045	173	-2,192	-346	691	321	1,689
Available-for-sale instruments	148	175	308	-268	320	370	379	-474
Translation differences for the period	1,888	1,942	-496	695	-1,378	294	-109	-572
<i>of which hedging net investment in foreign operations</i>	1,378	1,266	238	-628	-109	-166	871	-593
Taxes on items that can be reclassified into profit or loss	-614	-72	-149	681	54	-135	-423	-161
<i>of which cash flow hedges</i>	-282	224	-38	482	76	-118	-85	-444
<i>of which available-for-sale instruments</i>	-29	-17	-58	60	-46	-88	-110	127
<i>of which hedging net investment in foreign operations</i>	-303	-279	-53	139	24	71	-228	156
<b>Total items that can be reclassified into profit or loss</b>	<b>2,731</b>	<b>1,000</b>	<b>-164</b>	<b>-1,084</b>	<b>-1,350</b>	<b>1,220</b>	<b>168</b>	<b>482</b>
<b>Total other comprehensive income for the period</b>	<b>3,056</b>	<b>1,269</b>	<b>499</b>	<b>-1,813</b>	<b>-458</b>	<b>2,304</b>	<b>508</b>	<b>-279</b>
<b>Total comprehensive income for the period</b>	<b>6,965</b>	<b>4,796</b>	<b>4,106</b>	<b>1,882</b>	<b>3,008</b>	<b>6,588</b>	<b>3,668</b>	<b>3,050</b>
Attributable to								
Shareholders in Svenska Handelsbanken AB	6,965	4,796	4,106	1,882	3,008	6,587	3,668	3,050
Minority interest	0	0	0	0	0	1	0	0

As of 1 January 2013, changed accounting regulations for pensions apply, revised IAS 19. The comparative figures have been adjusted as from Q1 2012.

**One-offs and special items**

SEK m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Benchmark effect in Stadshypotek	-10	32	-26	-11	24	-16	-4	17
Oktagonen (The Bank's profit-sharing system)	-183	-328	-256	-256	-256	-333	-229	-229
Performance-related remuneration	-33	-36	-32	-40	-28	-41	-22	-23
Non-recurring costs relating to terminated rental contracts						-91		
Recalculation of the Bank's pension liability		46						
Other non-recurring staff cost		-24				-77		
Reallocations of the Bank's shareholdings (NFT)	306							
<b>Total</b>	<b>80</b>	<b>-310</b>	<b>-314</b>	<b>-307</b>	<b>-260</b>	<b>-558</b>	<b>-255</b>	<b>-235</b>

**Fees for the Stabilisation Fund etc.**

SEK m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
<b>Swedish Stabilisation Fund</b>								
Branch operations in Sweden (net interest income)	-105	-106	-117	-87	-104	-94	-89	-146
Branch operations outside Sweden (net interest income)	-53	-49	-51	-44	-50	-43	-41	-67
of which UK	-13	-11	-11	-9	-10	-9	-8	-14
of which Denmark	-7	-6	-7	-6	-6	-5	-5	-8
of which Finland	-9	-9	-9	-8	-9	-7	-7	-11
of which Norway	-19	-18	-19	-17	-20	-17	-16	-27
of which the Netherlands	-2	-1	-1	-1	-1	-	-	-
of which Handelsbanken International	-3	-4	-4	-3	-4	-5	-5	-7
Other (net interest income)	-56	-54	-45	-50	-56	-49	-51	-6
<b>Total fees for the Swedish Stabilisation Fund</b>	<b>-214</b>	<b>-209</b>	<b>-213</b>	<b>-181</b>	<b>-210</b>	<b>-186</b>	<b>-181</b>	<b>-219</b>
<b>Swedish deposit guarantee</b>								
Branch operations in Sweden (net interest income)	-58	-55	-55	-55	-55	-55	-47	-56
Branch operations outside Sweden (net interest income)	-14	-13	-13	-13	-13	-11	-11	-13
<b>Total fees for Swedish deposit guarantee</b>	<b>-72</b>	<b>-68</b>	<b>-68</b>	<b>-68</b>	<b>-68</b>	<b>-66</b>	<b>-58</b>	<b>-69</b>
<b>The Swedish investor protection</b>								
Other (expenses)	-	-	-	-	-	-	-	-
<b>Danish government guarantee</b>								
Branch operations in Denmark (net interest income)	-	-	-	-	-	-	-	-
Branch operations in Denmark (expenses)	-	-	-	-	-	-	-	-
<b>Total fees to Danish government guarantee</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Danish deposit guarantee</b>								
Branch operations in Denmark (net interest income)	-3	-2	-2	-2	-2	-2	-2	-2
Branch operations in Denmark (expenses)	-	-	-	-	-	-	-	-
<b>Total fees to Danish deposit guarantee</b>	<b>-3</b>	<b>-2</b>	<b>-2</b>	<b>-2</b>	<b>-2</b>	<b>-2</b>	<b>-2</b>	<b>-2</b>
<b>Norwegian deposit guarantee</b>								
Branch operations in Norway (net interest income)	-1	-1	-1	-1	-1	-	-	-
<b>British deposit guarantee</b>								
Branch operations in UK (expenses)	-	-	-	-	-	-	-	-
<b>State fees outside home markets</b>								
Handelsbanken International, (net interest income)	-	-1	-1	-1	-1	-1	-1	-1
<b>Total</b>	<b>-290</b>	<b>-281</b>	<b>-285</b>	<b>-253</b>	<b>-282</b>	<b>-255</b>	<b>-242</b>	<b>-291</b>

## Exchange rates

SEK, End of period (Balance sheet)	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	Change y/y	Change q/q
DKK	1.1995	1.1937	1.1624	1.1771	1.1194	7%	0%
EUR	8.9552	8.9058	8.6691	8.7798	8.3445	7%	1%
GBP	10.8011	10.6623	10.3499	10.2508	9.8597	10%	1%
NOK	1.0844	1.0583	1.0654	1.1097	1.1114	-2%	2%
USD	6.4888	6.4704	6.4086	6.7441	6.5173	0%	0%

SEK, Average as from 1 Jan (Income statement)	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	Change y/y	Change q/q
DKK	1.1868	1.1598	1.1507	1.1435	1.1390	4%	2%
EUR	8.8565	8.6496	8.5814	8.5273	8.4954	4%	2%
GBP	10.6992	10.1854	10.0721	10.0233	9.9837	7%	5%
NOK	1.0610	1.1090	1.1202	1.1343	1.1433	-7%	-4%
USD	6.4639	6.5146	6.5166	6.4945	6.4333	0%	-1%

## The effect of exchange rate movements - Branch office operations outside Sweden

## Jan - Mar 2014 vs. same period last year

SEK m	GB	DK	FI	NO	NL	HI	Total
Net interest income	41	15	11	-56	2	3	16
Net fee and commission income	2	3	4	-7	0	2	4
Net result of financial transactions	2	0	0	0	0	0	2
Other income	0	0	0	0	0	0	0
<b>Total income</b>	<b>45</b>	<b>18</b>	<b>15</b>	<b>-63</b>	<b>2</b>	<b>5</b>	<b>22</b>
Staff costs	-16	-5	-4	12	-1	-2	-16
Other administrative expenses	-8	-4	-3	9	-1	-2	-9
Depreciation and amortisation	0	0	0	0	0	0	0
<b>Total expenses</b>	<b>-24</b>	<b>-9</b>	<b>-7</b>	<b>21</b>	<b>-2</b>	<b>-4</b>	<b>-25</b>
Net loan losses	-9	-1	-1	5	0	0	-6
<b>Operating profit</b>	<b>12</b>	<b>8</b>	<b>7</b>	<b>-37</b>	<b>0</b>	<b>1</b>	<b>-9</b>

## Q1 2014 vs. previous quarter

SEK m	GB	DK	FI	NO	NL	HI	Total
Net interest income	10	-1	0	-11	0	0	-2
Net fee and commission income	1	0	0	-1	0	0	0
Net result of financial transactions	1	0	0	-1	0	0	0
Other income	0	0	0	0	0	0	0
<b>Total income</b>	<b>12</b>	<b>-1</b>	<b>0</b>	<b>-13</b>	<b>0</b>	<b>0</b>	<b>-2</b>
Staff costs	-6	0	0	3	0	1	-2
Other administrative expenses	-2	0	0	2	0	0	0
Depreciation and amortisation	0	0	0	0	0	0	0
<b>Total expenses</b>	<b>-8</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>1</b>	<b>-2</b>
Net loan losses	0	0	0	1	0	0	1
<b>Operating profit</b>	<b>4</b>	<b>-1</b>	<b>0</b>	<b>-7</b>	<b>0</b>	<b>1</b>	<b>-3</b>

**Net interest income**

SEK m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
<b>Interest income</b>								
Credit institutions and central banks	407	402	424	375	374	502	549	600
Loans to the public	12,592	13,102	13,114	13,205	13,193	13,819	14,598	15,054
Interest-bearing securities eligible as collateral with central banks	162	241	259	972	634	114	447	480
Interest-bearing securities	262	289	451	646	512	-788	930	905
Derivative instruments	-774	-594	-689	-719	-554	-584	-245	-230
Other interest income	381	349	376	351	383	483	339	336
<b>Total interest income</b>	<b>13,030</b>	<b>13,789</b>	<b>13,935</b>	<b>14,830</b>	<b>14,542</b>	<b>13,546</b>	<b>16,618</b>	<b>17,145</b>
gains/losses on financial transactions	160	216	366	1,286	765	-882	1,170	1,039
<b>Interest income according to income statement</b>	<b>12,870</b>	<b>13,573</b>	<b>13,569</b>	<b>13,544</b>	<b>13,777</b>	<b>14,428</b>	<b>15,448</b>	<b>16,106</b>
<b>Interest expense</b>								
Credit institutions and central banks	-227	-260	-284	-358	-385	-418	-457	-551
General public	-1,030	-1,169	-1,113	-1,094	-1,232	-1,398	-1,766	-1,905
Issued securities	-5,559	-5,851	-5,735	-5,864	-5,687	-6,174	-6,271	-6,538
Derivative instruments	1,211	1,002	924	997	668	561	-99	-119
Subordinated liabilities	-331	-273	-292	-331	-318	-341	-308	-336
Other interest expense	-368	-368	-627	-1,314	-985	869	-1,231	-1,165
<b>Total interest expense</b>	<b>-6,304</b>	<b>-6,919</b>	<b>-7,127</b>	<b>-7,964</b>	<b>-7,939</b>	<b>-6,901</b>	<b>-10,132</b>	<b>-10,614</b>
Of which interest expense reported in Net gains/losses on financial transactions	-87	-118	-241	-1,093	-703	1,043	-1,146	-1,083
<b>Interest expense according to income statement</b>	<b>-6,217</b>	<b>-6,801</b>	<b>-6,886</b>	<b>-6,871</b>	<b>-7,236</b>	<b>-7,944</b>	<b>-8,986</b>	<b>-9,531</b>
<b>Net interest income</b>	<b>6,653</b>	<b>6,772</b>	<b>6,683</b>	<b>6,673</b>	<b>6,541</b>	<b>6,484</b>	<b>6,462</b>	<b>6,575</b>

**Net fee and commission income**

SEK m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Brokerage and other securities commissions	328	312	250	321	306	273	243	266
Mutual funds	554	537	513	493	465	438	425	422
Custody and other asset management fees	135	124	111	108	84	92	82	85
Advisory services	49	68	35	71	104	51	26	48
Insurance	158	148	142	140	141	137	142	142
Payments	708	776	738	680	619	709	685	670
Loans and deposits	279	284	272	286	282	305	281	311
Guarantees	108	108	115	107	108	115	101	124
Other	106	127	108	110	101	157	103	102
<b>Commission income</b>	<b>2,425</b>	<b>2,484</b>	<b>2,284</b>	<b>2,316</b>	<b>2,210</b>	<b>2,277</b>	<b>2,088</b>	<b>2,170</b>
Securities	-69	-47	-63	-60	-58	-54	-47	-55
Payments	-279	-310	-304	-308	-253	-291	-273	-264
Other	-17	-20	-21	-24	-22	-22	-26	-26
<b>Commission expense</b>	<b>-365</b>	<b>-377</b>	<b>-388</b>	<b>-392</b>	<b>-333</b>	<b>-367</b>	<b>-346</b>	<b>-345</b>
<b>Net fee and commission income</b>	<b>2,060</b>	<b>2,107</b>	<b>1,896</b>	<b>1,924</b>	<b>1,877</b>	<b>1,910</b>	<b>1,742</b>	<b>1,825</b>



**Net gains/losses on financial transactions**

SEK m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Trading, derivatives, FX effect etc	-155	-14	465	941	634	171	-354	-498
Other financial instruments at fair value in profit/loss	533	184	-101	-494	-374	115	462	615
of which interest-bearing securities	536	177	-93	-472	-319	87	464	617
of which loans	-3	7	-8	-22	-55	28	-2	-2
Financial instruments at amortised cost	14	132	8	27	-18	78	2	3
of which loans	93	203	73	101	62	128	71	72
of which liabilities	-79	-71	-65	-74	-80	-50	-69	-69
Financial instruments available for sale	313	17	9	13	-15	4	-1	0
Hedge accounting	-45	-18	-11	-21	52	11	77	91
of which net gains/losses on fair value hedges	-37	-24	-23	6	15	17	72	96
of which hedge ineffectiveness	-8	6	12	-27	37	-6	5	-5
Gains/losses on unbundled insurance contracts	-2	3	-16	-26	-20	-13	5	8
<b>Net gains/losses on financial transactions</b>	<b>658</b>	<b>304</b>	<b>354</b>	<b>440</b>	<b>259</b>	<b>366</b>	<b>191</b>	<b>219</b>

**Other administrative expenses**

SEK m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Property and premises	-287	-288	-268	-281	-281	-400	-263	-279
External IT costs	-410	-467	-394	-421	-422	-460	-356	-387
Communication	-97	-95	-85	-90	-99	-82	-72	-99
Travel and marketing	-78	-108	-75	-113	-82	-128	-77	-103
Purchased services	-238	-277	-227	-266	-261	-290	-244	-244
Supplies	-53	-58	-47	-51	-46	-55	-40	-45
Other expenses	-85	-118	-91	-82	-88	-96	-56	-79
<b>Other administrative expenses</b>	<b>-1,248</b>	<b>-1,411</b>	<b>-1,187</b>	<b>-1,304</b>	<b>-1,279</b>	<b>-1,511</b>	<b>-1,108</b>	<b>-1,236</b>

**Loan losses**

SEK m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2
<b>Specific provision for individually valued loan receivables</b>								
Provision for the period	-569	-412	-272	-291	-312	-514	-325	-263
Reversal of previous provisions	236	115	68	69	37	151	51	63
<b>Total</b>	<b>-333</b>	<b>-297</b>	<b>-204</b>	<b>-222</b>	<b>-275</b>	<b>-363</b>	<b>-274</b>	<b>-200</b>
<b>Collective provisions</b>								
Net provision for the period for individually valued receivables	1	-10	2	-57	5	27	57	5
Net provision for the period for homogeneous loan receivables	4	4	8	3	0	6	-8	4
<b>Total</b>	<b>5</b>	<b>-6</b>	<b>10</b>	<b>-54</b>	<b>5</b>	<b>33</b>	<b>49</b>	<b>9</b>
<b>Other provisions</b>								
Losses on off-balance sheet items	-6	-9	-	-	-	-	-	-
Reversal of losses on off-balance-sheet items	1	-	-	-	0	-	-	0
Change in collective provision for off-balance-sheet items	8	-7	-2	0	-1	-2	3	-1
<b>Total</b>	<b>3</b>	<b>-16</b>	<b>-2</b>	<b>0</b>	<b>-1</b>	<b>-2</b>	<b>3</b>	<b>-1</b>
<b>Write-offs</b>								
Actual loan losses for the period	-482	-352	-376	-311	-464	-519	-198	-278
Utilised share of previous provisions	438	290	236	231	417	407	110	129
Recoveries	54	59	52	50	35	49	33	53
<b>Total</b>	<b>10</b>	<b>-3</b>	<b>-88</b>	<b>-30</b>	<b>-12</b>	<b>-63</b>	<b>-55</b>	<b>-96</b>
<b>Net loan losses</b>	<b>-315</b>	<b>-322</b>	<b>-284</b>	<b>-306</b>	<b>-283</b>	<b>-395</b>	<b>-277</b>	<b>-288</b>

**Impaired loans**

Impaired loans include all receivables for which not all the contracted cash flows will probably be fulfilled. The full amount of all receivables which give rise to a specific provision is included in impaired loans, including amounts which are covered by collateral. This means that the impaired loan reserve ratio is stated without taking into account collateral received. Thus this key figure can vary substantially between the quarters even though the accounting policies are unchanged.

SEK m	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012
Impaired loans	6,763	6,944	6,799	7,266	7,006	7,325	7,171	6,872
Specific provision for individually assessed loans	-3,347	-3,454	-3,467	-3,589	-3,522	-3,725	-3,673	-3,608
Provision for collectively assessed homogeneous groups of loans with limited value	-88	-92	-94	-103	-113	-115	-118	-110
Collective provisions	-357	-357	-347	-350	-280	-288	-313	-372
<b>Impaired loans, net</b>	<b>2,971</b>	<b>3,041</b>	<b>2,891</b>	<b>3,224</b>	<b>3,091</b>	<b>3,197</b>	<b>3,067</b>	<b>2,782</b>
Total impaired loans reserve ratio	56.1%	56.2%	57.5%	55.6%	55.9%	56.4%	57.2%	59.5%
Proportion of impaired loans, %	0.17%	0.18%	0.17%	0.19%	0.18%	0.18%	0.18%	0.16%
Impaired loans reserve ratio excl. collective provisions	50.8%	51.1%	52.4%	50.8%	51.9%	52.4%	52.9%	54.1%
Loan loss ratio as a % of loans, quarterly	0.07%	0.07%	0.06%	0.07%	0.06%	0.09%	0.07%	0.07%
Loans past due > 60 days	5,596	6,185	6,661	6,834	6,396	6,988	7,029	6,814
Loans past due > 60 days, which are not impaired	1,838	2,150	2,478	2,382	2,136	2,563	2,715	2,852

# Segment information

## Operating profit per segment, quarterly

SEK m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Branch operations in Sweden	2,825	3,101	3,216	3,154	3,018	3,067	3,324	3,221
Branch operations in UK	381	351	288	271	233	230	268	260
Branch operations in Denmark	258	199	242	194	177	115	184	86
Branch operations in Finland	232	151	176	188	168	134	169	158
Branch operations in Norway	628	641	704	672	575	571	528	527
Branch operations in the Netherlands	27	17	23	15	18	10	20	18
Handelsbanken International	61	17	20	45	51	110	39	101
Capital Markets	375	274	207	352	268	197	56	205
Other	133	-316	-284	-168	-161	-463	-290	-140
Eliminations	0	23	-21	0	-11	-23	-9	-23
<b>Operating profit, Group</b>	<b>4,920</b>	<b>4,458</b>	<b>4,571</b>	<b>4,723</b>	<b>4,336</b>	<b>3,948</b>	<b>4,289</b>	<b>4,413</b>

## Total income per segment

mkr	Kv 1 2014	Kv 4 2013	Change	Kv 1 2013	Change	Jan-mar 2014	Jan-mar 2013	Change	Helår 2013
Kontorsrörelsen i Sverige	4,962	5,105	-3%	5,043	-2%	4,962	5,043	-2%	20,441
Kontorsrörelsen i Storbritannien	882	847	4%	643	37%	882	643	37%	2,970
Kontorsrörelsen i Danmark	506	529	-4%	450	12%	506	450	12%	1,963
Kontorsrörelsen i Finland	463	457	1%	383	21%	463	383	21%	1,676
Kontorsrörelsen i Norge	963	1,017	-5%	957	1%	963	957	1%	4,033
Kontorsrörelsen i Nederländerna	77	72	7%	56	37%	77	56	37%	254
Handelsbanken International	267	265	1%	253	6%	267	253	6%	1,053
<b>Kontorsrörelsen</b>	<b>8,120</b>	<b>8,292</b>	<b>-2%</b>	<b>7,785</b>	<b>4%</b>	<b>8,120</b>	<b>7,785</b>	<b>4%</b>	<b>32,390</b>
Handelsbanken Capital Markets	1,096	1,025	7%	969	13%	1,096	969	13%	3,938
Övrigt	277	-27		57	386%	277	57	386%	44
Elimineringar	-12	-12	0%	-11	-9%	-12	-11	-9%	-45
<b>Summa intäkter</b>	<b>9,481</b>	<b>9,278</b>	<b>2%</b>	<b>8,800</b>	<b>8%</b>	<b>9,481</b>	<b>8,800</b>	<b>8%</b>	<b>36,327</b>

## Total expenses per segment

mkr	Kv 1 2014	Kv 4 2013	Change	Kv 1 2013	Change	Jan-mar 2014	Jan-mar 2013	Change	Helår 2013
Kontorsrörelsen i Sverige	-1,889	-1,931	-2%	-1,923	-2%	-1,889	-1,923	-2%	-7,604
Kontorsrörelsen i Storbritannien	-501	-498	1%	-355	41%	-501	-355	41%	-1,660
Kontorsrörelsen i Danmark	-250	-265	-6%	-243	3%	-250	-243	3%	-990
Kontorsrörelsen i Finland	-183	-185	-1%	-179	2%	-183	-179	2%	-725
Kontorsrörelsen i Norge	-314	-333	-6%	-319	-2%	-314	-319	-2%	-1,272
Kontorsrörelsen i Nederländerna	-51	-49	4%	-38	34%	-51	-38	34%	-174
Handelsbanken International	-205	-234	-12%	-206	0%	-205	-206	0%	-855
<b>Kontorsrörelsen</b>	<b>-3,393</b>	<b>-3,495</b>	<b>-3%</b>	<b>-3,263</b>	<b>4%</b>	<b>-3,393</b>	<b>-3,263</b>	<b>4%</b>	<b>-13,280</b>
Handelsbanken Capital Markets	-721	-751	-4%	-701	3%	-721	-701	3%	-2,837
Övrigt	-144	-296	-51%	-218	-34%	-144	-218	-34%	-980
Elimineringar	12	35	-66%	-	-	12	-	-	36
<b>Summa kostnader</b>	<b>-4,246</b>	<b>-4,507</b>	<b>-6%</b>	<b>-4,182</b>	<b>2%</b>	<b>-4,246</b>	<b>-4,182</b>	<b>2%</b>	<b>-17,061</b>

## Operating profit per segment

mkr	Kv 1 2014	Kv 4 2013	Change	Kv 1 2013	Change	Jan-mar 2014	Jan-mar 2013	Change	Helår 2013
Kontorsrörelsen i Sverige	2,825	3,101	-9%	3,018	-6%	2,825	3,018	-6%	12,489
Kontorsrörelsen i Storbritannien	381	351	9%	233	64%	381	233	64%	1,143
Kontorsrörelsen i Danmark	258	199	30%	177	46%	258	177	46%	812
Kontorsrörelsen i Finland	232	151	54%	168	38%	232	168	38%	683
Kontorsrörelsen i Norge	628	641	-2%	575	9%	628	575	9%	2,592
Kontorsrörelsen i Nederländerna	27	17	59%	18	50%	27	18	50%	73
Handelsbanken International	61	17	259%	51	20%	61	51	20%	133
<b>Kontorsrörelsen</b>	<b>4,412</b>	<b>4,477</b>	<b>-1%</b>	<b>4,240</b>	<b>4%</b>	<b>4,412</b>	<b>4,240</b>	<b>4%</b>	<b>17,925</b>
Handelsbanken Capital Markets	375	274	37%	268	40%	375	268	40%	1,101
Övrigt	133	-316		-161		133	-161		-929
Elimineringar	0	23	-100%	-11		0	-11		-9
<b>Rörelseresultat</b>	<b>4,920</b>	<b>4,458</b>	<b>10%</b>	<b>4,336</b>	<b>13%</b>	<b>4,920</b>	<b>4,336</b>	<b>13%</b>	<b>18,088</b>

## Branch operations in Sweden

SEK m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Net interest income	3,937	4,066	4,091	4,173	4,094	4,148	4,191	4,161
Net fee and commission income	920	978	886	838	826	847	819	860
Net gains/losses on financial transactions	86	52	104	190	116	151	135	137
Other income	19	9	8	3	7	7	3	1
<b>Total income</b>	<b>4,962</b>	<b>5,105</b>	<b>5,089</b>	<b>5,204</b>	<b>5,043</b>	<b>5,153</b>	<b>5,148</b>	<b>5,159</b>
Staff costs	-840	-814	-831	-822	-833	-782	-785	-789
Other administrative expenses	-266	-326	-261	-301	-302	-358	-278	-315
Internal purchased and sold services	-764	-770	-719	-770	-768	-766	-659	-703
Depreciation, amortisation and impairments of property, equipment and intangible assets	-19	-21	-21	-25	-20	-25	-21	-22
<b>Total expenses</b>	<b>-1,889</b>	<b>-1,931</b>	<b>-1,832</b>	<b>-1,918</b>	<b>-1,923</b>	<b>-1,931</b>	<b>-1,743</b>	<b>-1,829</b>
<b>Profit before loan losses</b>	<b>3,073</b>	<b>3,174</b>	<b>3,257</b>	<b>3,286</b>	<b>3,120</b>	<b>3,222</b>	<b>3,405</b>	<b>3,330</b>
Net loan losses	-248	-75	-44	-135	-103	-155	-81	-109
Gains/losses on disposal of property, equipment and intangible assets	-	2	3	3	1	0	0	0
<b>Operating profit</b>	<b>2,825</b>	<b>3,101</b>	<b>3,216</b>	<b>3,154</b>	<b>3,018</b>	<b>3,067</b>	<b>3,324</b>	<b>3,221</b>
Profit allocation	209	361	182	197	162	197	144	163
<b>Operating profit after profit allocation</b>	<b>3,034</b>	<b>3,462</b>	<b>3,398</b>	<b>3,351</b>	<b>3,180</b>	<b>3,264</b>	<b>3,468</b>	<b>3,384</b>
Cost/income ratio, %	36.5	35.3	34.8	35.5	36.9	36.1	32.9	34.4
Loan loss ratio, %	0.09	0.03	0.02	0.05	0.04	0.06	0.03	0.04
Allocated capital	65,504	61,805	58,388	55,842	60,084	57,244	54,124	51,592
Return on allocated capital, %	14.5	17.5	18.2	18.7	16.5	16.8	18.9	19.3
Average number of employees	4,350	4,357	4,632	4,342	4,350	4,342	4,548	4,315
Number of branches	462	462	461	461	461	461	461	461

### Business volumes, Branch operations in Sweden

Average volumes, SEK bn	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Loans to the public*								
Household	631	625	617	610	602	595	588	584
of which mortgage loans	580	572	564	556	548	542	535	530
Corporate	486	489	493	496	482	480	480	483
of which mortgage loans	260	255	251	246	239	232	226	229
<b>Total</b>	<b>1,117</b>	<b>1,114</b>	<b>1,110</b>	<b>1,106</b>	<b>1,084</b>	<b>1,075</b>	<b>1,068</b>	<b>1,067</b>
Deposits and borrowing from the public								
Household	231	227	222	217	213	212	210	204
Corporate	168	170	162	163	168	165	160	165
<b>Total</b>	<b>399</b>	<b>397</b>	<b>384</b>	<b>380</b>	<b>381</b>	<b>377</b>	<b>370</b>	<b>369</b>

\* Excluding loans to the National Debt Office.

## Branch operations in Great Britain

SEK m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Net interest income	767	719	682	631	592	602	544	519
Net fee and commission income	76	73	73	42	25	21	25	25
Net gains/losses on financial transactions	36	51	25	21	23	24	22	23
Other income	3	4	0	6	3	3	4	4
<b>Total income</b>	<b>882</b>	<b>847</b>	<b>780</b>	<b>700</b>	<b>643</b>	<b>650</b>	<b>595</b>	<b>571</b>
Staff costs	-329	-327	-271	-241	-220	-210	-200	-200
Other administrative expenses	-71	-75	-59	-53	-56	-49	-42	-45
Internal purchased and sold services	-96	-82	-82	-81	-72	-56	-46	-50
Depreciation, amortisation and impairments of property, equipment and intangible assets	-5	-14	-16	-4	-7	-3	-2	-3
<b>Total expenses</b>	<b>-501</b>	<b>-498</b>	<b>-428</b>	<b>-379</b>	<b>-355</b>	<b>-318</b>	<b>-290</b>	<b>-298</b>
<b>Profit before loan losses</b>	<b>381</b>	<b>349</b>	<b>352</b>	<b>321</b>	<b>288</b>	<b>332</b>	<b>305</b>	<b>273</b>
Net loan losses	0	2	-65	-50	-55	-101	-37	-13
Gains/losses on disposal of property, equipment and intangible assets	0	0	1	0	0	-1	0	0
<b>Operating profit</b>	<b>381</b>	<b>351</b>	<b>288</b>	<b>271</b>	<b>233</b>	<b>230</b>	<b>268</b>	<b>260</b>
Profit allocation	9	15	6	5	4	6	3	3
<b>Operating profit after profit allocation</b>	<b>390</b>	<b>366</b>	<b>294</b>	<b>276</b>	<b>237</b>	<b>236</b>	<b>271</b>	<b>263</b>
Cost/income ratio, %	56.2	57.8	54.5	53.8	54.9	48.5	48.5	51.9
Loan loss ratio, %	0.00	-0.01	0.22	0.17	0.19	0.43	0.16	0.05
Allocated capital	8,186	7,644	7,010	6,477	6,500	5,878	5,669	5,401
Return on allocated capital, %	14.9	15.0	13.1	13.3	11.4	11.8	14.1	14.3
Average number of employees	1,476	1,405	1,332	1,201	1,102	1,022	964	917
Number of branches	166	161	151	147	138	133	124	117

### Branch office operations in Great Britain, in local currency

GBP m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Net interest income	71.7	68.5	67.0	62.8	59.3	56.3	51.0	47.3
Net fee and commission income	7.1	7.1	7.2	4.1	2.5	2.0	2.3	2.3
Net gains/losses on financial transactions	3.4	4.8	2.5	2.2	2.3	2.2	2.1	2.1
Other income	0.3	0.4	0.1	0.5	0.3	0.4	0.4	0.4
<b>Total income</b>	<b>82.5</b>	<b>80.8</b>	<b>76.8</b>	<b>69.6</b>	<b>64.4</b>	<b>60.9</b>	<b>55.8</b>	<b>52.1</b>
Staff costs	-30.7	-31.2	-26.6	-24.0	-22.1	-19.7	-18.7	-18.2
Other administrative expenses	-6.6	-7.1	-5.7	-5.4	-5.6	-4.6	-3.9	-4.1
Internal purchased and sold services	-9.0	-7.7	-8.2	-8.0	-7.2	-5.3	-4.3	-4.6
Depreciation, amortisation and impairments of property, equipment and intangible assets	-0.5	-1.5	-1.6	-0.3	-0.7	-0.2	-0.2	-0.3
<b>Total expenses</b>	<b>-46.8</b>	<b>-47.5</b>	<b>-42.1</b>	<b>-37.7</b>	<b>-35.6</b>	<b>-29.8</b>	<b>-27.1</b>	<b>-27.2</b>
<b>Profit before loan losses</b>	<b>35.7</b>	<b>33.3</b>	<b>34.7</b>	<b>31.9</b>	<b>28.8</b>	<b>31.1</b>	<b>28.7</b>	<b>24.9</b>
Net loan losses	0.0	0.4	-6.4	-5.0	-5.5	-9.4	-3.5	-1.2
<b>Operating profit</b>	<b>35.7</b>	<b>33.7</b>	<b>28.3</b>	<b>27.0</b>	<b>23.3</b>	<b>21.6</b>	<b>25.1</b>	<b>23.7</b>
Profit allocation	0.8	1.4	0.6	0.5	0.4	0.5	0.3	0.3
<b>Operating profit after profit allocation</b>	<b>36.5</b>	<b>35.1</b>	<b>28.9</b>	<b>27.5</b>	<b>23.7</b>	<b>22.1</b>	<b>25.4</b>	<b>24.0</b>

### Business volumes, UK

Average volumes, GBP m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Loans to the public								
Household	3,763	3,580	3,344	3,122	2,963	2,780	2,608	2,441
Corporate	8,782	8,677	8,509	8,317	8,021	7,703	7,327	6,978
<b>Total</b>	<b>12,545</b>	<b>12,257</b>	<b>11,853</b>	<b>11,439</b>	<b>10,984</b>	<b>10,483</b>	<b>9,935</b>	<b>9,419</b>
Deposits and borrowing from the public								
Household	1,032	821	779	605	548	508	483	446
Corporate	5,366	4,132	3,093	2,438	2,288	2,586	2,564	2,228
<b>Total</b>	<b>6,398</b>	<b>4,953</b>	<b>3,872</b>	<b>3,043</b>	<b>2,836</b>	<b>3,094</b>	<b>3,047</b>	<b>2,674</b>

## Branch operations in Denmark

SEK m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Net interest income	380	397	403	363	356	360	342	356
Net fee and commission income	95	92	74	82	81	73	68	74
Net gains/losses on financial transactions	25	35	29	25	8	14	17	14
Other income	6	5	4	4	5	5	3	7
<b>Total income</b>	<b>506</b>	<b>529</b>	<b>510</b>	<b>474</b>	<b>450</b>	<b>452</b>	<b>430</b>	<b>451</b>
Staff costs	-140	-142	-137	-137	-130	-137	-129	-136
Other administrative expenses	-43	-49	-37	-43	-46	-50	-37	-45
Internal purchased and sold services	-63	-69	-61	-59	-63	-59	-53	-66
Depreciation, amortisation and impairments of property, equipment and intangible assets	-4	-5	-4	-4	-4	-4	-4	-4
<b>Total expenses</b>	<b>-250</b>	<b>-265</b>	<b>-239</b>	<b>-243</b>	<b>-243</b>	<b>-250</b>	<b>-223</b>	<b>-251</b>
<b>Profit before loan losses</b>	<b>256</b>	<b>264</b>	<b>271</b>	<b>231</b>	<b>207</b>	<b>202</b>	<b>207</b>	<b>200</b>
Net loan losses	2	-65	-29	-37	-30	-87	-23	-114
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>258</b>	<b>199</b>	<b>242</b>	<b>194</b>	<b>177</b>	<b>115</b>	<b>184</b>	<b>86</b>
Profit allocation	13	17	12	10	8	10	6	5
<b>Operating profit after profit allocation</b>	<b>271</b>	<b>216</b>	<b>254</b>	<b>204</b>	<b>185</b>	<b>125</b>	<b>190</b>	<b>91</b>
Cost/income ratio, %	48.2	48.5	45.8	50.2	53.1	54.1	51.1	55.0
Loan loss ratio, %	-0.01	0.40	0.18	0.22	0.19	0.58	0.15	0.76
Allocated capital	5,564	5,348	5,447	4,985	5,268	4,926	4,800	4,790
Return on allocated capital, %	15.2	12.6	14.6	12.7	10.9	7.4	11.7	5.6
Average number of employees	633	625	625	626	619	618	617	614
Number of branches	57	56	55	55	55	54	54	54

### Branch office operations in Denmark, in local currency

DKK m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Net interest income	320	335	346	317	312	311	303	297
Net fee and commission income	80	77	64	71	71	62	60	62
Net gains/losses on financial transactions	21	30	25	22	7	12	15	12
Other income	5	4	3	4	4	4	3	6
<b>Total income</b>	<b>426</b>	<b>446</b>	<b>438</b>	<b>414</b>	<b>394</b>	<b>389</b>	<b>381</b>	<b>377</b>
Staff costs	-118	-119	-117	-120	-114	-119	-114	-114
Other administrative expenses	-36	-42	-31	-38	-40	-43	-33	-38
Internal purchased and sold services	-53	-58	-52	-52	-55	-51	-47	-55
Depreciation, amortisation and impairments of property, equipment and intangible assets	-4	-5	-4	-3	-3	-3	-4	-3
<b>Total expenses</b>	<b>-211</b>	<b>-224</b>	<b>-204</b>	<b>-213</b>	<b>-212</b>	<b>-216</b>	<b>-198</b>	<b>-210</b>
<b>Profit before loan losses</b>	<b>215</b>	<b>222</b>	<b>234</b>	<b>201</b>	<b>182</b>	<b>173</b>	<b>183</b>	<b>167</b>
Net loan losses	2	-54	-26	-32	-27	-75	-24	-95
<b>Operating profit</b>	<b>217</b>	<b>168</b>	<b>208</b>	<b>169</b>	<b>155</b>	<b>98</b>	<b>159</b>	<b>72</b>
Profit allocation	11	15	11	8	7	8	6	4
<b>Operating profit after profit allocation</b>	<b>228</b>	<b>183</b>	<b>219</b>	<b>177</b>	<b>162</b>	<b>106</b>	<b>165</b>	<b>76</b>

### Business volumes, Branch operations in Denmark

Average volumes, DKK bn	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Loans to the public								
Household	31.4	30.6	29.4	28.7	27.9	26.6	25.7	25.0
Corporate	28.0	27.9	29.8	31.5	30.7	27.7	28.1	27.6
<b>Total</b>	<b>59.4</b>	<b>58.5</b>	<b>59.2</b>	<b>60.2</b>	<b>58.6</b>	<b>54.3</b>	<b>53.8</b>	<b>52.6</b>
Deposits and borrowing from the public								
Household	9.4	9.3	9.2	9.2	8.9	8.8	8.8	8.7
Corporate	15.2	14.6	12.3	12.6	14.8	14.9	15.2	11.0
<b>Total</b>	<b>24.6</b>	<b>23.9</b>	<b>21.5</b>	<b>21.8</b>	<b>23.7</b>	<b>23.7</b>	<b>24.0</b>	<b>19.7</b>

## Branch operations in Finland

SEK m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Net interest income	344	337	315	294	273	277	260	240
Net fee and commission income	108	107	106	100	99	107	85	91
Net gains/losses on financial transactions	9	12	6	13	9	7	6	7
Other income	2	1	1	1	2	0	1	1
<b>Total income</b>	<b>463</b>	<b>457</b>	<b>428</b>	<b>408</b>	<b>383</b>	<b>391</b>	<b>352</b>	<b>339</b>
Staff costs	-85	-85	-79	-84	-83	-86	-75	-84
Other administrative expenses	-35	-36	-35	-40	-34	-43	-30	-34
Internal purchased and sold services	-61	-62	-59	-60	-58	-65	-45	-51
Depreciation, amortisation and impairments of property, equipment and intangible assets	-2	-2	-2	-2	-4	-5	-5	-5
<b>Total expenses</b>	<b>-183</b>	<b>-185</b>	<b>-175</b>	<b>-186</b>	<b>-179</b>	<b>-199</b>	<b>-155</b>	<b>-174</b>
<b>Profit before loan losses</b>	<b>280</b>	<b>272</b>	<b>253</b>	<b>222</b>	<b>204</b>	<b>192</b>	<b>197</b>	<b>165</b>
Net loan losses	-48	-121	-77	-34	-36	-58	-28	-7
Gains/losses on disposal of property, equipment and intangible assets	0	0	-	-	-	0	0	0
<b>Operating profit</b>	<b>232</b>	<b>151</b>	<b>176</b>	<b>188</b>	<b>168</b>	<b>134</b>	<b>169</b>	<b>158</b>
Profit allocation	21	27	17	15	11	18	8	10
<b>Operating profit after profit allocation</b>	<b>253</b>	<b>178</b>	<b>193</b>	<b>203</b>	<b>179</b>	<b>152</b>	<b>177</b>	<b>168</b>
Cost/income ratio, %	37.8	38.2	39.3	44.0	45.4	48.7	43.1	49.9
Loan loss ratio, %	0.19	0.54	0.34	0.16	0.16	0.28	0.13	0.03
Allocated capital	6,204	6,121	6,288	5,371	5,854	5,427	5,099	5,083
Return on allocated capital, %	12.7	9.0	9.6	11.8	9.5	8.3	10.2	9.8
Average number of employees	486	485	502	496	477	472	489	484
Number of branches	45	45	45	45	45	45	45	45

### Branch office operations in Finland, in local currency

EUR m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Net interest income	38.9	38.1	36.3	34.3	32.2	32.0	30.8	26.9
Net fee and commission income	12.2	12.1	12.1	11.8	11.6	12.3	10.2	10.2
Net gains/losses on financial transactions	1.0	1.3	0.8	1.4	1.1	0.9	0.7	0.8
Other income	0.2	0.1	0.1	0.2	0.2	0.1	-	0.1
<b>Total income</b>	<b>52.3</b>	<b>51.6</b>	<b>49.3</b>	<b>47.7</b>	<b>45.1</b>	<b>45.3</b>	<b>41.7</b>	<b>38.0</b>
Staff costs	-9.6	-9.6	-9.2	-9.7	-9.8	-10.0	-8.9	-9.4
Other administrative expenses	-4.0	-3.9	-4.1	-4.7	-4.0	-4.9	-3.6	-3.8
Internal purchased and sold services	-6.9	-7.2	-6.7	-7.0	-6.8	-7.4	-5.4	-5.7
Depreciation, amortisation and impairments of property, equipment and intangible assets	-0.2	-0.2	-0.2	-0.2	-0.5	-0.5	-0.6	-0.6
<b>Total expenses</b>	<b>-20.7</b>	<b>-20.9</b>	<b>-20.2</b>	<b>-21.6</b>	<b>-21.1</b>	<b>-22.8</b>	<b>-18.5</b>	<b>-19.5</b>
<b>Profit before loan losses</b>	<b>31.6</b>	<b>30.7</b>	<b>29.1</b>	<b>26.1</b>	<b>24.0</b>	<b>22.5</b>	<b>23.2</b>	<b>18.5</b>
Net loan losses	-5.5	-13.9	-8.8	-4.1	-4.2	-6.8	-3.2	-0.8
<b>Operating profit</b>	<b>26.1</b>	<b>16.8</b>	<b>20.3</b>	<b>22.0</b>	<b>19.8</b>	<b>15.7</b>	<b>20.0</b>	<b>17.7</b>
Profit allocation	2.3	3.2	1.9	1.8	1.3	2.1	0.9	1.1
<b>Operating profit after profit allocation</b>	<b>28.4</b>	<b>20.0</b>	<b>22.2</b>	<b>23.8</b>	<b>21.1</b>	<b>17.8</b>	<b>20.9</b>	<b>18.8</b>

### Business volumes, Branch operations in Finland

Average volumes, EUR m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Loans to the public								
Household	3,787	3,773	3,736	3,667	3,598	3,534	3,486	3,447
Corporate	8,207	8,166	7,990	7,955	7,807	7,524	7,391	7,066
<b>Total</b>	<b>11,994</b>	<b>11,939</b>	<b>11,726</b>	<b>11,622</b>	<b>11,405</b>	<b>11,058</b>	<b>10,877</b>	<b>10,513</b>
Deposits and borrowing from the public								
Household	1,249	1,273	1,248	1,256	1,271	1,277	1,276	1,272
Corporate	3,043	2,457	1,597	1,457	1,546	1,949	2,051	2,222
<b>Total</b>	<b>4,292</b>	<b>3,730</b>	<b>2,845</b>	<b>2,713</b>	<b>2,817</b>	<b>3,226</b>	<b>3,327</b>	<b>3,494</b>

## Branch operations in Norway

SEK m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Net interest income	843	902	918	905	849	865	783	757
Net fee and commission income	97	90	100	88	86	95	84	86
Net gains/losses on financial transactions	17	22	19	23	19	21	19	23
Other income	6	3	4	2	3	-5	5	7
<b>Total income</b>	<b>963</b>	<b>1,017</b>	<b>1,041</b>	<b>1,018</b>	<b>957</b>	<b>976</b>	<b>891</b>	<b>873</b>
Staff costs	-169	-161	-171	-159	-171	-182	-173	-172
Other administrative expenses	-53	-66	-53	-54	-59	-63	-53	-61
Internal purchased and sold services	-90	-104	-85	-93	-86	-98	-71	-69
Depreciation, amortisation and impairments of property, equipment and intangible assets	-2	-2	-3	-2	-3	-3	-3	-3
<b>Total expenses</b>	<b>-314</b>	<b>-333</b>	<b>-312</b>	<b>-308</b>	<b>-319</b>	<b>-346</b>	<b>-300</b>	<b>-305</b>
<b>Profit before loan losses</b>	<b>649</b>	<b>684</b>	<b>729</b>	<b>710</b>	<b>638</b>	<b>630</b>	<b>591</b>	<b>568</b>
Net loan losses	-21	-43	-25	-38	-63	-59	-63	-41
Gains/losses on disposal of property, equipment and intangible assets	-	0	0	0	-	0	0	0
<b>Operating profit</b>	<b>628</b>	<b>641</b>	<b>704</b>	<b>672</b>	<b>575</b>	<b>571</b>	<b>528</b>	<b>527</b>
Profit allocation	11	22	7	8	6	12	6	6
<b>Operating profit after profit allocation</b>	<b>639</b>	<b>663</b>	<b>711</b>	<b>680</b>	<b>581</b>	<b>583</b>	<b>534</b>	<b>533</b>
Cost/income ratio, %	32.2	32.1	29.8	30.0	33.1	35.0	33.4	34.7
Loan loss ratio, %	0.04	0.08	0.05	0.07	0.12	0.13	0.14	0.09
Allocated capital	12,761	12,123	11,900	11,583	12,689	11,873	11,882	11,267
Return on allocated capital, %	15.6	17.1	18.6	18.3	14.3	14.5	13.2	13.9
Average number of employees	663	655	654	648	644	640	645	651
Number of branches	49	49	49	49	49	49	49	49

### Branch office operations in Norway, in local currency

NOK m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Net interest income	794	837	839	804	743	740	686	643
Net fee and commission income	92	83	92	78	75	82	73	73
Net gains/losses on financial transactions	16	21	18	20	16	18	16	19
Other income	6	3	3	2	3	-4	5	6
<b>Total income</b>	<b>908</b>	<b>944</b>	<b>952</b>	<b>904</b>	<b>837</b>	<b>836</b>	<b>780</b>	<b>741</b>
Staff costs	-159	-150	-157	-141	-150	-156	-151	-146
Other administrative expenses	-50	-61	-49	-48	-51	-54	-47	-52
Internal purchased and sold services	-85	-95	-78	-83	-76	-84	-63	-58
Depreciation, amortisation and impairments of property, equipment and intangible assets	-2	-3	-2	-2	-2	-3	-2	-3
<b>Total expenses</b>	<b>-296</b>	<b>-309</b>	<b>-286</b>	<b>-274</b>	<b>-279</b>	<b>-297</b>	<b>-263</b>	<b>-259</b>
<b>Profit before loan losses</b>	<b>612</b>	<b>635</b>	<b>666</b>	<b>630</b>	<b>558</b>	<b>539</b>	<b>517</b>	<b>482</b>
Net loan losses	-20	-39	-24	-34	-55	-51	-55	-35
<b>Operating profit</b>	<b>592</b>	<b>596</b>	<b>642</b>	<b>596</b>	<b>503</b>	<b>488</b>	<b>462</b>	<b>447</b>
Profit allocation	11	21	6	7	5	11	5	5
<b>Operating profit after profit allocation</b>	<b>603</b>	<b>617</b>	<b>648</b>	<b>603</b>	<b>508</b>	<b>499</b>	<b>467</b>	<b>452</b>

### Business volumes, Branch operations in Norway

Average volumes, NOK bn	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Loans to the public								
Household	75.0	74.2	72.4	71.2	70.3	69.3	68.2	67.3
Corporate	113.4	112.0	111.5	109.7	109.9	109.6	106.8	106.5
<b>Total</b>	<b>188.4</b>	<b>186.2</b>	<b>183.9</b>	<b>180.9</b>	<b>180.2</b>	<b>178.9</b>	<b>175.0</b>	<b>173.8</b>
Deposits and borrowing from the public								
Household	14.6	14.3	14.3	13.7	13.5	13.2	14.2	13.6
Corporate	43.7	39.5	31.7	32.4	38.7	38.7	33.6	33.7
<b>Total</b>	<b>58.3</b>	<b>53.8</b>	<b>46.0</b>	<b>46.1</b>	<b>52.2</b>	<b>51.9</b>	<b>47.8</b>	<b>47.3</b>



## Branch operations in the Netherlands

SEK m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Net interest income	70	66	61	53	50	48	47	42
Net fee and commission income	5	6	6	5	6	6	5	8
Net gains/losses on financial transactions	2	0	0	1	0	1	0	1
Other income	-	-	-	-	-	-	-	-
<b>Total income</b>	<b>77</b>	<b>72</b>	<b>67</b>	<b>59</b>	<b>56</b>	<b>55</b>	<b>52</b>	<b>51</b>
Staff costs	-29	-26	-25	-23	-22	-21	-19	-19
Other administrative expenses	-6	-6	-5	-5	-5	-6	-3	-6
Internal purchased and sold services	-16	-17	-13	-15	-11	-12	-10	-8
Depreciation, amortisation and impairments of property, equipment and intangible assets	0	0	-1	0	0	-6	0	0
<b>Total expenses</b>	<b>-51</b>	<b>-49</b>	<b>-44</b>	<b>-43</b>	<b>-38</b>	<b>-45</b>	<b>-32</b>	<b>-33</b>
<b>Profit before loan losses</b>	<b>26</b>	<b>23</b>	<b>23</b>	<b>16</b>	<b>18</b>	<b>10</b>	<b>20</b>	<b>18</b>
Net loan losses	1	-6	0	-1	-	-	-	-
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>27</b>	<b>17</b>	<b>23</b>	<b>15</b>	<b>18</b>	<b>10</b>	<b>20</b>	<b>18</b>
Profit allocation	5	1	0	1	2	0	0	1
<b>Operating profit after profit allocation</b>	<b>32</b>	<b>18</b>	<b>23</b>	<b>16</b>	<b>20</b>	<b>10</b>	<b>20</b>	<b>19</b>
Cost/income ratio, %	62.2	67.1	65.7	71.7	65.5	81.8	61.5	63.5
Loan loss ratio, %	-0.02	0.17	0.01	0.02	-	-	-	-
Allocated capital	865	818	805	739	745	540	506	512
Return on allocated capital, %	11.4	6.9	8.9	6.6	8.5	6.5	11.4	10.1
Average number of employees	120	110	103	100	95	91	86	77
Number of branches	18	18	16	15	15	13	12	12

### Branch office operations in the Netherlands, in local currency

Euro m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Net interest income	7.9	7.6	6.9	6.2	5.9	5.6	5.6	4.7
Net fee and commission income	0.5	0.6	0.8	0.6	0.6	0.7	0.6	0.9
Net gains/losses on financial transactions	0.3	0.2	0.0	0.0	0.0	0.1	0.0	0.1
Other income	-	-	-	-	-	-	-	-
<b>Total income</b>	<b>8.7</b>	<b>8.4</b>	<b>7.7</b>	<b>6.8</b>	<b>6.5</b>	<b>6.4</b>	<b>6.2</b>	<b>5.7</b>
Staff costs	-3.3	-2.9	-2.9	-2.7	-2.6	-2.4	-2.2	-2.1
Other administrative expenses	-0.7	-0.7	-0.7	-0.5	-0.5	-0.7	-0.4	-0.7
Internal purchased and sold services	-1.7	-1.9	-1.5	-1.8	-1.3	-1.4	-1.2	-0.9
Depreciation, amortisation and impairments of property, equipment and intangible assets	-	-0.1	0.0	0.0	0.0	-0.7	0.0	0.0
<b>Total expenses</b>	<b>-5.7</b>	<b>-5.6</b>	<b>-5.1</b>	<b>-5.0</b>	<b>-4.4</b>	<b>-5.2</b>	<b>-3.8</b>	<b>-3.7</b>
<b>Profit before loan losses</b>	<b>3.0</b>	<b>2.8</b>	<b>2.6</b>	<b>1.8</b>	<b>2.1</b>	<b>1.2</b>	<b>2.4</b>	<b>2.0</b>
Net loan losses	0.1	-0.7	0.0	-0.1	-	-	-	-
<b>Operating profit</b>	<b>3.1</b>	<b>2.1</b>	<b>2.6</b>	<b>1.7</b>	<b>2.1</b>	<b>1.2</b>	<b>2.4</b>	<b>2.0</b>
Profit allocation	0.5	0.0	0.0	0.1	0.3	0.0	0.0	0.1
<b>Operating profit after profit allocation</b>	<b>3.6</b>	<b>2.1</b>	<b>2.6</b>	<b>1.8</b>	<b>2.4</b>	<b>1.2</b>	<b>2.4</b>	<b>2.1</b>

### Business volumes, Branch operations in the Netherlands

Average volumes, EUR m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Loans to the public								
Household	625	567	515	442	389	313	265	209
Corporate	1,460	1,264	1,256	1,255	1,226	1,325	1,523	1,415
<b>Total</b>	<b>2,085</b>	<b>1,831</b>	<b>1,771</b>	<b>1,697</b>	<b>1,615</b>	<b>1,638</b>	<b>1,788</b>	<b>1,624</b>
Deposits and borrowing from the public								
Household	27	27	26	26	24	22	23	11
Corporate	960	1,264	836	935	639	499	784	754
<b>Total</b>	<b>987</b>	<b>1,291</b>	<b>862</b>	<b>961</b>	<b>663</b>	<b>521</b>	<b>807</b>	<b>765</b>

## Handelsbanken International

SEK m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Net interest income	174	176	170	161	153	166	186	213
Net fee and commission income	62	73	75	79	81	81	71	83
Net gains/losses on financial transactions	29	14	22	27	16	18	18	24
Other income	2	2	0	1	3	-1	1	1
<b>Total income</b>	<b>267</b>	<b>265</b>	<b>267</b>	<b>268</b>	<b>253</b>	<b>264</b>	<b>276</b>	<b>321</b>
Staff costs	-126	-126	-125	-129	-130	-140	-119	-135
Other administrative expenses	-41	-58	-42	-43	-38	-50	-45	-49
Internal purchased and sold services	-35	-47	-34	-37	-35	-26	-23	-27
Depreciation, amortisation and impairments of property, equipment and intangible assets	-3	-3	-2	-3	-3	-2	-4	-5
<b>Total expenses</b>	<b>-205</b>	<b>-234</b>	<b>-203</b>	<b>-212</b>	<b>-206</b>	<b>-218</b>	<b>-191</b>	<b>-216</b>
<b>Profit before loan losses</b>	<b>62</b>	<b>31</b>	<b>64</b>	<b>56</b>	<b>47</b>	<b>46</b>	<b>85</b>	<b>105</b>
Net loan losses	-1	-14	-44	-11	4	65	-45	-4
Gains/losses on disposal of property, equipment and intangible assets	0	0	0	0	0	-1	-1	0
<b>Operating profit</b>	<b>61</b>	<b>17</b>	<b>20</b>	<b>45</b>	<b>51</b>	<b>110</b>	<b>39</b>	<b>101</b>
Profit allocation	13	18	9	3	8	9	3	4
<b>Operating profit after profit allocation</b>	<b>74</b>	<b>35</b>	<b>29</b>	<b>48</b>	<b>59</b>	<b>119</b>	<b>42</b>	<b>105</b>
Cost/income ratio, %	73.2	82.7	73.6	78.2	78.9	79.9	68.5	66.5
Loan loss ratio, %	0.02	0.18	0.58	0.15	-0.05	-0.70	0.48	0.04
Allocated capital	4,024	4,221	4,507	4,202	4,269	4,001	4,126	3,882
Return on allocated capital, %	5.7	2.5	2.0	3.6	4.3	8.6	3.0	8.1
Average number of employees	503	498	511	517	519	533	534	534
Number of branches	19	19	19	19	19	19	20	22

### Business volumes, Handelsbanken International

Average volumes, SEK bn	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Loans to the public								
Household	3.8	3.7	3.4	3.4	3.4	3.5	3.4	3.7
Corporate	28.5	29.3	29.7	30.0	29.9	31.4	32.7	34.1
<b>Total</b>	<b>32.3</b>	<b>33.0</b>	<b>33.1</b>	<b>33.4</b>	<b>33.3</b>	<b>34.9</b>	<b>36.1</b>	<b>37.8</b>
Deposits and borrowing from the public								
Household	2.3	2.4	2.3	2.4	2.4	2.8	2.7	3.0
Corporate	28.7	34.7	25.1	21.7	23.6	22.4	24.4	23.2
<b>Total</b>	<b>31.0</b>	<b>37.1</b>	<b>27.4</b>	<b>24.1</b>	<b>26.0</b>	<b>25.2</b>	<b>27.1</b>	<b>26.2</b>

## Handelsbanken Capital Markets

### Handelsbanken Capital Markets

SEK m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Net interest income	28	28	34	46	43	44	98	195
Net fee and commission income	702	707	588	703	660	637	539	607
Net gains/losses on financial transactions	326	253	215	298	211	242	119	168
Risk result - insurance	42	35	30	26	51	88	33	39
Other income	-2	2	10	-6	4	3	1	3
<b>Total income</b>	<b>1,096</b>	<b>1,025</b>	<b>877</b>	<b>1,067</b>	<b>969</b>	<b>1,014</b>	<b>790</b>	<b>1,012</b>
Staff costs	-524	-512	-505	-509	-507	-583	-516	-573
Other administrative expenses	-178	-228	-164	-208	-185	-189	-158	-204
Internal purchased and sold services	-10	0	13	13	5	-31	-47	-18
Depreciation, amortisation and impairments of property, equipment and intangible assets	-9	-11	-14	-11	-14	-14	-13	-12
<b>Total expenses</b>	<b>-721</b>	<b>-751</b>	<b>-670</b>	<b>-715</b>	<b>-701</b>	<b>-817</b>	<b>-734</b>	<b>-807</b>
<b>Profit before loan losses</b>	<b>375</b>	<b>274</b>	<b>207</b>	<b>352</b>	<b>268</b>	<b>197</b>	<b>56</b>	<b>205</b>
Net loan losses	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>375</b>	<b>274</b>	<b>207</b>	<b>352</b>	<b>268</b>	<b>197</b>	<b>56</b>	<b>205</b>
Profit allocation	-281	-461	-233	-239	-201	-252	-170	-192
<b>Operating profit after profit allocation</b>	<b>94</b>	<b>-187</b>	<b>-26</b>	<b>113</b>	<b>67</b>	<b>-55</b>	<b>-114</b>	<b>13</b>
Internal income	-284	-412	-290	-340	-372	-297	-257	-316
Cost/income ratio, %	88.5	133.2	104.0	86.4	91.3	107.2	118.4	98.4
Allocated capital	2,934	3,061	3,241	3,926	3,954	4,187	4,581	4,811
Return on allocated capital, %	10.0	-	-	9.0	5.3	-	-	0.8
Average number of employees	1,427	1,448	1,486	1,458	1,463	1,481	1,553	1,563

### Handelsbanken Liv

SEK m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Administration result	39	43	45	30	28	20	32	25
Risk result	42	35	30	26	51	88	33	39
Financial result	5	1	-17	-28	-21	-20	12	10
<i>of which deferred capital contribution</i>	-2	3	-16	-26	-20	-13	5	8
Other	9	13	19	27	28	20	33	44
<b>Operating profit</b>	<b>95</b>	<b>92</b>	<b>77</b>	<b>55</b>	<b>86</b>	<b>108</b>	<b>110</b>	<b>118</b>
AUM, SEK bn, end of period	90	88	84	80	79	75	75	72
<i>of which unit-linked</i>	62	60	57	53	52	49	47	45
<i>of which portfolio bond</i>	17	17	16	16	16	15	16	15
Solvency ratio, end of period	7.7	7.9	7.6	7.3	6.5	5.9	5.5	5.7

## Other

SEK m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Net interest income	122	93	21	57	142	-17	21	102
Net fee and commission income	-5	-19	-12	-13	13	43	46	-9
Net gains/losses on financial transactions	128	-135	-66	-158	-143	-112	-145	-178
Share of profit of associates	-11	7	5	2	-5	7	1	5
Other income	43	27	14	164	50	24	19	152
<b>Total income</b>	<b>277</b>	<b>-27</b>	<b>-38</b>	<b>52</b>	<b>57</b>	<b>-55</b>	<b>-58</b>	<b>72</b>
Staff costs	-645	-810	-680	-692	-676	-759	-653	-654
Other administrative expenses	-555	-567	-531	-557	-554	-703	-462	-477
Internal purchased and sold services	1,123	1,139	1,028	1,092	1,077			
Depreciation, amortisation and impairments of property, equipment and intangible assets	-67	-58	-62	-64	-65	-50	-61	-63
<b>Total expenses</b>	<b>-144</b>	<b>-296</b>	<b>-245</b>	<b>-221</b>	<b>-218</b>	<b>-408</b>	<b>-232</b>	<b>-212</b>
<b>Profit before loan losses</b>	<b>133</b>	<b>-323</b>	<b>-283</b>	<b>-169</b>	<b>-161</b>	<b>-463</b>	<b>-290</b>	<b>-140</b>
Net loan losses								
Gains/losses on disposal of property, equipment and intangible assets	0	7	-1	1	0	0	0	0
<b>Operating profit</b>	<b>133</b>	<b>-316</b>	<b>-284</b>	<b>-168</b>	<b>-161</b>	<b>-463</b>	<b>-290</b>	<b>-140</b>
Profit allocation	0	0	0	0	0	0	0	0
<b>Operating profit after profit allocation</b>	<b>133</b>	<b>-316</b>	<b>-284</b>	<b>-168</b>	<b>-161</b>	<b>-463</b>	<b>-290</b>	<b>-140</b>
Internal income	2,033	2,110	1,985	2,037	2,206	2,122	2,447	2,766
Average number of employees	1,975	2,002	1,980	1,973	1,973	1,957	1,945	1,940

## Eliminations

SEK m	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Net interest income	-12	-12	-12	-10	-11	-9	-10	-10
Net fee and commission income	-	-	-	-	-	-	-	-
Net gains/losses on financial transactions	-	-	-	-	-	-	-	-
Risk result - insurance	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-
<b>Total income</b>	<b>-12</b>	<b>-12</b>	<b>-12</b>	<b>-10</b>	<b>-11</b>	<b>-9</b>	<b>-10</b>	<b>-10</b>
Staff costs	0	23	-21	0	-11	-23	-9	-23
Other administrative expenses	-	-	-	-	-	-	-	-
Depreciation, amortisation and impairments of property, equipment and intangible assets	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>12</b>	<b>35</b>	<b>-9</b>	<b>10</b>	<b>-</b>	<b>-14</b>	<b>1</b>	<b>-13</b>
<b>Profit before loan losses</b>	<b>0</b>	<b>23</b>	<b>-21</b>	<b>0</b>	<b>-11</b>	<b>-23</b>	<b>-9</b>	<b>-23</b>
Net loan losses	-	-	-	-	-	-	-	-
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>0</b>	<b>23</b>	<b>-21</b>	<b>0</b>	<b>-11</b>	<b>-23</b>	<b>-9</b>	<b>-23</b>

# Balance sheet

## Balance sheet - Svenska Handelsbanken Group

SEK m	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012
<b>Assets</b>								
Cash and balances with central banks	367,464	334,794	345,109	211,274	219,746	236,545	341,208	272,483
Other loans to central banks	42,941	35,160	34,403	34,327	40,312	12,370	35,777	167,300
Interest-bearing securities eligible as collateral with central banks	61,782	57,451	63,245	54,996	56,866	48,906	50,005	49,316
Loans to other credit institutions	58,295	62,898	72,984	71,693	87,206	89,511	84,364	90,927
Loans to the public	1,727,011	1,696,339	1,682,552	1,685,665	1,655,041	1,680,479	1,620,505	1,632,464
Value change of interest-hedged item in portfolio hedge	95	96	2,143	2,396	2,702	5,271	5,792	5,042
Bonds and other interest-bearing securities	59,175	64,125	63,947	65,575	72,049	68,354	69,738	62,657
Shares	48,345	48,595	41,929	38,698	35,488	30,146	25,748	24,892
Investments in associates	267	272	278	277	219	203	195	195
Assets where the customer bears the value change risk	83,246	80,930	77,496	73,199	71,552	69,590	68,788	66,424
Derivative instruments	68,435	69,961	74,627	90,141	101,865	110,850	135,490	125,903
Reinsurance assets	4	4	1	1	1	1	1	1
Intangible assets	7,890	7,835	7,716	7,747	7,162	7,206	7,068	7,145
Property and equipment	2,187	2,205	2,114	2,183	2,156	2,209	2,201	2,243
Current tax assets	360	405	785	387	365	129	612	271
Deferred tax assets	243	269	407	480	362	350	63	70
Net pension assets	2,134	1,733	1,907	1,043	1,964	766	-	-
Assets held for sale	1,294	1,247	1,159	1,084	985	854	1,019	1,031
Other assets	37,892	13,262	32,460	37,144	21,044	12,812	50,924	25,342
Prepaid expenses and accrued income	6,780	7,140	6,705	7,013	8,250	7,399	8,691	7,854
<b>Total assets</b>	<b>2,575,840</b>	<b>2,484,721</b>	<b>2,511,967</b>	<b>2,385,323</b>	<b>2,385,335</b>	<b>2,383,951</b>	<b>2,508,189</b>	<b>2,541,560</b>
<b>Liabilities and equity</b>								
Due to credit institutions	173,675	171,624	169,761	197,223	213,004	183,945	227,153	265,528
Deposits and borrowing from the public	867,225	825,205	807,630	636,776	642,314	682,223	728,572	723,669
Liabilities where the customer bears the value change risk	83,294	80,977	77,559	73,228	71,572	69,638	68,835	66,472
Issued securities	1,173,702	1,150,641	1,180,015	1,209,644	1,158,140	1,151,426	1,150,503	1,167,523
Derivative instruments	61,555	61,529	71,564	73,086	92,369	106,044	133,370	116,512
Short positions	21,001	22,845	18,371	20,098	29,040	16,201	19,504	24,626
Insurance liabilities	1,304	622	632	672	679	666	649	693
Current tax liabilities	343	831	1,069	928	1,389	497	1,581	966
Deferred tax liabilities	7,999	7,413	7,568	7,363	8,027	8,713	8,540	8,210
Provisions	117	141	123	110	111	120	49	56
Net pension liabilities	-	-	-	-	-	-	124	579
Liabilities related to assets held for sale	575	539	537	549	442	349	351	492
Other liabilities	29,977	13,189	31,303	24,139	24,725	17,848	23,583	24,778
Accrued expenses and deferred income	20,730	21,861	23,412	19,977	23,184	21,264	23,857	23,041
Subordinated liabilities	26,523	15,965	15,911	19,139	19,973	21,167	24,406	25,530
<b>Total liabilities</b>	<b>2,468,020</b>	<b>2,373,382</b>	<b>2,405,455</b>	<b>2,282,932</b>	<b>2,284,969</b>	<b>2,280,101</b>	<b>2,411,077</b>	<b>2,448,675</b>
Minority interest	2	2	2	2	2	2	1	1
Share capital	2,956	2,956	2,955	2,955	2,951	2,943	2,939	2,924
Share premium	2,847	2,843	2,813	2,798	2,659	2,337	2,191	1,647
Reserves	4,893	1,837	568	69	1,882	2,340	36	-472
Retained earnings	93,213	89,406	89,406	89,406	89,406	82,191	82,191	82,191
Profit for the period, attributable to shareholders in Svenska Handelsbanken AB	3,909	14,295	10,768	7,161	3,466	14,037	9,754	6,594
<b>Total equity</b>	<b>107,820</b>	<b>111,339</b>	<b>106,512</b>	<b>102,391</b>	<b>100,366</b>	<b>103,850</b>	<b>97,112</b>	<b>92,885</b>
<b>Total liabilities and equity</b>	<b>2,575,840</b>	<b>2,484,721</b>	<b>2,511,967</b>	<b>2,385,323</b>	<b>2,385,335</b>	<b>2,383,951</b>	<b>2,508,189</b>	<b>2,541,560</b>

## Business volumes – Lending to the public

### CREDIT POLICY

#### Credit process

- The credit process always starts at the branch with customer responsibility.
- In the case of large credits, decisions are made at regional and central level (the Board).
- All credits must be recommended by the branch with customer responsibility.
- The local branch's regular contact with its customers enables the branch to quickly identify any problems and take action.
- If necessary, the branch receives support from the regional head office and central units.

#### Basic guidelines

- The assessment starts with the borrower's repayment capacity
- Weak repayment capacity can never be offset by collateral or high margins
- Quality requirements must never be neglected in favour of large volume
- Credits must normally be adequately secured

#### Loans to the public by sector

Loans net	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012
SEK m, end of period								
Private individuals	800,648	787,705	771,159	762,461	744,776	742,602	726,434	721,805
<i>of which mortgage loans in Stadshypotek</i>	<i>651,777</i>	<i>642,405</i>	<i>631,153</i>	<i>624,732</i>	<i>612,349</i>	<i>607,119</i>	<i>596,089</i>	<i>589,650</i>
<i>of which other mortgage loans</i>	<i>80,075</i>	<i>77,350</i>	<i>73,246</i>	<i>71,214</i>	<i>66,525</i>	<i>66,916</i>	<i>63,846</i>	<i>65,038</i>
<i>of which other loans to private individuals</i>	<i>68,795</i>	<i>67,950</i>	<i>66,760</i>	<i>66,515</i>	<i>65,902</i>	<i>68,567</i>	<i>66,499</i>	<i>67,117</i>
Housing co-operative associations	143,213	140,287	136,935	135,420	131,788	129,114	125,837	124,506
<i>of which mortgage loans in Stadshypotek</i>	<i>130,894</i>	<i>128,515</i>	<i>125,020</i>	<i>123,521</i>	<i>119,955</i>	<i>105,417</i>	<i>112,559</i>	<i>110,680</i>
Property management, Note 1	463,410	461,332	447,619	445,340	432,559	436,329	419,717	418,718
Manufacturing	42,319	38,534	40,100	42,888	42,953	44,697	46,213	48,982
Retail	29,701	31,208	32,516	33,754	32,964	33,205	34,426	36,411
Hotels and restaurants	7,728	7,372	7,470	7,871	7,885	8,198	7,579	7,280
Shipping, passenger & goods transport by sea	13,855	14,310	14,925	16,528	17,049	17,433	17,096	19,157
Other transport and communication	28,762	26,892	27,672	29,129	29,717	32,224	33,703	35,478
Construction	14,042	12,179	13,331	13,653	13,475	13,289	13,359	12,591
Electricity, gas, water	23,081	23,576	23,181	22,586	23,633	23,940	22,884	22,005
Agriculture, hunting and forestry	9,442	8,340	9,261	9,397	9,020	8,902	8,482	7,628
Other service industry	19,562	22,895	24,474	25,182	24,646	25,345	25,807	25,897
Holding companies, insurance companies, funds etc.	58,939	72,703	84,680	88,045	92,138	88,618	81,719	88,146
State & municipalities	28,664	20,935	20,743	18,311	21,502	36,711	31,311	22,473
Other corporate lending	44,002	28,428	28,833	35,450	31,216	40,160	26,251	41,759
<b>Total loans to the public, before taking into account collective provisions</b>	<b>1,727,368</b>	<b>1,696,696</b>	<b>1,682,899</b>	<b>1,686,015</b>	<b>1,655,321</b>	<b>1,680,767</b>	<b>1,620,818</b>	<b>1,632,836</b>
Collective provisions	-357	-357	-347	-350	-280	-288	-313	-372
<b>Total loans to the public</b>	<b>1,727,011</b>	<b>1,696,339</b>	<b>1,682,552</b>	<b>1,685,665</b>	<b>1,655,041</b>	<b>1,680,479</b>	<b>1,620,505</b>	<b>1,632,464</b>

**Specification of Loans to the public after deduction of provisions - Property management**

SEK m, end of period	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012
<b>Lending in Sweden</b>								
State-owned property companies	7,673	7,798	8,448	7,800	8,063	9,213	9,416	9,667
Municipal-owned property companies	16,269	15,430	15,747	15,428	14,729	14,468	14,351	14,445
Residential property companies	85,577	73,556	74,834	73,499	74,248	72,881	68,077	67,462
<i>of which mortgage loans in Stadshypotek</i>	<i>69,141</i>	<i>57,725</i>	<i>58,076</i>	<i>56,708</i>	<i>55,759</i>	<i>52,756</i>	<i>48,389</i>	<i>47,017</i>
Other property companies	140,223	151,300	145,173	147,122	146,276	144,937	137,740	136,473
<i>of which mortgage loans in Stadshypotek</i>	<i>67,403</i>	<i>75,966</i>	<i>65,120</i>	<i>64,711</i>	<i>63,105</i>	<i>61,092</i>	<i>60,552</i>	<i>60,529</i>
<b>Total lending in Sweden</b>	<b>249,742</b>	<b>248,084</b>	<b>244,202</b>	<b>243,849</b>	<b>243,316</b>	<b>241,499</b>	<b>229,584</b>	<b>228,047</b>
<b>Lending outside Sweden</b>								
Denmark	11,824	11,991	11,496	11,658	10,623	10,527	9,880	10,108
Finland	23,067	23,612	22,303	21,510	19,340	19,471	19,083	19,276
Norway	78,479	76,397	76,517	78,706	75,662	80,475	78,725	81,004
Great Britain	82,783	81,060	77,170	73,830	68,811	69,679	65,520	63,207
The Netherlands	9,916	12,633	8,681					
Other countries	7,599	7,555	7,250	7,447	14,807	14,678	16,925	17,076
<b>Total lending outside Sweden</b>	<b>213,668</b>	<b>213,248</b>	<b>203,417</b>	<b>201,491</b>	<b>189,243</b>	<b>194,830</b>	<b>190,133</b>	<b>190,671</b>
<b>Total lending - Property management</b>	<b>463,410</b>	<b>461,332</b>	<b>447,619</b>	<b>445,340</b>	<b>432,559</b>	<b>436,329</b>	<b>419,717</b>	<b>418,718</b>

**Credit risk exposure**

SEK m	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012
Loans to the public	1,727,011	1,696,339	1,682,552	1,685,665	1,655,041	1,680,479	1,620,505	1,632,464
<i>of which reverse repos</i>	<i>18,539</i>	<i>15,711</i>	<i>22,932</i>	<i>24,284</i>	<i>16,056</i>	<i>33,799</i>	<i>14,295</i>	<i>24,219</i>
Loans to other credit institutions	58,295	62,898	72,984	71,693	87,206	89,511	84,364	90,927
<i>of which reverse repos</i>	<i>30,436</i>	<i>33,874</i>	<i>38,562</i>	<i>42,463</i>	<i>53,826</i>	<i>59,241</i>	<i>56,132</i>	<i>54,747</i>
Unutilised part of granted overdraft facilities *	91,538	99,660	98,937	98,862	99,885	108,368	101,100	102,276
Committed loan offers	258,152	246,518	247,486	247,482	240,965	239,774	238,672	240,475
Other commitments	9,552	9,046	16,248	10,637	21,851	20,779	8,214	12,080
Guarantees, credits	8,390	8,371	9,002	10,145	10,364	10,723	10,702	15,346
Guarantees, other	58,838	58,568	58,623	59,186	56,416	39,913	39,310	41,456
Documentary credits	5,702	7,190	7,559	8,187	9,609	30,164	33,686	33,650
Derivative instruments **	68,435	69,961	74,627	90,141	101,865	110,850	135,490	125,903
Treasury bills and other eligible bills	61,782	57,451	63,245	54,996	56,866	48,906	50,005	49,316
Bonds and other interest-bearing securities	59,175	64,125	63,947	65,575	72,049	68,354	69,738	62,657
<b>Total</b>	<b>2,406,870</b>	<b>2,380,127</b>	<b>2,395,210</b>	<b>2,402,569</b>	<b>2,412,117</b>	<b>2,447,821</b>	<b>2,391,786</b>	<b>2,406,550</b>

\* As of 2014, unutilised overdraft facilities which the counterparty does not have at its disposal at the time of recognition are not included and therefore do not give rise to a capital requirement. The comparative figures have been restated.

\*\* Refers to the total of positive market values.

**Credit risk exposure by country**

SEK m	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012
Sweden	1,586,526	1,598,668	1,629,561	1,646,730	1,675,137	1,710,767	1,690,886	1,699,776
Great Britain	170,951	164,682	155,575	148,134	137,072	140,238	132,603	127,873
Denmark	102,175	100,369	97,296	96,771	87,469	87,164	81,130	83,526
Finland	132,741	128,894	123,121	125,073	116,793	116,516	110,594	112,844
Norway	261,489	253,563	252,522	257,074	252,375	252,411	238,058	241,538
Germany	13,450	13,539	15,489	16,415	17,123	18,050	19,009	18,833
The Netherlands	22,903	22,860	21,476	21,340	19,420	19,521	20,020	19,668
Poland	3,546	3,495	3,368	3,429	3,189	3,569	3,254	3,543
Other	113,091	116,969	119,598	108,844	124,040	123,751	120,398	122,295
<b>Total</b>	<b>2,406,870</b>	<b>2,403,039</b>	<b>2,418,006</b>	<b>2,423,810</b>	<b>2,432,618</b>	<b>2,471,987</b>	<b>2,415,952</b>	<b>2,429,896</b>

**Loans to the public - by country \***

SEK bn, end of period	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012
Branch operations in Sweden	1,119	1,111	1,110	1,107	1,101	1,078	1,069	1,069
Branch operations in UK	137	132	125	119	110	113	107	103
Branch operations in Denmark	74	72	70	73	68	67	61	65
Branch operations in Finland	108	107	103	103	96	97	92	94
Branch operations in Norway	204	198	197	202	200	209	200	204
Branch operations in the Netherlands	15	18	15	15	14	14	15	15
Handelsbanken International	32	32	32	34	33	34	36	39
in Germany	5	5	6	7	7	7	7	8
in Poland	2	2	2	2	2	3	2	3
in other countries	25	25	24	25	24	24	27	28
Other	26	21	29	31	25	52	31	40
<b>Total</b>	<b>1,715</b>	<b>1,691</b>	<b>1,681</b>	<b>1,683</b>	<b>1,647</b>	<b>1,664</b>	<b>1,610</b>	<b>1,630</b>

\* Excluding loans to the National Debt Office.

**Loans to households - by country**

SEK bn, end of period	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012
Branch operations in Sweden	635	627	620	614	604	597	592	588
Branch operations in UK	42	39	36	33	30	30	28	27
Branch operations in Denmark	38	38	35	34	32	32	30	30
Branch operations in Finland	34	34	33	33	30	31	30	30
Branch operations in Norway	83	81	79	81	80	83	79	79
Branch operations in the Netherlands	6	5	5	4	4	3	2	2
Handelsbanken International	4	4	3	4	4	3	4	5
in Germany	0	0	0	0	0	0	0	0
in Poland	0	1	1	1	1	1	1	1
in other countries	4	3	2	3	3	2	2	4
Other	0	-	0	1	1	0	0	0
<b>Total</b>	<b>842</b>	<b>827</b>	<b>811</b>	<b>803</b>	<b>785</b>	<b>779</b>	<b>765</b>	<b>761</b>

**Corporate lending - by country \***

SEK bn, end of period	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012
Branch operations in Sweden	484	485	489	493	497	482	477	482
Branch operations in UK	95	92	89	86	81	83	79	76
Branch operations in Denmark	35	34	35	38	37	35	31	35
Branch operations in Finland	74	74	70	71	66	66	62	64
Branch operations in Norway	121	117	117	121	119	127	120	125
Branch operations in the Netherlands	9	13	10	11	10	11	13	13
Handelsbanken International	28	28	29	30	29	30	33	34
in Germany	5	5	6	7	7	7	7	7
in Poland	2	2	2	2	2	2	2	2
in other countries	21	21	21	21	20	21	25	25
Other	27	21	31	30	24	52	31	40
<b>Total</b>	<b>873</b>	<b>864</b>	<b>870</b>	<b>880</b>	<b>862</b>	<b>885</b>	<b>846</b>	<b>869</b>

\* Excluding loans to the National Debt Office.



## Business volumes – Savings and deposits

### Assets under management, Handelsbanken Group

SEK bn, end of period	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012
Mutual funds, excl. PPM and Unit-linked	213	199	185	177	177	166	157	148
PPM	15	14	12	12	12	11	10	10
Unit-linked insurance	62	60	57	53	52	49	47	45
<i>of which external mutual funds</i>	-2	-2	-2	-1	-2	-2	-2	-1
<b>Total mutual funds</b>	<b>288</b>	<b>271</b>	<b>252</b>	<b>241</b>	<b>239</b>	<b>224</b>	<b>212</b>	<b>202</b>
Structured products	24	25	25	26	27	28	29	29
Portfolio bond insurance	17	17	16	16	16	15	16	15
<i>of which in mutual funds and structured products</i>	-5	-5	-5	-4	-4	-4	-4	-4
Traditional insurance	10	11	11	11	11	12	12	12
<i>of which in mutual funds and structured products</i>	-	-	0	0	0	0	-1	-1
Institutional *	154	140	124	119	105	100	107	106
<i>of which in mutual funds and structured products</i>	-67	-59	-53	-53	-54	-51	-47	-42
Handelsbanken's pensions foundations	58	58	54	52	53	49	48	45
<i>of which in mutual funds and structured products</i>	-6	-6	-6	-6	-5	-5	-6	-5
<b>Total assets under management, excl. securities in custody</b>	<b>473</b>	<b>452</b>	<b>418</b>	<b>402</b>	<b>388</b>	<b>368</b>	<b>366</b>	<b>357</b>
Securities in custody, excl. mutual funds	269	256	239	237	242	228	221	212

\* Including the whole volume managed by Heartwood, of which own funds SEK 10bn.

### Deposits and borrowing from the public - by country

SEK bn, end of period	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012
Branch operations in Sweden	398	404	391	384	383	384	374	372
Branch operations in UK	71	58	45	34	27	30	34	31
Branch operations in Denmark	24	28	26	25	22	27	26	24
Branch operations in Finland	41	34	28	24	22	25	30	29
Branch operations in Norway	65	59	52	49	53	62	56	58
Branch operations in the Netherlands	9	6	11	8	7	4	7	7
Handelsbanken International	29	33	33	21	28	23	26	29
Other	230	203	222	92	100	127	176	173
<b>Total</b>	<b>867</b>	<b>825</b>	<b>808</b>	<b>637</b>	<b>642</b>	<b>682</b>	<b>729</b>	<b>724</b>

**Deposits and borrowing from households - by country**

SEK bn, end of period	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012
Branch operations in Sweden	234	233	228	228	219	217	217	215
Branch operations in UK	12	9	8	7	6	6	5	5
Branch operations in Denmark	12	12	11	11	11	11	10	11
Branch operations in Finland	11	11	11	11	11	11	11	11
Branch operations in Norway	16	15	15	16	15	16	15	16
Branch operations in the Netherlands	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2
Handelsbanken International	2	2	2	2	2	2	3	3
Other	4	5	4	5	5	4	5	5
<b>Total</b>	<b>291</b>	<b>287</b>	<b>280</b>	<b>281</b>	<b>268</b>	<b>267</b>	<b>266</b>	<b>266</b>

**Deposits and borrowing from corporates - by country**

SEK bn, end of period	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012
Branch operations in Sweden	164	171	163	156	164	167	158	158
Branch operations in UK	58	49	36	27	22	24	29	26
Branch operations in Denmark	13	16	15	14	11	16	16	13
Branch operations in Finland	30	23	17	13	12	14	19	18
Branch operations in Norway	49	44	37	33	38	47	41	42
Branch operations in the Netherlands	9	6	11	7	7	4	7	6
Handelsbanken International	27	31	31	19	25	20	23	26
Other	226	198	218	87	95	123	170	168
<b>Total</b>	<b>576</b>	<b>538</b>	<b>528</b>	<b>356</b>	<b>374</b>	<b>415</b>	<b>462</b>	<b>458</b>

## Capital base and capital requirement

### Capital base CRD IV \*

SEK m	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013
<b>TIER 1 CAPITAL</b>					
Equity, Group	107,820	111,339	106,512	102,391	100,366
Accrued unpaid dividend last year	-	-10,485	-5,123	-3,415	-1,707
Accrued dividend current year	-1,904	-	-	-	-
Result from unconsolidated entities	-180	-680	-326	-227	-174
Equity in unconsolidated entities	1,031	1,727	1,842	1,829	1,843
Minority interests	-2	-2	-2	-2	-2
<b>Equity (consolidated entities)</b>	<b>106,765</b>	<b>101,899</b>	<b>102,903</b>	<b>100,576</b>	<b>100,326</b>
Deducted items					
Goodwill and other intangible assets	-7,883	-7,835	-8,164	-8,136	-7,533
Value adjustments (fair value)	-1	-67	-7	-14	-12
Special deduction for IRB institutions	-2,216	-1,986	-1,750	-1,852	-2,222
Positions in securitisation	-492	-490	-486	-512	-496
Net pension assets **	-47	-	-	-	-174
Adjustments in accordance with stability filter	-	-	-	-	-
Cash flow hedges	490	1,518	696	831	-879
Unrealised accumulated gains, shares	-1,323	-	-	-	-
<b>Common equity tier 1 capital, gross</b>	<b>95,293</b>	<b>93,039</b>	<b>93,192</b>	<b>90,893</b>	<b>89,010</b>
Threshold deductions					
Capital contributions to unconsolidated financial entities >10% CET1	-	-	-	-	-
Deferred tax assets >10% CET1	-	-	-	-	-
Amount of capital contributions and deferred tax assets >15%	-	-	-	-	-
<b>Common equity tier 1 capital</b>	<b>95,293</b>	<b>93,039</b>	<b>93,192</b>	<b>90,893</b>	<b>89,010</b>
Additional tier 1 instruments	7,746	10,602	10,577	10,685	11,617
<b>Total tier 1 capital</b>	<b>103,039</b>	<b>103,641</b>	<b>103,769</b>	<b>101,578</b>	<b>100,627</b>
<b>TIER 2 CAPITAL</b>					
Subordinated loans	17,393	3,882	4,313	7,362	7,231
Deducted items					
Tier 2 contribution in unconsolidated financial entities	-1,129	-1,129	-1,129	-1,129	-1,129
<b>Total tier 2 capital</b>	<b>16,264</b>	<b>2,753</b>	<b>3,184</b>	<b>6,233</b>	<b>6,102</b>
<b>Total own funds</b>	<b>119,303</b>	<b>106,394</b>	<b>106,953</b>	<b>107,811</b>	<b>106,729</b>

\* The historic comparison figures in the table refer to CRR/CRD IV and are estimates based on the Bank's interpretation of the regulations at the respective reporting date and assuming full implementation of the regulations.

\*\* The amount as at 31 March 2014 assumes that Handelsbanken will receive the permission of the Swedish Financial Supervisory Authority to continue applying the same calculation principles for the pension assets as previously applied by virtue of the regulations. The Swedish Financial Supervisory Authority has not yet made a decision on this matter. If the application were to be rejected, common equity tier 1 capital would decrease by SEK 1,628m, the total risk exposure amount by SEK 4,969m and the capital requirement based on the Basel 1 floor by SEK 134m.

**Capital adequacy analysis \***

	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012
Common equity tier 1 ratio, CRD IV	19.5%	18.9%	18.8%	17.8%	17.5%			
Tier 1 ratio, CRD IV	21.1%	21.0%	21.0%	19.9%	19.8%			
Total capital ratio, CRD IV	24.5%	21.6%	21.6%	21.1%	21.0%			
Capital base in relation to capital requirement according to Basel I floor	141%	124%	125%	123%	126%	125%	127%	123%

\* The historic ratios refer to CRR/CRD IV and are estimates based on the Bank's interpretation of the regulations at the respective reporting date and assuming full implementation of the regulations.

**Capital requirement**

SEK m	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012
Credit risk according to standardised approach	5,731	4,225	4,089	3,885	3,690	3,654	3,594	3,754
Credit risk according to IRB approach	27,729	28,015	28,385	29,555	29,342	30,174	30,127	31,596
Interest rate risk	675	745	690	956	1,047	880	888	873
Equity price risk	16	11	11	22	26	26	19	30
Exchange rate risk	-	-	-	-	-	-	-	-
Commodities risk	9	14	10	10	16	9	8	16
Credit value adjustment risk (CVA)	434	0	0	0	0	0	0	0
Settlement risk	0	-	-	-	0	3	1	-
Operational risk	4,439	4,246	4,246	4,246	4,246	4,181	4,181	4,181
<b>Total capital requirement</b>	<b>39,033</b>	<b>37,256</b>	<b>37,431</b>	<b>38,674</b>	<b>38,367</b>	<b>38,927</b>	<b>38,818</b>	<b>40,450</b>
Adjustment according to Basel I floor	46,859	44,039	43,363	42,957	41,990	41,454	40,488	39,918
<b>Capital requirement, Basel I floor</b>	<b>85,892</b>	<b>81,295</b>	<b>80,794</b>	<b>81,631</b>	<b>80,357</b>	<b>80,381</b>	<b>79,306</b>	<b>80,368</b>
Total capital base, Basel I floor	121,519	100,406	101,360	102,210	101,117			

## Credit risks IRB

### Exposure after credit risk protection (EAD)

SEK m	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012
Corporates	918,852	915,218	924,820	936,194	934,564	944,987	911,841	924,314
of which repos and securities loans	8,629	8,376	13,584	12,448	9,442	23,286	6,966	5,918
of which other loans foundation approach	143,513	140,425	149,831	158,771	341,322	341,048	341,470	360,628
of which other loans advanced approach	766,710	766,417	761,405	764,975	583,800	580,653	563,405	557,768
of which large companies	146,069	153,810	158,606	164,770				
of which medium-sized companies	72,598	72,305	71,289	72,976	72,345	72,467	74,953	74,532
of which property companies	406,876	401,705	396,055	393,260	381,033	380,147	364,443	360,438
of which housing co-operative associations	141,167	138,597	135,455	133,969	130,422	128,039	124,009	122,798
Households	830,431	818,080	806,941	801,857	783,232	780,772	770,124	767,119
Private individuals	802,201	789,722	778,483	772,908	754,875	752,176	741,500	738,140
of which property loans	717,143	705,004	693,925	688,534	672,548	665,969	656,377	652,056
of which other loans	85,058	84,718	84,558	84,374	82,327	86,207	85,123	86,084
Small companies	28,230	28,358	28,458	28,949	28,357	28,596	28,624	28,979
Institutions	99,045	100,503	102,976	109,811	134,499	128,748	123,389	130,759
of which repos and securities loans	48,384	48,863	55,991	55,018	83,847	76,588	69,078	66,907
of which other loans	50,661	51,640	46,985	54,793	50,652	52,160	54,311	63,852
Equity exposures	6,581	5,693	5,509	5,227	5,464	5,206	4,861	4,544
Exposures without a counterparty	2,187	2,204	2,499	2,467	2,321	2,279	2,250	2,280
Securitisation positions	854	878	890	944	987	1,323	1,322	1,504
of which Traditional securitisation	854	878	890	944	987	1,323	1,322	1,504
of which Synthetic securitisation	-	-	-	-	-	-	-	-
<b>Total IRB</b>	<b>1,857,950</b>	<b>1,842,576</b>	<b>1,843,635</b>	<b>1,856,500</b>	<b>1,861,067</b>	<b>1,863,315</b>	<b>1,813,787</b>	<b>1,830,520</b>
of which repos and securities loans	57,013	57,239	69,575	67,466	93,289	99,874	76,044	72,825
of which other loans foundation approach	203,796	200,840	205,714	222,202	420,746	402,016	404,214	432,808
of which other loans advanced approach	1,597,141	1,584,497	1,568,346	1,566,832	1,347,032	1,361,425	1,333,529	1,324,887

### Average risk weight, %

	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012
Corporates	26.1	28.4	28.6	29.7	29.9	30.5	31.6	32.8
of which repos	0.7	0.5	0.4	0.4	0.3	0.6	0.5	0.8
of which other loans basic method	33.6	35.8	35.6	36.7	42.9	44.5	44.2	44.7
of which other loans advanced method	25.0	27.4	27.8	28.8	22.7	23.4	24.4	25.5
of which large companies	51.4	52.5	51.6	52.9				
of which medium-sized companies	51.2	57.4	59.3	60.3	60.4	61.2	61.8	63.4
of which property companies	18.2	20.0	20.2	20.7	21.2	21.7	22.7	23.9
of which housing co-operative associations	4.0	5.2	5.5	5.7	6.1	7.0	6.8	7.1
Households	8.2	8.3						
Private individuals	7.5	7.3	7.4	7.4	7.4	7.5	7.6	7.6
of which property lending	5.5	5.2	5.2	5.2	5.3	5.4	5.4	5.4
of which other lending	24.2	24.6	25.5	25.5	24.2	23.8	24.1	24.3
Small companies	28.2	35.3	35.6	35.9	37.1	38.1	37.2	37.7
Institutions	16.6	11.9	11.4	11.9	8.7	9.5	10.2	11.8
of which repos	3.4	0.8	0.6	0.6	0.6	0.6	0.3	0.3
of which other lending	29.1	22.3	24.1	23.3	22.1	22.5	22.8	23.8
Equity exposures	301.2	143.6	142.2	143.7	140.3	140.1	139.7	142.1
Exposures without a counterparty	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Securitisation positions	3.2	3.1	3.1	3.2	3.5	3.5	4.0	4.3
of which Traditional securitisation	3.2	3.1	3.1	3.2	3.5	3.5	4.0	4.3
of which Synthetic securitisation	-	-	-	-	-	-	-	-
<b>Total IRB</b>	<b>18.7</b>	<b>19.0</b>	<b>15.5</b>	<b>16.2</b>	<b>16.2</b>	<b>16.6</b>	<b>17.1</b>	<b>17.9</b>
of which repos and securities lending	3.0	0.7	0.6	0.6	0.6	0.6	0.3	0.4
of which other loans basic method	41.7	36.0	36.5	36.4	39.8	43.0	42.6	42.8
of which other loans advanced method	16.3	17.5	17.8	18.4	14.7	14.9	15.3	15.8

**Capital requirement**

SEK m	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012
Corporates	19,204	20,824	21,196	22,273	22,319	23,026	23,061	24,275
<i>of which repos</i>	5	3	4	4	3	12	3	4
<i>of which other loans basic method</i>	3,860	4,023	4,264	4,657	11,713	12,137	12,061	12,899
<i>of which other loans advanced method</i>	15,339	16,798	16,928	17,612	10,603	10,877	10,997	11,372
<i>of which large companies</i>	6,003	6,458	6,554	6,968				
<i>of which medium-sized companies</i>	2,971	3,323	3,385	3,519	3,495	3,549	3,703	3,779
<i>of which property companies</i>	5,914	6,435	6,392	6,515	6,467	6,612	6,622	6,900
<i>of which housing co-operative associations</i>	451	582	598	610	641	716	672	693
Households	5,448	5,405	5,425	5,436	5,287	5,402	5,332	5,386
Private individuals	4,812	4,604	4,615	4,604	4,445	4,530	4,480	4,511
<i>of which property lending</i>	3,167	2,934	2,892	2,880	2,850	2,885	2,842	2,839
<i>of which other lending</i>	1,645	1,670	1,723	1,724	1,595	1,645	1,639	1,672
Small companies	636	801	810	832	842	872	852	875
Institutions	1,314	954	936	1,046	934	976	1,007	1,231
<i>of which repos</i>	133	31	28	26	40	38	18	18
<i>of which other lending</i>	1,181	923	908	1,020	894	938	989	1,214
Equity exposures	1,586	654	627	601	613	584	543	517
Exposures without a counterparty	175	176	200	197	186	182	180	182
Securitisation positions	2	2	2	2	3	4	4	5
<i>of which Traditional securitisation</i>	2	2	2	2	3	4	4	5
<i>of which Synthetic securitisation</i>	-	-	-	-	-	-	-	-
<b>Total IRB</b>	<b>27,729</b>	<b>28,015</b>	<b>28,386</b>	<b>29,555</b>	<b>29,342</b>	<b>30,174</b>	<b>30,127</b>	<b>31,596</b>
<i>of which repos and securities lending</i>	138	34	32	30	43	50	21	22
<i>of which other loans basic method</i>	6,803	5,778	6,001	6,477	13,409	13,845	13,777	14,816
<i>of which other loans advanced method</i>	20,788	22,203	22,353	23,048	15,890	16,279	16,329	16,758

## Funding

Handelsbanken is a regular issuer in both the domestic and international markets of short- as well as long-term debt. The objective is to have a well diversified funding structure in terms of currency, market and product.

The Central Treasury Department has the overall responsibility for the Group's liquidity and funding. Both the maturity structure of the funding and the liquidity position are monitored closely.

Short-term funding is mainly raised through commercial paper programmes in Sweden, Europe and the United States, both in the name of Svenska Handelsbanken and Stadshypotek. These programmes are supplemented by borrowing in the international interbank market.

Long-term funding is, among other things, raised through issuance of covered bonds in the name of Stadshypotek, mainly in Swedish kronor in the domestic market, and utilisation of other available funding programmes of the bank.

In order to ensure flexibility and efficient access to the various markets, a number of funding programmes have been established. They constitute the framework for the Group's funding operations.

The Bank is aiming at having a well-balanced funding mix between covered and senior, unsecured bonds.

### Funding programmes as of March 31, 2014 – The Group

Programme (in millions)	Programme size	Currency	Unutilised amount	Countervalue SEK m	Latest issue
ECP *	5,000	EUR	2,907	26,033	Feb-14
ECP (Stadshypotek) *	4,000	EUR	2,308	20,669	Mar-14
French Commercial Paper	7,500	EUR	6,380	57,134	Mar-14
EMTCN (Stadshypotek) *	20,000	EUR	7,426	66,501	Mar-14
MTN *	100,000	SEK	76,425	76,425	Mar-14
Swedish Commercial Paper	25,000	SEK	24,980	24,980	Mar-14
Swedish Commercial Paper (Stadshypotek)	90,000	SEK	90,000	90,000	Jun-13
EMTN *	50,000	USD	25,929	168,247	Mar-14
General funding >1 y *	15,000	USD	12,650	82,083	Jun-13
USCP	15,000	USD	6,765	43,896	Mar-14
Extendible Notes	15,000	USD	7,920	51,391	Oct-13
US 144A / 3(a)(2)	15,000	USD	5,150	33,417	Sep-13
Stadshypotek US 144A	15,000	USD	12,250	79,487	May-13
Stadshypotek AUD Covered Bond Programme	5,000	AUD	4,250	25,496	Oct-12
Samurai	400,000	JPY	349,500	21,963	Jun-13
AUD MTN	5,000	AUD	5,000	29,996	-
<b>Total</b>				<b>897,718</b>	
Total programme (or limited) amounts, SEK m	1,438,086				
Unutilised amount, SEK m	897,718				
<b>Available amount</b>	<b>62%</b>				

\* Under these programmes it is possible to issue in other currencies than the original programme currency. Currency conversion takes place at the time of issue.

### Maturity profile

31 March 2014	2014	2015	2016	2017	2018	2019
SEK bn						
Senior bonds	23	31	50	45	31	21
Covered bonds	72	180	95	70	91	25
Extendible notes (X-notes)	45					
<b>Total</b>	<b>140</b>	<b>211</b>	<b>145</b>	<b>115</b>	<b>122</b>	<b>46</b>

## Long-term funding

SEK bn	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
<b>Issued during the quarter</b>								
Senior bonds	6	7	33	7	21	7	34	21
Covered bonds	36	39	39	51	44	21	45	32
<b>Total bonds</b>	<b>42</b>	<b>46</b>	<b>72</b>	<b>58</b>	<b>65</b>	<b>28</b>	<b>79</b>	<b>53</b>
Extendible notes				14	26			
<b>Total issued</b>	<b>42</b>	<b>46</b>	<b>72</b>	<b>72</b>	<b>91</b>	<b>28</b>	<b>79</b>	<b>53</b>
Matured during the quarter	-23	-25	-95	-10	-19	-78	-50	-2
<b>Net</b>	<b>19</b>	<b>21</b>	<b>-23</b>	<b>62</b>	<b>72</b>	<b>-50</b>	<b>29</b>	<b>51</b>

During the first quarter of 2014, the issued bond volume was SEK 42 billion, with SEK 6 billion in senior unsecured bonds. The Bank was active in EUR and CHF for funding and the funding costs remained the lowest among European banks.

The bank has also issued a ten year subordinated bond in Tier-2 format in the Euro market. The volume was SEK 13.4 billion.

The volume of so called CD's (Certificates of Deposit) in USD amounted to USD 22.8 billion at the 31 of March 2014. This volume is to a large extent placed with the Federal Reserve and constitutes a part of the Bank's total liquidity reserve.

## Selection of international issues during last 12 months

May 2013	GBP 400 mn 3Y FRN 3mL + 40 bps
May 2013	NOK 2.0 bn 6Y FRN Covered Bond + 72 bps
May 2013	USD 1.25 bn 5Y FXD Covered Bond + 42 bps
June 2013	JPY 17.5 bn 3Y FXD YOS + 7 bps
June 2013	JPY 14.1 bn 3Y FRN YL + 17 bps
June 2013	JPY 15.8 bn 5Y FXD YOS + 10 bps
June 2013	JPY 3.1 bn 5Y FRN YL + 20 bps
August 2013	EUR 1.25 bn 7Y +60 bps
August 2013	GBP 250 m 4Y G+90 bps
August 2013	CHF 400 m 6Y +20 bps
September 2013	USD 1.5 bn 5.4Y T+105 bps
September 2013	USD 1 bn 3Y 3m \$L +47 bps
October 2013	EUR 1 bn 7Y FXD Covered Bond +9 bps
November 2013	GBP 400 m 7Y FXD G+105 bps
January 2014	EUR 1.5 bn Tier 2 10NC5 Subordinated +143 bps
February 2014	CHF 350 m 5Y FXD +15 bps
March 2014	EUR 1.25 bn 5Y FXD Covered bond +5bps
April 2014	AUD 450m 5Y FXD BBSW +95bps
April 2014	AUD 200m 5Y FRN BBSW +95bps

More than half of Stadshypotek's funding consists of covered bonds issued in the Swedish domestic covered bond market. This market is the core funding source for Stadshypotek.

The Swedish market is one of the largest covered bond markets in Europe. Bonds are issued on-tap on a continuous basis in a few benchmarks per issuer. Stadshypotek has nine outstanding benchmark loans, which mature between 2014 and 2022. These loans are arranged by six market makers and are non-callable bullet bonds with a fixed annual coupon. Only a small number of separate bond loans are issued, with respective final maturity dates set at intervals of about nine months. Concentrating large volumes into a small number of loans in this manner achieves good market liquidity.

At the end of the quarter, the non-domestic share of the outstanding covered bonds was 19%.



## Non-Encumbered Assets (NEA)

31 March 2014		
SEK bn	NEA	Accumulated coverage ratio in % of unsecured funding *
Holdings with central banks and securities in the liquidity portfolio	519	67%
Mortgage loans	353	113%
Other household lending	133	131%
Property company lending lowest risk class (1-3)	201	157%
Other corporate lending lowest risk class (1-3)	165	178%
Loans to credit institutions lowest risk class (1-3)	55	185%
Other corporate lending	224	214%
Other assets	115	229%
<b>Total non-encumbered assets (NEA)</b>	<b>1,765</b>	<b>229%</b>
<b>Encumbered assets without underlying liabilities **</b>	<b>57</b>	
Encumbered assets with underlying liabilities	754	
<b>Total assets, Group</b>	<b>2,576</b>	

31 December 2013		
SEK bn	NEA	Accumulated coverage ratio in % of unsecured funding *
Holdings 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	96	221%
<b>Total non-encumbered assets (NEA)</b>	<b>1,689</b>	<b>221%</b>
<b>Encumbered assets without underlying liabilities **</b>	<b>57</b>	
Encumbered assets with underlying liabilities	739	
<b>Total assets, Group</b>	<b>2,485</b>	

\* Issued short and long non-secured funding and due to credit institutions

\*\* Over-collateralisation in cover pool (OC).

## Assets pledged

31 March 2014								
SEK m	Central bank funding	Payment systems/ securities settlement	Repos	Covered bonds	Derivatives	Securities loans	Leases	Insurance agreements
Cash				5,000	9,244			
Government instruments and bonds		45,694	3,637		736	454		
Loans to the public				622,388			12,613	
Equities					5,109	6,828		
Other		3,974						95,033
<b>Total</b>		<b>49,668</b>	<b>3,637</b>	<b>627,388</b>	<b>15,089</b>	<b>7,282</b>	<b>12,613</b>	<b>95,033</b>

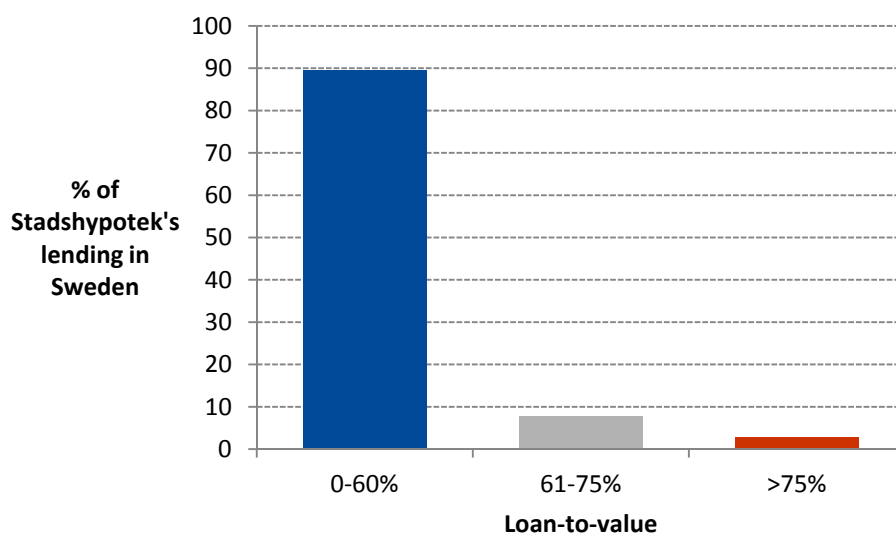
Assets pledged according to CSA agreements for outstanding derivatives since 1 January 2012: Max: 16,951 Min: 5,160 Average: 8,919

The column "Payment systems/securities settlement" refers to securities provided as collateral with central banks for the Bank's undertakings within the payment systems and collateral for securities settlement. Repos refer to securities sold under binding repurchase agreements and which are reported in the balance sheet. Covered bonds mainly consist of loans to the public which are included in the registered cover pool in favour of holdings of covered bonds issued by Stadshypotek. The amount also includes the part of the cover pool which is not utilised. Derivatives comprise cash provided as a pledge due to the Bank's outstanding undertakings under derivative contracts. Securities loans comprise securities which have been lent and also securities provided as a pledge for the Bank's overall undertakings under securities loan agreements. Leases comprise leased assets which have been pledged in favour of a third party. The assets are reported under loans to the public in the balance sheet. Insurance agreements comprise registered assets in the insurance operations and endowment insurance pledged in favour of employees or former employees.

## STADSHYPOTEK

Of the total lending to the public in the Handelsbanken Group about 56% constitutes mortgage lending in Stadshypotek.

Loan-to-values in Stadshypotek's credit portfolio are low, see graph below.



### Cover Pool Data, Sweden

SEK m	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012
Stadshypotek total lending to the public in Sweden	845,804	833,614	819,113	809,115	795,254	780,770	765,520	758,022
Assets available for Cover Pool	765,958	745,954	737,694	729,063	720,142	691,596	685,252	678,257
Assets utilized for Cover Pool	607,192	604,316	603,144	610,110	604,954	596,128	599,245	591,739
<b>WA Max-LTV Cover Pool, as defined by ASCB</b>								
LTV-mid	49.5%	49.6%	49.3%	47.0%	47.0%	47.4%	47.4%	47.4%
LTV-mid	25.1%	25.1%	25.0%	23.5%	23.5%	23.7%	23.7%	23.7%
<b>LTV-distribution</b>								
0-10%	23.9%	24.1%	23.9%	26.8%	26.9%	26.6%	29.0%	29.3%
10-20%	20.9%	20.9%	20.9%	22.0%	22.0%	21.9%	21.5%	21.6%
20-30%	18.1%	18.0%	18.0%	17.8%	17.7%	17.7%	17.4%	17.4%
30-40%	15.3%	15.1%	15.2%	14.1%	14.1%	14.1%	13.8%	13.8%
40-50%	12.4%	12.3%	12.3%	10.9%	11.0%	11.0%	10.7%	10.6%
50-60%	9.5%	9.4%	9.5%	8.2%	8.1%	8.3%	7.3%	7.2%
60-70%	0.0%	0.1%	0.1%	0.1%	0.1%	0.3%	0.3%	0.2%
70-75%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
WA loan size, SEK	649,400	614,400	597,400	567,900	587,600	544,800	546,500	538,700
WA seasoning of Cover Pool, months	40	39	39	39	38	38	38	37
<b>Interest index distribution</b>								
Floating	46%	42%	41%	40%	31%	34%	35%	49%
Fixed rate	54%	58%	59%	60%	69%	66%	65%	51%

## Liquidity

The total liquidity reserve as at 31 March, 2014 exceeded SEK 800 billion. Balances with central banks and banks, as well as securities that are eligible as collateral with central banks, totaled SEK 519 billion (see table below). In addition, there was an unutilised issue amount for covered bonds and other liquidity-creating measures. The liquidity reserve covers the Bank's liquidity requirement for over two years, even if access to new funding in the markets were to disappear at the same time as 10% of the deposits would leave the Bank.

### Balances with central banks and banks, and securities holdings in the liquidity reserve

SEK m	Market value				
	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013
Cash and balances with and other lending to central banks	408,519	368,351	377,187	245,601	258,670
Balances with banks and the National Debt Office, overnight	11,809	2,182	1,827	2,770	9,701
Securities issued by governments and public entities	51,225	42,746	48,648	40,947	42,969
Covered bonds	43,340	43,318	49,566	54,449	57,910
Securities issued by non-financial companies	1,757	976	929	1,156	1,141
Securities issued by financial companies	1,942	2,505	2,214	2,785	2,119
<b>Total</b>	<b>518,592</b>	<b>460,078</b>	<b>480,371</b>	<b>347,708</b>	<b>372,510</b>
<i>of which in SEK</i>	<i>90,448</i>	<i>56,378</i>	<i>70,608</i>	<i>76,349</i>	<i>100,384</i>
<i>of which in EUR</i>	<i>68,143</i>	<i>59,496</i>	<i>81,996</i>	<i>69,425</i>	<i>63,374</i>
<i>of which in USD</i>	<i>277,388</i>	<i>250,024</i>	<i>247,795</i>	<i>164,579</i>	<i>187,881</i>
<i>of which in other currencies</i>	<i>82,613</i>	<i>94,180</i>	<i>79,972</i>	<i>37,355</i>	<i>20,871</i>

31 March 2014

Market value, SEK m	SEK	EUR	USD	Other	Total
Cash and balances with and other lending to central banks	19,085	55,675	261,335	72,424	408,519
Balances with other banks and the National Debt Office, overnight	9,318	121	322	2,048	11,809
Securities issued by governments	25,560	7,623	14,523	2,725	50,431
Securities issued by municipalities and other public entities	344	434	-	16	794
Covered bonds, external issuers	31,823	2,527	13	5,008	39,371
Own covered bonds	3,638	64	32	235	3,969
Securities issued by non-financial companies	680	1,077	-	-	1,757
Securities issued by financial companies	-	622	1,163	157	1,942
<b>Total</b>	<b>90,448</b>	<b>68,143</b>	<b>277,388</b>	<b>82,613</b>	<b>518,592</b>

### Liquidity Coverage Ratio (LCR)

Liquidity Coverage Ratio (LCR), %	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013
EUR	122	110	119	118	132
USD	158	170	163	190	229
<b>Total *</b>	<b>152</b>	<b>128</b>	<b>139</b>	<b>128</b>	<b>135</b>

\* In accordance with the Swedish Financial Supervisory Authority's directive FFFS 2012:6.

## MATURITY ANALYSIS

**Maturities for financial assets and liabilities**

31 March 2014 SEK m	Up to 3 mths	3 - 6 mths	6 - 12 mths	1 - 5 yrs	5 yrs -	Unspecified maturity	Total
Cash and balances with central banks	410,405	-	-	-	-	-	410,405
Interest bearing securities eligible as collateral with central banks	61,782	-	-	-	-	-	61,782
Bonds and other interest-bearing securities	59,175	-	-	-	-	-	59,175
Loans to credit institutions	52,163	358	542	1,949	2,356	927	58,295
-of which reverse repos	30,436	-	-	-	-	-	30,436
Loans to the public	165,670	45,154	131,700	357,906	1,024,791	1,790	1,727,011
-of which reverse repos	18,539	-	-	-	-	-	18,539
Other	80,311	-	-	-	-	178,861	259,172
-of which shares and participating interests	48,345	-	-	-	-	-	48,345
-of which claims on investment banking settlements	31,966	-	-	-	-	-	31,966
<b>Total</b>	<b>829,506</b>	<b>45,512</b>	<b>132,242</b>	<b>359,855</b>	<b>1,027,147</b>	<b>181,578</b>	<b>2,575,840</b>
Due to credit institutions	147,899	4,241	525	52	5,259	15,699	173,675
-of which repos	910	-	-	-	-	-	910
-of which deposits from central banks	76,118	3,454	-	-	-	1,507	81,079
Deposits and borrowing from the public	221,283	11,075	12,518	4,722	8,086	609,541	867,225
-of which repos	6,834	-	-	-	-	-	6,834
Issued securities	263,554	104,045	134,714	567,530	103,859	-	1,173,702
Subordinated liabilities	-	-	-	25,587	936	-	26,523
Other	33,372	-	-	-	-	301,343	334,715
-of which short positions	21,001	-	-	-	-	-	21,001
-of which investment banking settlement debts	12,371	-	-	-	-	-	12,371
<b>Total</b>	<b>666,108</b>	<b>119,361</b>	<b>147,757</b>	<b>597,891</b>	<b>118,140</b>	<b>926,583</b>	<b>2,575,840</b>

The table shows holdings of bonds and other interest-bearing securities in the time intervals in which they can be converted to liquidity if they are pledged as collateral or sold. This means that the table does not reflect the actual maturities for the included securities.

In "Other", assets and liabilities are reported as maturing in the time intervals that correspond to the contractual maturity dates, taking into account contractual amortisation plans.

Sight deposits are reported under "Unspecified maturity". "Other" includes market values in derivative transactions.

**Maturities for assets and liabilities in USD**

31 March 2014 SEK m	Up to 3 mths	3 - 6 mths	6 - 12 mths	1 - 5 yrs	5 yrs -	Unspecified maturity	Total
Cash and balances with central banks	261,346	-	-	-	-	-	261,346
Bonds and other interest-bearing securities	22,551	-	-	-	-	-	22,551
Loans to credit institutions	33,623	313	223	1,208	2,010	392	37,769
Loans to the public	10,278	265	1,329	9,540	1,883	-	23,295
Other, including derivatives	149,833	36,700	8,923	49,543	15,595	-	260,594
<b>Total assets</b>	<b>477,631</b>	<b>37,278</b>	<b>10,475</b>	<b>60,291</b>	<b>19,488</b>	<b>392</b>	<b>605,555</b>
Due to credit institutions	79,417	2,416	153	46	0	237	82,269
Deposits and borrowing from the public	160,949	634	36	23	-	10,484	172,126
Issued securities	125,815	70,752	16,236	105,835	16,656	-	335,294
Subordinated liabilities	-	-	-	135	-	-	135
Other, including derivatives	-	-	-	-	-	15,610	15,610
<b>Total liabilities</b>	<b>366,181</b>	<b>73,802</b>	<b>16,425</b>	<b>106,039</b>	<b>16,656</b>	<b>26,331</b>	<b>605,434</b>

**Maturities for assets and liabilities in EUR**

31 March 2014 SEK m	Up to 3 mths	3 - 6 mths	6 - 12 mths	1 - 5 yrs	5 yrs -	Unspecified maturity	Total
Cash and balances with central banks	55,742	-	-	-	-	-	55,742
Bonds and other interest-bearing securities	12,397	-	-	-	-	-	12,397
Loans to credit institutions	10,584	9	48	323	307	55	11,326
Loans to the public	21,337	5,560	13,639	67,407	56,739	1	164,683
Other, including derivatives	602	-	12,673	97,469	34,989	3,077	148,810
<b>Total assets</b>	<b>100,662</b>	<b>5,569</b>	<b>26,360</b>	<b>165,199</b>	<b>92,035</b>	<b>3,133</b>	<b>392,958</b>
Due to credit institutions	17,637	341	18	7	36	918	18,957
Deposits and borrowing from the public	15,348	4,740	158	477	0	77,101	97,824
Issued securities	24,717	21,530	18,364	109,142	54,772	-	228,525
Subordinated liabilities	-	-	-	17,851	-	-	17,851
Other, including derivatives	23,287	6,635	-	-	-	-	29,922
<b>Total liabilities</b>	<b>80,989</b>	<b>33,246</b>	<b>18,540</b>	<b>127,477</b>	<b>54,808</b>	<b>78,019</b>	<b>393,079</b>

**Maturities for assets and liabilities in SEK**

31 March 2014 SEK m	Up to 3 mths	3 - 6 mths	6 - 12 mths	1 - 5 yrs	5 yrs -	Unspecified maturity	Total
Cash and balances with central banks	20,683	-	-	-	-	-	20,683
Bonds and other interest-bearing securities	78,972	-	-	-	-	-	78,972
Loans to credit institutions	4,319	0	317	631	23	0	5,290
Loans to the public	104,808	27,854	81,773	147,394	778,965	1,190	1,141,984
<b>Total assets</b>	<b>208,782</b>	<b>27,854</b>	<b>82,090</b>	<b>148,025</b>	<b>778,988</b>	<b>1,190</b>	<b>1,246,929</b>
Due to credit institutions	9,590	999	-	-	5,145	11,577	27,311
Deposits and borrowing from the public	35,998	4,895	11,909	4,058	8,117	359,236	424,213
Issued securities	55,969	1,913	98,024	312,556	14,617	-	483,079
Subordinated liabilities	-	-	-	7,594	-	-	7,594
Other, including derivatives	107,007	11,645	18,187	69,085	21,443	77,566	304,933
<b>Total liabilities</b>	<b>208,564</b>	<b>19,452</b>	<b>128,120</b>	<b>393,293</b>	<b>49,322</b>	<b>448,379</b>	<b>1,247,130</b>

## Share and shareholders

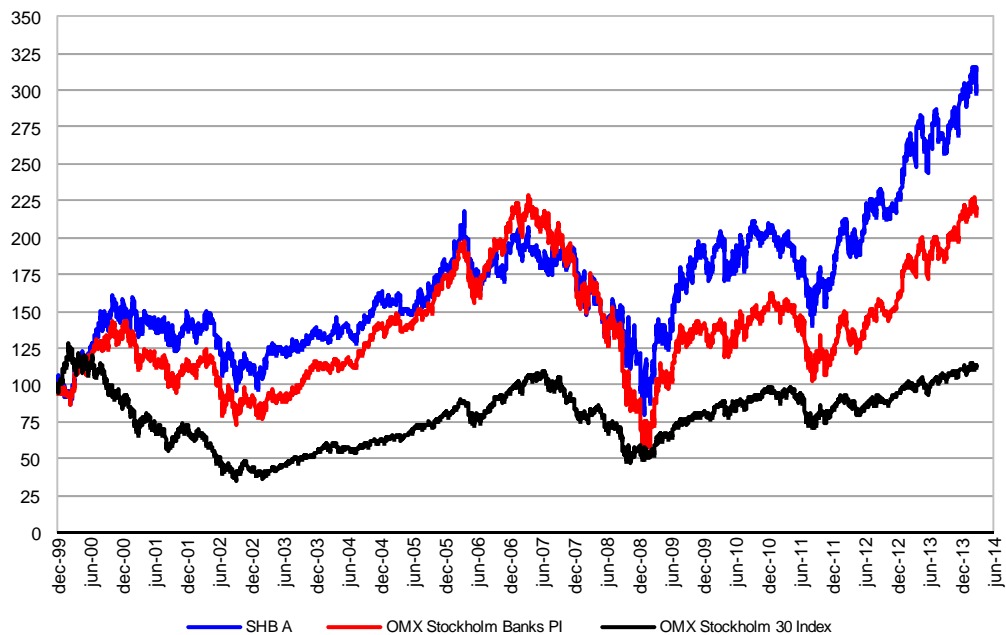
### The Handelsbanken share

	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012
Market capitalisation, SEK bn	206	201	175	171	177	147	156	143
Share price ordinary class A, SEK	324.80	316.00	274.90	269.20	278.50	232.40	246.10	226.70
Ordinary dividend, SEK	-	11.50	-	-	-	10.75	-	-
Total dividend	-	16.50	-	-	-	10.75	-	-
Number of converted shares	18,941	173,428	82,160	792,428	1,790,667	822,942	3,090,412	2,188,259
Number of repurchased shares	-	-	-	-	-	-	-	-
Holding of own shares in trading book, end of period	-	-	-	-	-	-	-	-
Number of outstanding shares after repurchases and deduction for trading book, end of period	635,664,736	635,645,795	635,472,367	635,390,207	634,597,779	632,807,112	631,984,170	628,893,758
Number of outstanding shares after dilution, end of period	647,937,156	647,601,239	647,601,244	647,719,618	647,835,385	648,210,569	648,210,973	648,212,372
Average number of shares converted during the year	5,873	2,761,416	2,642,647	2,411,947	714,286	8,474,744	6,606,531	3,803,516
Average holdings of own shares (repurchased and holdings in trading book)	73,587	10,079	-	280,221	374,600	424,194	449,295	664,735
Average number of outstanding shares	635,578,081	635,558,449	635,449,759	634,938,838	633,146,798	632,113,192	630,219,878	627,201,423
- after dilution	647,527,652	647,591,165	647,719,618	647,555,164	647,316,445	647,786,779	647,763,077	647,549,966

### Share information

Name	SHB A
ISIN	SE0000193120
Currency	SEK
Market name	OMX STO Equities
Reuters	SHBa.ST
Bloomberg	SHBA SS

**Share performance, 31 December 1999 – 31 March 2014**  
 Index, 1999-12-31=100



**The largest Swedish shareholders**

The largest Swedish shareholders			
as at 31 March 2014	Number of shares	% of votes	% of capital
Oktogonen Foundation	64,661,679	10.3	10.2
Industrivärden	64,451,572	10.3	10.1
Swedbank Robur funds	16,950,026	2.7	2.7
AMF and funds	14,987,235	2.4	2.4
Lundbergs	14,932,000	2.4	2.3
Handelsbanken funds	8,338,437	1.3	1.3
Alecta	8,180,000	1.3	1.3
4th National Swedish Pension Fund	6,004,583	1.0	0.9
SEB funds	5,842,389	0.9	0.9
AFA Försäkring	5,049,114	0.8	0.8
J. Wallanders & T. Hedelius stiftelse, T. Browaldhs stiftelse	4,100,000	0.7	0.6
3rd National Swedish Pension Fund	3,671,435	0.6	0.6
Skandia	3,416,771	0.5	0.5
SPP funds	3,416,078	0.5	0.5
Folksam	2,982,466	0.5	0.5

# Contacts and Financial calendar

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## Financial calendar:

### 2014

5 February 2014

Highlights of Annual report 2013

26 March 2014

Annual General Meeting

30 April 2014

Interim report January – March 2014

17 July 2014

Interim report January – June 2014

22 October 2014

Interim report January – September 2014

# Handelsbanken

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