

Fact book

2011 Q2



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This is Handelsbanken

Founded in 1871, Handelsbanken is one of the leading banks in the Nordic region, with over 700 branches in 22 countries. The Bank regards Sweden, Denmark, Finland, Norway and Great Britain 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 for 39 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 a risk-taking organisation the focus on 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 refer to the bank's Pillar III report available at 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.

Income statement

Income statement - Svenska Handelsbanken Group

SEK m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Interest income	14,662	14,344	11,951	11,006	10,265	10,167	10,548	11,351
Interest expense	-8,979	-8,837	-6,339	-5,679	-5,183	-4,851	-5,189	-5,741
Net interest income	5,683	5,507	5,612	5,327	5,082	5,316	5,359	5,610
Net fee and commission income	1,949	1,944	2,127	1,924	1,988	1,983	1,995	1,803
Net gains/losses on financial items at fair value	308	361	276	177	424	500	497	278
Risk result - insurance	38	81	67	42	59	37	31	47
Other dividend income	141	1	1	3	55	131	4	2
Share of profit of associated companies	18	2	-4	1	7	7	18	4
Other income	32	42	49	32	38	35	63	18
Total income	8,169	7,938	8,128	7,506	7,653	8,009	7,967	7,762
Staff costs	-2,477	-2,457	-2,466	-2,330	-2,352	-2,356	-2,586	-2,451
Other administrative expenses	-1,273	-1,189	-1,425	-1,166	-1,276	-1,195	-1,373	-1,046
Depreciation, amortisation and impairments of property, equipment and intangible assets	-112	-118	-106	-114	-117	-115	-99	-145
Total expenses	-3,862	-3,764	-3,997	-3,610	-3,745	-3,666	-4,058	-3,642
Profit before loan losses	4,307	4,174	4,131	3,896	3,908	4,343	3,909	4,120
Net loan losses	-172	-244	-293	-294	-369	-551	-691	-866
Gains/losses on disposal of property, equipment and intangible assets	1	0	-5	4	0	0	3	1
Operating profit	4,136	3,930	3,833	3,606	3,539	3,792	3,221	3,255
Taxes	-1,048	-1,047	-1,030	-945	-1,019	-968	-722	-829
Profit for the period from continuing operations	3,088	2,883	2,803	2,661	2,520	2,824	2,499	2,426
Profit for the period from discontinued operations, after tax	48	49	89	46	53	29	17	8
Profit for the period	3,136	2,932	2,892	2,707	2,573	2,853	2,516	2,434
Attributable to								
Holders of ordinary shares	3,136	2,932	2,892	2,707	2,573	2,853	2,516	2,434
Minority interest	0	0	0	0	0	0	0	0

Earnings per share

	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Earnings per share, continuing operations, SEK	4.96	4.63	4.50	4.27	4.05	4.54	4.02	3.89
- after dilution	4.88	4.56	4.46	4.19	3.98	4.46	3.94	3.81
Earnings per share, discontinued operations, SEK	0.08	0.08	0.15	0.08	0.09	0.05	0.02	0.02
- after dilution	0.07	0.07	0.14	0.08	0.09	0.05	0.02	0.02
Earnings per share, total operations, SEK	5.04	4.71	4.65	4.35	4.14	4.59	4.04	3.91
- after dilution	4.95	4.63	4.60	4.27	4.07	4.51	3.96	3.83

Handelsbanken Group - Key figures

SEK m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Return on equity, total operations *	14.0%	13.2%	13.4%	12.7%	12.0%	13.5%	12.2%	12.0%
Return on equity, continuing operations *	13.8%	12.9%	13.0%	12.5%	11.8%	13.3%	12.1%	11.9%
C/I ratio, continuing operations	47.3%	47.4%	49.2%	48.1%	48.9%	45.8%	50.9%	46.9%
C/I ratio, continuing operations, incl. loan losses	49.4%	50.5%	52.8%	52.0%	53.8%	52.7%	59.6%	58.1%
Adjusted equity per share, SEK	144.21	137.98	143.14	136.89	134.18	137.57	133.65	128.45
Capital ratio according to Basel II	19.7%	20.4%	20.9%	20.7%	19.9%	19.6%	20.2%	19.1%
Tier 1 ratio according to Basel II	17.4%	17.2%	16.5%	15.7%	14.8%	14.6%	14.2%	13.5%
Average number of employees, continuing operations	11,091	11,066	10,947	11,100	10,719	10,636	10,638	10,912
Number of branches in Sweden	461	461	461	461	460	461	461	461
Number of branches in Great Britain	95	90	83	77	72	66	62	62
Number of branches in Denmark	54	54	53	53	53	53	53	54
Number of branches in Finland	45	45	45	45	45	45	45	45
Number of branches in Norway	50	50	49	48	48	48	48	48
Number of branches in Netherlands	10	9	7	5	5	5	5	5
Number of branches in Germany	7	7	7	7	7	7	7	7
Number of branches in other countries	18	18	18	20	20	20	23	24
Total number of branches	740	734	723	716	710	705	704	706

* 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.

Consolidated statement of comprehensive income

SEK m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Profit for the period	3,136	2,932	2,892	2,707	2,573	2,853	2,516	2,434
Other comprehensive income								
Cash flow hedges	-149	284	257	2	-309	-275	115	31
Available-for-sale instruments	-191	-176	905	557	169	555	572	1,465
Translation differences for the period	412	-442	-48	-1,287	99	-779	293	-776
Tax related to other comprehensive income	120	-40	-318	-190	5	-109	-160	-531
Total other comprehensive income	192	-374	796	-918	-36	-608	820	189
Total comprehensive income for the period	3,328	2,558	3,688	1,789	2,537	2,245	3,336	2,623
Total comprehensive income for the period to								
Holders of ordinary shares	3,328	2,558	3,688	1,789	2,537	2,245	3,336	2,623
Minority interest	0	0	0	0	0	0	0	0

One-offs and special items

SEK m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Benchmark effect in Stadshypotek	-7	-10	32	-36	2	97	-89	0
Oktogonen (The Bank's profit-sharing system)	-210	-210	-281	-187	-187	-187	-259	-163
Performance-related remuneration	-64	-66	-61	-41	-41	-91	-148	-140
Dividend, VISA Inc.						130		
Total	-281	-286	-310	-264	-226	-51	-496	-303

Fees for the Stabilisation Fund etc.

SEK m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Swedish Stabilisation Fund								
Branch office operations in Sweden (net interest income)	-112	-104	-42	-49	-57	-51	-54	-46
Branch office operations outside Sweden (net interest income)	-71	-68	-28	-32	-39	-35	-34	-28
of which Great Britain	-12	-12	-5	-4	-6	-5	-5	-4
of which Denmark	-9	-8	-3	-4	-4	-4	-4	-3
of which Finland	-11	-10	-5	-6	-7	-6	-6	-5
of which Norway	-28	-26	-10	-11	-14	-12	-11	-9
of which Handelsbanken International	-12	-12	-5	-7	-8	-8	-8	-7
Other (net interest income)	-10	-8	-2	-4	-3	-3	-3	-2
Total fees for the Swedish Stabilisation Fund	-193	-180	-72	-85	-99	-89	-91	-76

Swedish deposit guarantee

Branch office operations in Sweden (net interest income)	-51	-51	-41	-41	-37	-44	-41	-41
Branch office operations outside Sweden (net interest income)	-12	-12	-12	-9	-8	-10	-8	-8
Total fees for Swedish deposit guarantee	-63	-63	-53	-50	-45	-54	-49	-49

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Other (expenses)	-32	-	-	-	-	-	-	-
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Danish government guarantee

Branch office operations in Denmark (net interest income)	-	-	-	-14	-15	-15	-15	-16
Branch office operations in Denmark (expenses)	-	-1	-15	-15	-2	-	-6	-14
Total fees to Danish government guarantee	-	-1	-15	-29	-17	-15	-21	-30

Danish deposit guarantee

Branch office operations in Denmark (expenses)	-22	-	-	-	-	-	-	-
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Norwegian deposit guarantee

Branch office operations in Norway (net interest income)	-	-	-1	-2	-2	-2	-2	-3
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Total	-310	-244	-141	-166	-163	-160	-163	-158
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Exchange rates

SEK, End of period (Balance sheet)	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	Change y/y	Change q/q
DKK	1.2260	1.1989	1.2092	1.2277	1.2778	-4%	2%
EUR	9.1441	8.9386	9.0129	9.1468	9.5174	-4%	2%
GBP	10.1157	10.1141	10.5104	10.5541	11.6133	-13%	0%
NOK	1.1762	1.1403	1.1531	1.1468	1.1949	-2%	3%
USD	6.3201	6.3023	6.8033	6.7064	7.7440	-18%	0%

SEK, Average as from 1 Jan (Income statement)	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	Change y/y	Change q/q
DKK	1.1986	1.1890	1.2822	1.2973	1.3163	-9%	1%
EUR	8.9369	8.8633	9.5487	9.6578	9.7964	-9%	1%
GBP	10.2960	10.3821	11.1298	11.2642	11.2693	-9%	-1%
NOK	1.1414	1.1320	1.1921	1.2080	1.2227	-7%	1%
USD	6.3715	6.4811	7.2088	7.3489	7.3931	-14%	-2%

Net fee and commission income

SEK m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Brokerage and other securities commissions	362	413	522	426	452	467	491	422
Mutual funds	415	452	440	393	391	366	361	296
Custody	96	101	96	53	108	117	101	102
Advisory services	55	44	73	51	60	39	74	13
Insurance	168	152	106	157	169	173	138	131
Payments	651	590	648	630	607	570	600	608
Lending and deposits	291	283	313	299	289	330	293	296
Guarantees	123	115	126	134	132	129	124	137
Other	117	91	126	104	113	85	129	140
Commission income	2,278	2,241	2,450	2,247	2,321	2,276	2,311	2,145
Securities commissions	-45	-52	-54	-50	-58	-57	-62	-51
Payment commissions	-251	-214	-238	-255	-246	-224	-247	-249
Other commission expenses	-33	-31	-31	-18	-29	-12	-7	-42
Commission expense	-329	-297	-323	-323	-333	-293	-316	-342
Net fee and commission income	1,949	1,944	2,127	1,924	1,988	1,983	1,995	1,803

Net gains/losses on financial items at fair value

SEK m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Available for sale, realised	65	109	9	2	-23	32	5	12
Hedge accounting								
Fair value hedges	-34	-32	84	92	82	81	17	-83
Hedge ineffectiveness	-1	0	1	25	-22	-6	19	4
Instruments at fair value	631	-399	-1,135	196	552	227	12	212
Loans at amortised cost	68	51	100	96	113	92	139	140
Financial liabilities at amortised cost	7	-22	-62	-58	-123	-114	-120	-121
Gains/losses on unbundled insurance contracts	41	-51	-48	-23	2	-1	-24	48
Trading / Other	-469	705	1,327	-153	-157	189	449	66
Net gains/losses on financial items at fair value	308	361	276	177	424	500	497	278

Other administrative expenses

SEK m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Property and premises	-273	-263	-300	-247	-273	-262	-300	-255
External IT costs	-354	-385	-439	-368	-394	-384	-384	-287
Communication	-89	-97	-102	-97	-104	-110	-117	-96
Travel and marketing	-112	-92	-140	-83	-100	-82	-130	-68
Purchased services	-271	-240	-258	-215	-239	-199	-248	-178
Supplies	-51	-61	-68	-70	-80	-80	-96	-80
Other expenses	-123	-51	-118	-86	-86	-78	-98	-82
Other administrative expenses	-1,273	-1,189	-1,425	-1,166	-1,276	-1,195	-1,373	-1,046

Loan losses

SEK m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Specific provision for individually valued loan receivables								
Provision for the period	-312	-366	-139	-368	-490	-618	-717	-768
Write-back of previous provisions	88	53	161	64	37	98	116	36
Total	-224	-313	22	-304	-453	-520	-601	-732
Collective provisions								
Net provision for the period for individually valued receivables	18	39	24	27	17	-4	-26	1
Net provision for the period for homogenous loan receivables	21	4	7	-2	5	-5	-12	-16
Net provision for the period for off-balance sheet items	0	3	5	3	2	0	-2	2
Total	39	46	36	28	24	-9	-40	-13
Other provisions								
Allocations for off-balance sheet items	-	-	0	0	0	0	-2	-15
Write-back of previous provisions	-	-	-	-	-	-	78	-
Guarantees honoured	-	-	-	-	-	-	-	-
Total	-	-	0	0	0	0	76	-15
Write-offs								
Actual loan losses for the period	-248	-204	-564	-224	-280	-287	-358	-277
Utilised share of previous provisions	190	160	167	169	202	222	187	154
Recoveries	71	67	46	36	138	44	46	17
Total	13	23	-351	-19	60	-21	-125	-106
Change in value of repossessed property								
Value change for the period	-	-	-	1	0	-1	-1	-
Net loan losses	-172	-244	-293	-294	-369	-551	-691	-866

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	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009	30 Sep 2009
Impaired loans	9,338	9,132	9,212	8,509	8,594	7,886	8,615	8,546
Specific provision for individually assessed loans	-5,097	-5,010	-5,039	-5,200	-5,218	-5,096	-4,731	-4,229
Provision for collectively assessed homogenous groups of loans with limited value	-124	-152	-157	-166	-168	-175	-175	-162
Collective provisions for individually assessed loans	-340	-355	-396	-420	-453	-472	-474	-445
Impaired loans, net	3,777	3,615	3,620	2,723	2,755	2,143	3,235	3,710
Total impaired loans reserve ratio	59.6%	60.4%	60.7%	68.0%	67.9%	72.8%	62.4%	56.6%
Proportion of impaired loans, %	0.23%	0.23%	0.23%	0.17%	0.17%	0.14%	0.21%	0.24%
Impaired loans reserve ratio excl. collective provisions	55.9%	56.5%	56.4%	63.1%	62.7%	66.8%	56.9%	51.4%
Loan loss ratio as a % of loans, quarterly	0.04%	0.06%	0.07%	0.08%	0.09%	0.14%	0.18%	0.22%
Non-performing loans which are not impaired loans	2,462	2,006	1,684	1,812	1,828	1,568	1,519	2,256

Balance sheet

Balance sheet - Svenska Handelsbanken Group

SEK m	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009	30 Sep 2009
Assets								
Cash and balances with central banks	167,044	163,333	56,637	75,861	122,544	122,759	49,882	98,266
Other lending to central banks	66,014	62,809	50,989	60,379	110,779	55,674	56,931	32,910
Treasury bills and other eligible bills	48,963	57,817	50,738	48,805	88,443	113,836	105,156	91,184
Loans to other credit institutions	103,653	119,753	123,465	127,926	144,656	100,297	92,730	105,685
Loans to the public	1,567,152	1,531,500	1,513,687	1,497,078	1,511,136	1,490,097	1,495,622	1,491,244
Value change of interest hedged item in portfolio hedge	4,632	4,447	4,744	5,159	5,299	4,044	2,979	2,831
Bonds and other interest-bearing securities	63,450	66,406	68,500	85,044	74,308	77,649	70,846	84,148
Shares	34,819	36,976	38,210	33,672	24,637	30,534	24,883	18,284
Participating interests in associated companies	147	112	111	99	97	98	93	79
Assets where the customer bears the value change risk	65,880	63,777	61,182	55,119	52,987	51,703	51,032	43,327
Derivative instruments	87,610	92,493	102,283	142,023	143,925	110,054	107,155	117,022
Reinsurance assets	3	3	12	11	17	17	12	17
Intangible assets	7,019	6,863	6,905	6,926	7,068	7,144	7,319	7,252
Property and equipment	3,326	3,306	3,307	3,216	3,279	3,243	3,281	3,358
Current tax assets	519	177	74	223	59	84	108	220
Deferred tax assets	237	236	337	406	435	293	303	388
Net pension assets	4,995	4,875	4,670	4,879	4,724	4,579	4,380	4,925
Assets held for sale	904	899	789	740	858	800	724	781
Other assets	17,023	25,548	60,260	33,175	21,963	41,585	42,594	39,087
Prepaid expenses and accrued income	6,433	8,219	6,630	7,291	8,407	7,295	6,813	6,748
Total assets	2,249,823	2,249,549	2,153,530	2,188,032	2,325,621	2,221,785	2,122,843	2,147,756
Liabilities and equity								
Due to credit institutions	219,396	248,111	251,972	212,311	256,911	202,729	225,490	189,766
Deposits and borrowing from the public	645,895	641,709	564,142	589,669	598,210	596,027	564,048	615,112
Liabilities where the customer bears the value change	65,911	63,777	61,214	55,171	53,024	51,770	51,103	43,374
Issued securities	1,019,801	984,910	963,501	951,956	1,066,049	1,025,991	966,075	963,199
Derivative instruments	88,081	100,333	101,753	146,657	122,021	100,966	93,101	119,368
Short positions	30,855	34,941	36,026	38,200	37,584	41,308	29,647	30,076
Insurance liabilities	713	777	723	791	864	1,529	952	906
Current tax liabilities	895	466	882	1,274	833	534	834	99
Deferred tax liabilities	9,352	9,244	9,144	8,777	8,658	8,568	8,448	8,171
Provisions	72	64	77	149	181	178	199	339
Liabilities held for sale	367	370	302	289	320	301	222	352
Other liabilities	23,960	22,459	12,604	28,998	26,213	34,963	23,175	20,383
Accrued expenses and deferred income	20,573	19,477	18,851	19,190	19,035	19,536	17,456	18,312
Subordinated liabilities	34,677	37,599	43,948	49,902	53,126	52,069	59,005	58,520
Total liabilities	2,160,548	2,164,237	2,065,139	2,103,334	2,243,029	2,136,469	2,039,755	2,067,977
Minority interest	1	1	0	0	0	1	1	1
Share capital	2,902	2,899	2,899	2,899	2,899	2,899	2,899	2,899
Reserves	-1,016	-1,208	-834	-1,630	-712	-676	-68	-888
Retained earnings	81,320	80,688	75,301	75,296	74,979	80,239	70,012	70,039
Profit for the period	6,068	2,932	11,025	8,133	5,426	2,853	10,244	7,728
Total equity	89,275	85,312	88,391	84,698	82,592	85,316	83,088	79,779
Total liabilities and equity	2,249,823	2,249,549	2,153,530	2,188,032	2,325,621	2,221,785	2,122,843	2,147,756

Business volumes – Lending to the public

CREDIT POLICY

Credit responsibility

- Credit responsibility always at branch level
- Customer and credit responsibility closely related
- The branch holds full economic responsibility for granting the credit
- If necessary, the branch obtains support from the regional head office and central credit department

Basic guidelines

- The assessment start 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

From Q4 2009, an adjustment has been made so that some of the Other item has been allocated to other lines

Loans to the public by sector

Loans after deduction of provisions	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009	30 Sep 2009
SEK m, end of period								
Private individuals	696,495	673,913	669,069	655,900	648,214	633,590	626,799	606,063
<i>of which mortgage loans in Stadshypotek</i>	<i>549,238</i>	<i>536,132</i>	<i>526,697</i>	<i>509,734</i>	<i>498,772</i>	<i>485,695</i>	<i>476,094</i>	<i>461,143</i>
<i>of which other mortgage loans</i>	<i>80,567</i>	<i>79,243</i>	<i>80,741</i>	<i>83,814</i>	<i>86,886</i>	<i>83,897</i>	<i>82,779</i>	<i>80,524</i>
<i>of which other loans to private individuals</i>	<i>66,690</i>	<i>59,197</i>	<i>61,631</i>	<i>62,352</i>	<i>62,556</i>	<i>63,998</i>	<i>67,926</i>	<i>64,396</i>
Housing co-operative associations	119,333	114,102	111,688	109,166	107,375	104,555	103,416	99,329
<i>of which mortgage loans in Stadshypotek</i>	<i>102,998</i>	<i>99,806</i>	<i>98,028</i>	<i>96,622</i>	<i>95,568</i>	<i>93,623</i>	<i>92,789</i>	<i>90,763</i>
Property management, Note 1	371,327	358,896	355,271	339,209	348,157	341,947	345,986	345,369
Manufacturing	53,580	49,509	53,838	53,835	60,269	60,605	65,550	66,735
Retail	35,000	34,091	32,391	33,024	37,671	38,086	38,250	43,480
Hotels and restaurants	6,747	6,720	6,590	6,816	7,114	7,620	7,643	7,723
Shipping, passenger & goods transport by sea	12,524	12,394	14,354	14,994	15,809	15,911	16,730	16,912
Other transport and communication	39,696	37,456	38,266	36,845	38,270	37,936	39,310	34,653
Construction	12,919	12,967	13,286	13,853	14,169	13,644	13,803	15,030
Electricity, gas, water	22,176	21,038	22,138	21,354	22,675	23,439	22,022	22,665
Agriculture, hunting and forestry	7,335	7,097	6,450	6,696	4,872	4,638	4,629	4,656
Other service industry	21,073	18,605	17,162	17,974	17,917	17,918	18,143	17,712
Holding companies, insurance companies, funds etc.	96,881	88,180	89,464	100,307	105,158	107,998	109,655	117,484
State & municipalities	23,312	23,326	16,995	18,204	16,342	18,828	21,248	16,760
Other corporate lending	49,094	73,561	67,121	69,321	67,577	63,854	62,912	77,118
Total loans to the public, before taking into account collective provisions	1,567,492	1,531,855	1,514,083	1,497,498	1,511,589	1,490,569	1,496,096	1,491,689
Collective provisions	-340	-355	-396	-420	-453	-472	-474	-445
Total loans to the public	1,567,152	1,531,500	1,513,687	1,497,078	1,511,136	1,490,097	1,495,622	1,491,244

Specification of loans to the public after deduction of provisions - Property management

SEK m, end of period	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009	30 Sep 2009
Lending in Sweden								
State-owned property companies	12,287	12,240	12,269	6,562	6,971	6,849	6,855	6,851
Municipal-owned property companies	17,619	16,583	18,797	18,789	18,887	18,632	18,152	17,945
Residential property companies	67,117	67,079	66,983	65,112	57,866	57,757	58,547	56,744
<i>of which mortgage loans in Stadshypotek</i>	<i>46,239</i>	<i>47,219</i>	<i>47,205</i>	<i>45,945</i>	<i>39,124</i>	<i>38,423</i>	<i>37,177</i>	<i>36,938</i>
Other property companies	121,101	116,849	114,069	112,885	121,826	119,120	119,257	121,554
<i>of which mortgage loans in Stadshypotek</i>	<i>56,414</i>	<i>54,061</i>	<i>50,807</i>	<i>48,958</i>	<i>54,866</i>	<i>50,476</i>	<i>49,566</i>	<i>45,187</i>
Total lending in Sweden	218,124	212,751	212,118	203,348	205,550	202,358	202,811	203,094
Lending outside Sweden								
Denmark	6,826	6,022	5,591	5,379	5,418	5,585	5,766	5,319
Finland	18,628	17,873	16,961	17,834	18,566	20,129	21,516	21,077
Norway	67,893	64,804	64,477	61,678	63,309	64,046	65,061	66,867
Great Britain	47,001	44,833	43,355	41,900	44,751	40,821	41,294	39,798
Other countries	12,855	12,613	12,769	9,070	10,563	9,008	9,538	9,214
Total lending outside Sweden	153,203	146,145	143,153	135,861	142,607	139,589	143,175	142,275
Total lending - Property management	371,327	358,896	355,271	339,209	348,157	341,947	345,986	345,369

Credit risk exposure

SEK m	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009	30 Sep 2009
Loans to the public	1,567,152	1,531,500	1,513,687	1,497,078	1,511,136	1,490,097	1,495,622	1,491,244
of which reverse repos	19,192	22,993	27,023	25,095	19,904	21,099	20,335	18,226
Loans to credit institutions	169,667	182,562	174,454	188,305	255,435	155,971	149,661	138,595
of which reverse repos	67,318	73,849	72,294	83,264	89,068	60,295	55,910	59,360
Unutilised part of granted overdraft facilities	149,093	146,018	164,385	182,939	166,028	162,474	163,259	163,208
Committed loan offers	251,318	242,513	240,286	229,420	225,146	213,728	218,826	203,114
Other commitments	2,948	2,739	2,802	3,163	2,702	2,571	1,971	1,264
Guarantees, credits	18,072	16,310	17,751	17,895	22,095	20,781	20,178	30,538
Guarantees, other	39,130	39,859	40,210	41,751	46,283	46,232	48,038	46,105
Documentary credits	35,135	36,911	37,055	47,330	46,961	42,150	42,474	46,650
Derivatives *	87,610	92,493	102,283	142,023	143,925	110,054	107,155	117,022
Treasury bills and other eligible bills	48,963	57,817	50,738	48,805	88,443	113,836	105,156	91,184
Bonds and other interest-bearing securities	63,450	66,406	68,500	85,044	74,308	77,649	70,846	84,148
Total	2,432,538	2,415,128	2,412,151	2,483,753	2,582,462	2,435,543	2,423,186	2,413,072

* Refers to the total of positive market values

Credit risk exposure - by country

SEK m	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009	30 Sep 2009
Sweden	1,700,269	1,716,343	1,709,942	1,797,726	1,842,968	1,768,094	1,730,649	1,702,283
Great Britain	97,439	93,008	91,491	85,097	90,819	81,118	83,222	84,406
Denmark	91,415	73,987	69,962	61,121	63,957	64,691	69,476	66,795
Finland	158,517	152,738	148,605	146,401	156,761	115,747	123,472	134,064
Norway	216,345	203,504	205,753	205,365	213,928	217,049	216,556	204,944
Germany	22,247	23,385	24,443	20,088	23,662	24,737	26,775	31,250
The Netherlands	14,005	13,552	13,140	11,940	11,927	10,850	8,316	7,512
Poland	3,432	3,410	3,490	3,927	5,648	6,052	6,259	6,965
Other	128,869	135,201	145,325	152,088	172,792	147,205	158,461	174,853
Total	2,432,538	2,415,128	2,412,151	2,483,753	2,582,462	2,435,543	2,423,186	2,413,072

Loans to the public - by country *

SEK bn, end of period	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009	30 Sep 2009
Branch office operations in Sweden	1,060	1,030	1,012	1,000	997	982	974	968
Branch office operations outside Sweden	466	448	450	445	470	464	479	480
in Great Britain	77	71	70	67	71	64	64	63
in Denmark	52	51	53	51	54	55	59	57
in Finland	91	88	87	90	94	95	102	102
in Norway	193	184	184	181	189	187	190	184
in Germany	8	8	8	8	11	11	13	17
in the Netherlands	10	10	9	7	7	6	7	7
in Poland	2	2	2	2	3	3	3	3
in other countries	33	33	36	38	43	42	42	48
Other	35	45	45	49	40	41	31	40
Total	1,561	1,522	1,507	1,494	1,508	1,487	1,484	1,489

* Excluding loans to the National Debt Office

Loans to households - by country

SEK bn, end of period	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009	30 Sep 2009
Branch office operations in Sweden	572	561	555	547	534	521	511	498
Branch office operations outside Sweden	159	150	148	141	143	142	145	139
in Great Britain	20	18	17	15	15	13	13	12
in Denmark	28	26	26	25	26	25	26	26
in Finland	31	30	31	31	32	31	32	31
in Norway	75	71	70	65	67	66	66	62
in Germany	1	0	0	1	1	1	1	1
in the Netherlands	1	1	0	0	0	0	0	0
in Poland	1	1	1	1	1	1	1	1
in other countries	3	2	2	2	2	6	6	7
Other	0	0	-1	-3	-3	-2	0	0
Total	731	711	702	685	674	660	656	637

Corporate lending - by country *

SEK bn, end of period	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009	30 Sep 2009
Branch office operations in Sweden	488	468	457	453	464	462	463	470
Branch office operations outside Sweden	307	298	302	305	327	322	335	342
in Great Britain	57	53	53	52	56	51	51	51
in Denmark	24	25	26	26	28	30	32	31
in Finland	60	57	57	59	62	62	68	68
in Norway	117	114	115	116	122	121	123	122
in Germany	8	8	7	7	10	11	13	16
in the Netherlands	9	9	9	7	7	6	6	6
in Poland	1	1	1	1	2	2	2	2
in other countries	30	30	34	36	40	39	39	45
Other	35	45	47	52	43	43	31	40
Total	830	811	805	809	834	827	829	852

Business volumes, Branch office operations in Sweden

Average volumes, SEK bn	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Deposits and borrowing from the public								
Household	194	191	190	185	178	173	173	170
Corporate	155	156	148	149	149	155	156	154
Total	349	347	338	334	327	328	329	324
Loans to the public*								
Household	566	557	552	541	527	515	505	494
of which mortgage loans	514	505	495	484	472	460	449	437
Corporate	479	460	457	463	470	466	472	478
of which mortgage loans	211	206	198	192	187	181	176	171
Total	1,045	1,017	1,009	1,004	997	981	977	972

* excl. loans to the National Debt Office

Business volumes, Branch office operations outside Sweden

Average volumes, SEK bn	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Deposits and borrowing from the public								
Household	41	39	40	41	42	42	42	44
Corporate	103	103	102	99	100	111	144	134
Total	144	142	142	140	142	153	186	178
Loans to the public								
Household	153	146	143	142	142	142	142	138
Corporate	304	296	306	315	326	326	338	351
Total	457	442	449	457	468	468	480	489

Business volumes, Handelsbanken International

Average volumes, SEK bn	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Deposits and borrowing from the public								
Household	2.9	2.7	3.0	3.2	3.4	3.4	3.4	3.3
Corporate	16.0	13.0	14.1	12.8	12.9	14.0	42.4	39.9
Total	18.9	15.7	17.1	16.0	16.3	17.4	45.8	43.2
Loans to the public								
Household	4.2	4.0	4.0	3.9	3.9	4.0	3.7	3.3
Corporate	48.7	48.8	51.7	55.6	59.8	59.6	64.8	74.6
Total	52.9	52.8	55.7	59.5	63.7	63.6	68.5	77.9

Business volumes – Savings and deposits

Assets under management, Handelsbanken Group

SEK bn, end of period	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009	30 Sep 2009
Mutual funds, excl. PPM	124	121	121	112	107	108	101	89
PPM	11	11	11	9	7	8	7	6
Unit-linked insurance	43	41	40	34	33	32	31	28
XACT (Exchange-traded funds)	21	20	21	19	19	19	18	17
Total mutual funds	199	193	193	174	166	167	157	140
Portfolio bond insurance	17	17	16	15	14	13	11	10
Traditional insurance	15	17	19	22	23	25	25	25
Discretionary management, Handelsbanken Group	96	95	91	91	85	86	85	80
<i>of which in Handelsbanken mutual funds</i>	32	29	29	26	24	23	22	20
Structured products	40	41	40	41	39	40	36	31
Directly owned shares in custody	171	178	176	167	152	161	150	129
Other securities in custody	41	39	43	32	34	37	45	25
Handelsbanken's foundations	47	49	50	47	43	45	43	39
<i>of which in Handelsbanken mutual funds</i>	4	4	3	3	3	3	3	3
Total assets under management, Handelsbanke	590	596	596	560	529	548	527	456

Deposits from the public -by country

SEK bn, end of period	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009	30 Sep 2009
Branch office operations in Sweden	355	352	347	331	336	326	331	325
Branch office operations outside Sweden	145	140	138	137	135	147	151	216
in Great Britain	19	15	16	16	16	14	15	15
in Denmark	22	21	23	23	24	25	25	26
in Finland	25	30	31	30	32	38	38	38
in Norway	60	57	52	53	46	53	54	53
Handelsbanken International	19	18	16	15	16	17	19	83
Other	145	150	79	122	127	124	82	74
Total	646	642	564	590	598	596	564	615

Deposits from households -by country

SEK bn, end of period	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009	30 Sep 2009
Branch office operations in Sweden	200	195	194	189	186	177	175	174
Branch office operations outside Sweden	42	40	41	40	43	42	43	43
in Great Britain	4	4	4	4	4	4	4	4
in Denmark	11	10	10	11	11	11	11	12
in Finland	11	11	11	11	12	12	13	13
in Norway	14	12	12	11	12	11	11	10
Handelsbanken International	3	3	3	3	3	3	4	5
Other	7	9	0	11	12	13	13	15
Total	249	243	244	241	241	231	231	232

Deposits from corporates -by country

SEK bn, end of period	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009	30 Sep 2009
Branch office operations in Sweden	155	157	153	142	150	149	156	151
Branch office operations outside Sweden	103	101	98	96	92	105	108	173
in Great Britain	15	12	12	12	12	10	12	12
in Denmark	12	11	13	12	12	14	14	15
in Finland	14	19	20	18	20	25	24	26
in Norway	45	44	40	41	35	42	43	43
Handelsbanken International	16	15	13	12	13	13	15	78
Other	138	141	70	111	115	111	68	50
Total	397	399	320	349	357	365	333	383

Capital base and capital requirement

Capital base

SEK m	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009	30 Sep 2009
TIER 1 CAPITAL								
Equity, group	89,275	85,312	88,391	84,698	82,592	85,316	83,088	79,779
Accrued dividend, current year	-2,808	-1,403	-5,611	-3,741	-2,494	-1,247	-4,988	-3,273
Dividend for previous year (unpaid)						-4,988		
Equity outside the financial group of companies, excl profit	-548	-669	-243	-249	-268	-68	-41	-38
Deduction of earnings outside the banking group	-132	-99	-440	-354	-271	-135	-55	64
Minority interests, group	-1	-1	-1	0	0	-1	-1	-1
Equity, capital base	85,786	83,140	82,096	80,354	79,559	78,877	78,003	76,531
Tier 1 capital contribution	14,047	14,014	14,199	14,219	14,612	14,501	14,845	14,770
Minority interests, banking group	352	350	347	295	290	296	282	240
Deducted items								
Goodwill and other intangible assets	-7,157	-6,795	-6,838	-6,859	-7,001	-7,077	-7,252	-7,184
Revaluation reserve	-119	-121	-122	-124	-126	-128	-130	-132
Deferred tax assets	-248	-236	-337	-406	-435	-293	-303	-388
Special deduction for IRB institutions	-608	-631	-715	-605	-691	-334	-443	-827
Capital contribution in insurance companies	-234	-234	-234	-234	-234	-233	-233	-233
Positions in securitisation	-204	-203	-219	-216	-249	-333	-165	-126
Adjustments in accordance with stability filter								
Cash flow hedges	358	247	457	646	648	420	217	302
Unrealised accumulated gains, shares	-861	-1,030	-1,241	-648	-388	-304	-56	0
Unrealised accumulated gains/losses, fixed income instruments	281	318	403	468	602	651	810	1,087
Total Tier 1 capital	91,393	88,819	87,796	86,890	86,587	86,043	85,575	84,040
TIER 2 CAPITAL								
Perpetual subordinated loans	11,511	11,385	11,664	17,021	18,399	17,753	18,650	18,334
Dated subordinated loans	6,463	11,669	17,248	17,344	18,658	18,522	24,424	24,089
Additional items								
Unrealised accumulated gains, shares	861	1,030	1,241	648	388	304	56	0
Revaluation reserve	119	121	122	124	126	128	130	132
Deducted items								
Special deduction for IRB institutions	-608	-631	-715	-605	-691	-334	-443	-827
Capital contribution in insurance companies	-234	-234	-234	-234	-234	-233	-233	-233
Positions in securitisation	-204	-203	-219	-216	-249	-333	-165	-126
Total Tier 2 capital	17,908	23,137	29,107	34,082	36,397	35,807	42,419	41,369
Total Tier 1 and Tier 2 capital	109,301	111,956	116,903	120,972	122,984	121,850	127,994	125,409
Deductible items from total capital base								
Capital contribution in insurance companies	-4,417	-4,567	-4,567	-4,717	-4,717	-4,717	-4,717	-4,717
Surplus value pension assets	-1,859	-2,095	-1,367	-1,489	-1,682	-1,872	-1,524	-1,647
Total capital base for capital adequacy purposes	103,025	105,294	110,969	114,766	116,585	115,261	121,753	119,045

Capital requirement

SEK m	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009	30 Sep 2009
Credit risk according to standardised approach	4,038	3,902	4,051	4,210	4,489	4,558	4,290	5,713
Credit risk according to IRB approach	32,058	31,794	33,269	34,648	37,017	37,430	39,033	39,205
Interest rate risk	1,644	1,371	1,346	1,570	1,517	1,234	1,308	1,520
Equity price risk	33	18	27	27	31	22	30	35
Exchange rate risk	-	-	-	-	-	-	-	-
Commodities risk	17	42	28	43	49	36	41	22
Settlement risk	-	-	-	-	-	-	-	-
Operational risk	4,117	4,117	3,849	3,849	3,849	3,849	3,484	3,484
Total capital requirement according to Basel II	41,907	41,244	42,570	44,347	46,952	47,129	48,186	49,979
Adjustment according to transitional rules	36,799	35,571	33,715	31,119	29,428	28,403	27,102	24,304
Capital requirement according to Basel II, transitional rules	78,706	76,815	76,285	75,466	76,380	75,532	75,288	74,283
Risk-weighted assets, transitional rules	983,824	960,190	953,561	943,324	954,749	944,148	941,105	928,528
Risk-weighted assets, Basel II	523,841	515,550	532,136	554,342	586,893	589,125	602,330	624,726

Capital adequacy analysis *

	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009	30 Sep 2009
transitional rules	53%	54%	56%	59%	61%	62%	64%	67%
Capital ratio according to Basel II	19.7%	20.4%	20.9%	20.7%	19.9%	19.6%	20.2%	19.1%
Capital ratio according to transitional rules	10.5%	11.0%	11.6%	12.2%	12.2%	12.2%	12.9%	12.8%
Tier 1 ratio according to Basel II	17.4%	17.2%	16.5%	15.7%	14.8%	14.6%	14.2%	13.5%
Tier 1 ratio according to transitional rules	9.3%	9.3%	9.2%	9.2%	9.1%	9.1%	9.1%	9.1%
Capital base in relation to capital requirement Basel II	246%	255%	261%	259%	248%	245%	253%	238%
Capital base in relation to capital requirement according to transitional rules	131%	137%	145%	152%	153%	153%	162%	160%

* Capital adequacy ratios and Tier 1 ratios include the profit for the period.

Credit risks IRB

Exposure after credit risk protection (EAD)

SEK m	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009
Corporates	891,651	862,075	859,427	875,717	914,305	894,530	918,506
of which repos and securities loans	15,445	13,057	12,317	19,513	19,503	14,245	14,368
of which other loans foundation method	359,592	350,183	365,655	856,204	894,802	880,285	904,138
of which other loans advanced method	516,614	498,835					
Households	723,301	702,157	691,474	680,633	675,449	659,613	643,585
of which property loans	635,502	619,963	610,234	599,963	591,916	574,826	555,021
of which other loans	87,799	82,194	81,240	80,670	83,533	84,787	88,564
Small companies	29,950	29,849	29,941	30,044	30,552	30,494	31,435
Institutions	167,694	193,213	181,574	210,801	216,229	181,357	167,270
of which repos and securities loans	101,938	127,277	102,593	140,643	134,865	106,865	90,401
of which other loans	65,756	65,936	78,981	70,158	81,364	74,492	76,869
Other	10,157	11,776	13,229	12,183	12,633	13,404	13,931
Total IRB	1,822,753	1,799,070	1,775,645	1,809,378	1,849,168	1,779,398	1,774,727
of which repos and securities loans	117,383	140,334	114,910	160,156	154,368	121,110	104,769
of which other loans foundation method	435,505	427,895	457,864	938,545	1,694,800	1,658,288	994,938
of which other loans advanced method	1,269,865	1,230,841					

Average risk weight, %

	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009
Corporates	35.0	35.8	37.7	39.2	40.5	42.0	42.6
of which repos	0.7	1.2	0.5	0.5	0.8	1.1	1.0
of which other loans basic method	45.4	45.1	45.7	40.1	41.4	42.6	43.2
of which other loans advanced method	28.8	30.2					
Households	6.9	6.9	7.4	7.7	7.8	8.0	9.1
of which property lending	5.1	5.2	5.7	5.8	5.9	5.8	6.7
of which other lending	19.5	19.7	20.2	21.7	21.4	22.6	23.9
Small companies	38.6	40.6	40.8	42.2	42.6	43.2	42.9
Institutions	10.8	9.4	10.7	8.6	9.3	10.6	10.5
of which repos	1.1	0.7	0.6	0.5	0.4	0.7	0.4
of which other lending	25.7	26.0	23.9	24.9	24.0	24.9	22.4
Other	92.2	82.7	67.9	57.9	54.0	56.2	51.8
Total IRB	22.0	22.1	23.4	23.9	25.0	26.3	27.5
of which repos and securities lending	1.1	0.8	0.6	0.5	0.5	0.7	0.5
of which other loans basic method	43.5	43.2	42.6	39.1	27.3	28.2	41.8
of which other loans advanced method	16.5	17.2					10.7

Capital requirement

SEK m	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009
Corporates	24,966	24,705	25,922	27,442	29,619	30,035	31,290
of which repos	9	12	5	8	13.0	13.0	12.0
of which other loans basic method	13,051	12,641	13,363	27,434	29,606	30,022	31,278
of which other loans advanced method	11,907	12,052					
Households	3,970	3,892	4,095	4,180	4,205	4,197	4,680
of which property lending	2,603	2,593	2,781	2,783	2,777	2,667	2,984
of which other lending	1,367	1,299	1,314	1,397	1,428	1,530	1,696
Small companies	925	969	977	1,014	1,041	1,054	1,080
Institutions	1,448	1,449	1,557	1,448	1,606.0	1,541.0	1,406.0
of which repos	93	76	46	53	46.0	56.0	31.0
of which other lending	1,355	1,373	1,511	1,395	1,560.0	1,485.0	1,375.0
Other	749	779	718	564	546	603	577
Total IRB	32,058	31,794	33,269	34,648	37,017	37,430	39,033
of which repos and securities lending	102	89	51	61	59	69	43
of which other loans basic method	15,155	14,792	15,592	29,393	36,958	37,361	33,230
of which other loans advanced method	16,802	16,913					5,760

Segment information

Operating profit per segment

SEK m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Branch office operations in Sweden	3,180	3,041	2,975	2,520	2,469	2,404	2,013	1,968
Branch office operations outside Sweden	696	623	665	785	661	673	755	969
Handelsbanken Capital Markets	311	316	220	275	464	560	507	501
Other	-220	-233	-231	-118	-212	-13	-185	-278
Eliminations	169	183	204	144	157	168	131	95
Operating profit, Group	4,136	3,930	3,833	3,606	3,539	3,792	3,221	3,255

Branch office operations in Sweden

SEK m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Net interest income	3,872	3,750	3,498	3,204	3,079	3,212	3,058	3,335
Net fee and commission income	931	915	1,060	920	932	907	900	874
Net gains/losses on financial items at fair value	100	154	250	170	162	122	134	33
Other income	-1	15	8	7	-3	4	26	21
Total income	4,902	4,834	4,816	4,301	4,170	4,245	4,118	4,263
Staff costs	-773	-795	-762	-748	-740	-762	-774	-757
Other administrative expenses	-319	-256	-294	-238	-243	-235	-302	-216
Internal purchased and sold services	-638	-748	-777	-719	-754	-708	-691	-628
Depreciation and amortisation	-21	-23	-22	-20	-22	-21	-20	-20
Total expenses	-1,751	-1,822	-1,855	-1,725	-1,759	-1,726	-1,787	-1,621
Profit before loan losses	3,151	3,012	2,961	2,576	2,411	2,519	2,331	2,642
Net loan losses	29	29	14	-56	58	-115	-318	-674
Gains/losses on disposal of property, equipment and intangible assets	0	0	0	0	0	0	0	0
Operating profit	3,180	3,041	2,975	2,520	2,469	2,404	2,013	1,968
Profit allocation	170	181	263	222	207	119	322	177
Operating profit after profit allocation	3,350	3,222	3,238	2,742	2,676	2,523	2,335	2,145
Internal income	-667	-552	-571	-568	-374	-491	-584	-696
Cost/income ratio, %	34.5	36.3	36.5	38.1	40.2	39.6	40.2	36.5
Loan loss ratio, %	-0.01	-0.01	-0.01	0.02				
Allocated capital	48,775	50,634	43,880	41,679	40,609	42,527	38,775	38,635
Return on allocated capital, %	20.3	18.8	21.8	19.4	19.4	17.5	17.8	16.0
Average number of employees	4,449	4,395	4,338	4,552	4,309	4,346	4,362	4,585
Number of branches	461	461	461	461	460	461	461	461

Segmented operating profit in Branch office operations outside Sweden

SEK m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Great Britain	149	101	130	9	141	131	93	41
Denmark	84	-6	-192	110	143	131	115	103
Finland	173	114	174	131	-237	130	70	109
Norway	218	302	462	434	482	478	385	518
Handelsbanken International	72	112	91	99	131	-200	93	198
Eliminations & other	0	0	0	2	1	3	-1	0
Operating profit	696	623	665	785	661	673	755	969

Branch office operations outside Sweden

SEK m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Net interest income	1,590	1,558	1,689	1,742	1,737	1,765	1,883	1,896
Net fee and commission income	380	350	379	368	390	400	377	409
Net gains/losses on financial items at fair value	136	87	125	38	49	61	97	22
Other income	20	9	14	10	25	17	-3	-3
Total income	2,126	2,004	2,207	2,158	2,201	2,243	2,354	2,324
Staff costs	-676	-646	-636	-652	-644	-658	-688	-678
Other administrative expenses	-243	-233	-306	-236	-264	-248	-278	-270
Internal purchased and sold services	-294	-211	-278	-227	-187	-208	-240	-194
Depreciation and amortisation	-17	-18	-15	-20	-18	-20	-20	-21
Total expenses	-1,230	-1,108	-1,235	-1,135	-1,113	-1,134	-1,226	-1,163
Profit before loan losses	896	896	972	1,023	1,088	1,109	1,128	1,161
Net loan losses	-201	-273	-307	-238	-427	-436	-373	-192
Gains/losses on disposal of property, equipment and intangible assets	1	0	0	0	0	0	0	0
Operating profit	696	623	665	785	661	673	755	969
Profit allocation	44	18	64	54	58	26	154	35
Operating profit after profit allocation	740	641	729	839	719	699	909	1,004
Internal income	-1,884	-1,519	-1,529	-1,570	-1,532	-1,323	-1,237	-1,097
Cost/income ratio, %	56.7	54.8	54.4	51.3	49.3	50.0	48.9	49.3
Loan loss ratio, %	0.19	0.26	0.25	0.19	0.35	0.35	0.27	0.14
Allocated capital	23,779	24,992	25,117	25,978	26,802	26,794	27,029	27,512
Return on allocated capital, %	9.2	7.6	8.6	9.5	7.9	7.7	9.9	10.5
Average number of employees	3,121	3,062	3,003	2,940	2,893	2,886	2,920	2,956
Number of branches	279	273	262	255	250	244	243	245

Branch office operations in Great Britain

SEK m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Net interest income	358	329	339	344	308	279	280	263
Net fee and commission income	21	16	17	18	20	18	20	22
Net gains/losses on financial items at fair value	19	17	22	14	14	11	11	7
Other income	0	0	0	0	0	0	-1	2
Total income	398	362	378	376	342	308	310	294
Staff costs	-147	-140	-140	-136	-126	-121	-115	-120
Other administrative expenses	-36	-30	-35	-33	-34	-31	-36	-32
Internal purchased and sold services	-38	-33	-35	-27	-23	-23	-20	-29
Depreciation and amortisation	-2	-2	-1	-3	-3	-2	-2	-2
Total expenses	-223	-205	-211	-199	-186	-177	-173	-183
Profit before loan losses	175	157	167	177	156	131	137	111
Net loan losses	-26	-56	-37	-168	-15	-	-44	-70
Operating profit	149	101	130	9	141	131	93	41
Profit allocation	5	3	7	5	1	7	3	2
Operating profit after profit allocation	154	104	137	14	142	138	96	43
Cost/income ratio, %	55.3	56.2	54.8	52.2	54.2	56.2	55.3	61.8
Average number of employees	729	689	645	600	563	531	511	504
Number of branches	95	90	83	77	72	66	62	62

Branch office operations in Great Britain, in local currency

GBP m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Net interest income	34.9	31.7	31.5	30.5	27.3	24.8	24.2	21.9
Net fee and commission income	2.1	1.6	1.5	1.6	1.8	1.6	1.7	1.9
Net gains/losses on financial items at fair value	1.9	1.6	2.0	1.3	1.2	1.0	1.0	0.5
Other income	-	0.0	0.0	0.0	0.0	0.0	-0.1	0.2
Total income	38.9	34.9	35.0	33.4	30.3	27.4	26.8	24.5
Staff costs	-14.4	-13.5	-13.0	-12.1	-11.1	-10.8	-10.0	-10.0
Other administrative expenses	-3.5	-2.9	-3.2	-2.9	-3.0	-2.8	-3.2	-2.6
Internal purchased and sold services	-3.7	-3.2	-3.2	-2.3	-2.3	-1.9	-1.7	-2.5
Depreciation and amortisation	-0.2	-0.2	-0.1	-0.3	-0.2	-0.2	-0.2	-0.1
Total expenses	-21.8	-19.8	-19.5	-17.6	-16.6	-15.7	-15.1	-15.2
Profit before loan losses	17.1	15.1	15.5	15.8	13.7	11.7	11.7	9.3
Net loan losses	-2.6	-5.4	-3.6	-14.9	-1.3	-	-3.8	-5.9
Operating profit	14.5	9.7	11.9	0.9	12.4	11.7	7.9	3.4
Profit allocation	0.5	0.3	0.7	0.4	0.1	0.6	0.2	0.2
Operating profit after profit allocation	15.0	10.0	12.6	1.3	12.5	12.3	8.1	3.6

Business volumes, Great Britain

Average volumes, GBP m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Deposits and borrowing from the public								
Household	356	361	347	343	335	315	313	318
Corporate	1,335	1,110	1,158	1,076	1,015	1,035	1,021	1,016
Total	1,691	1,471	1,505	1,419	1,350	1,350	1,334	1,334
Loans to the public								
Household	1,851	1,667	1,516	1,366	1,250	1,165	1,093	1,057
Corporate	5,461	5,081	4,972	4,863	4,722	4,519	4,501	4,461
Total	7,312	6,748	6,488	6,229	5,972	5,684	5,594	5,518

Branch office operations in Denmark

SEK m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Net interest income	280	272	302	290	299	308	341	321
Net fee and commission income	70	70	67	70	82	71	65	69
Net gains/losses on financial items at fair value	19	8	10	12	17	16	23	0
Other income	8	2	5	3	6	2	2	-1
Total income	377	352	384	375	404	397	431	389
Staff costs	-131	-131	-136	-137	-136	-142	-160	-154
Other administrative expenses	-79	-46	-74	-53	-52	-50	-42	-64
Internal purchased and sold services	-58	-47	-61	-48	-45	-50	-65	-43
Depreciation and amortisation	-4	-4	-3	-4	-5	-5	-5	-6
Total expenses	-272	-228	-274	-242	-238	-247	-272	-267
Profit before loan losses	105	124	110	133	166	150	159	122
Net loan losses	-21	-130	-302	-23	-23	-19	-44	-19
Operating profit	84	-6	-192	110	143	131	115	103
Profit allocation	5	1	7	3	0	2	8	6
Operating profit after profit allocation	89	-5	-185	113	143	133	123	109
Cost/income ratio, %	71.2	64.6	70.1	64.0	58.9	61.9	62.0	67.6
Average number of employees	625	621	623	624	627	633	663	672
Number of branches	54	54	53	53	53	53	53	54

Branch office operations in Denmark, in local currency

DKK m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Net interest income	232	229	244	230	231	230	245	229
Net fee and commission income	58	59	54	56	63	53	46	50
Net gains/losses on financial items at fair value	16	7	8	10	13	12	17	0
Other income	6	1	5	2	4	2	2	-1
Total income	312	296	311	298	311	297	310	278
Staff costs	-108	-110	-110	-109	-105	-106	-115	-110
Other administrative expenses	-66	-39	-60	-42	-40	-37	-31	-46
Internal purchased and sold services	-48	-40	-49	-38	-34	-38	-47	-30
Depreciation and amortisation	-3	-3	-2	-3	-4	-4	-4	-4
Total expenses	-225	-192	-221	-192	-183	-185	-197	-190
Profit before loan losses	87	104	90	106	128	112	113	88
Net loan losses	-17	-109	-236	-18	-18	-14	-31	-14
Operating profit	70	-5	-146	88	110	98	82	74
Profit allocation	4	1	5	2	1	1	6	4
Operating profit after profit allocation	74	-4	-141	90	111	99	88	78

Business volumes, Branch office operations in Denmark

Average volumes, DKK bn	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Deposits and borrowing from the public								
Household	8.3	8.1	8.4	8.5	8.6	8.4	8.0	8.5
Corporate	10.2	12.2	12.0	12.2	12.9	12.1	12.7	12.6
Total	18.5	20.3	20.4	20.7	21.5	20.5	20.7	21.1
Loans to the public								
Household	21.8	21.2	20.3	19.7	19.2	19.0	18.6	18.6
Corporate	19.7	19.4	20.3	19.6	20.3	20.2	20.6	20.7
Total	41.5	40.6	40.6	39.3	39.5	39.2	39.2	39.3

Branch office operations in Finland

SEK m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Net interest income	203	205	220	239	253	262	287	265
Net fee and commission income	99	86	105	95	100	92	87	76
Net gains/losses on financial items at fair value	29	9	10	9	7	1	17	-5
Other income	2	2	3	0	2	2	-4	-3
Total income	333	302	338	343	362	357	387	333
Staff costs	-79	-81	-90	-84	-83	-97	-97	-88
Other administrative expenses	-17	-44	-57	-47	-55	-53	-62	-56
Internal purchased and sold services	-63	-38	-53	-51	-43	-42	-41	-31
Depreciation and amortisation	-5	-5	-4	-5	-5	-6	-6	-5
Total expenses	-164	-168	-204	-187	-186	-198	-206	-180
Profit before loan losses	169	134	134	156	176	159	181	153
Net loan losses	4	-20	40	-25	-413	-29	-111	-44
Operating profit	173	114	174	131	-237	130	70	109
Profit allocation	22	10	23	11	16	5	34	7
Operating profit after profit allocation	195	124	197	142	-221	135	104	116
Cost/income ratio, %	46.2	53.8	56.5	52.8	49.2	54.7	48.9	52.9
Average number of employees	469	477	483	486	484	496	494	501
Number of branches	45	45	45	45	45	45	45	45

Branch office operations in Finland, in local currency

EUR m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Net interest income	22.5	23.1	23.9	25.5	26.3	26.3	27.6	25.4
Net fee and commission income	11.0	9.7	11.4	10.1	10.4	9.2	8.4	7.2
Net gains/losses on financial items at fair value	3.3	1.0	1.0	1.0	0.7	0.1	1.6	-0.4
Other income	0.2	0.3	0.3	0.0	0.2	0.2	-0.5	-0.2
Total income	37.0	34.1	36.6	36.6	37.6	35.8	37.1	32.0
Staff costs	-8.8	-9.1	-9.8	-8.9	-8.7	-9.7	-9.3	-8.5
Other administrative expenses	-1.9	-5.0	-6.2	-5.0	-5.7	-5.3	-5.9	-5.4
Internal purchased and sold services	-7.0	-4.3	-5.7	-5.4	-4.5	-4.2	-4.0	-2.9
Depreciation and amortisation	-0.5	-0.6	-0.4	-0.6	-0.5	-0.6	-0.6	-0.5
Total expenses	-18.2	-19.0	-22.1	-19.9	-19.4	-19.8	-19.8	-17.3
Profit before loan losses	18.8	15.1	14.5	16.7	18.2	16.0	17.3	14.7
Net loan losses	0.5	-2.2	3.7	-3.3	-42.2	-2.9	-10.5	-4.2
Operating profit	19.3	12.9	18.2	13.4	-24.0	13.1	6.8	10.5
Profit allocation	2.4	1.1	2.5	1.2	1.6	0.5	3.3	0.6
Operating profit after profit allocation	21.7	14.0	20.7	14.6	-22.4	13.6	10.1	11.1

Business volumes, Branch office operations in Finland

Average volumes, EUR m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Deposits and borrowing from the public								
Household	1,227	1,214	1,248	1,264	1,272	1,267	1,324	1,389
Corporate	1,706	2,249	2,512	2,498	2,446	2,604	2,709	2,387
Total	2,933	3,463	3,760	3,762	3,718	3,871	4,033	3,776
Loans to the public								
Household	3,231	3,209	3,196	3,170	3,153	3,122	3,089	3,060
Corporate	6,728	6,600	6,684	6,734	6,817	6,747	6,909	7,084
Total	9,959	9,809	9,880	9,904	9,970	9,869	9,998	10,144

Branch office operations in Norway

SEK m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Net interest income	564	555	614	634	629	687	735	716
Net fee and commission income	86	70	75	71	80	75	62	83
Net gains/losses on financial items at fair value	27	29	55	26	2	26	21	18
Other income	8	4	5	5	16	12	-3	-4
Total income	685	658	749	736	727	800	815	813
Staff costs	-167	-151	-118	-150	-150	-152	-150	-146
Other administrative expenses	-62	-64	-70	-55	-65	-65	-59	-59
Internal purchased and sold services	-83	-56	-66	-55	-42	-53	-51	-43
Depreciation and amortisation	-3	-4	-4	-5	-2	-4	-3	-5
Total expenses	-315	-275	-258	-265	-259	-274	-263	-253
Profit before loan losses	370	383	491	471	468	526	552	560
Net loan losses	-153	-81	-30	-37	14	-48	-167	-42
Operating profit	218	302	462	434	482	478	385	518
Profit allocation	5	3	15	18	24	8	43	6
Operating profit after profit allocation	223	305	477	452	506	486	428	524
Cost/income ratio, %	45.7	41.6	33.8	35.1	34.5	33.9	30.7	30.9
Average number of employees	664	647	633	619	616	621	620	623
Number of branches	50	50	49	48	48	48	48	48

Branch office operations in Norway, in local currency

NOK m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Net interest income	490	490	537	538	517	559	597	599
Net fee and commission income	75	62	65	60	66	61	51	69
Net gains/losses on financial items at fair value	23	26	46	22	2	21	17	16
Other income	7	3	5	4	13	10	-3	-3
Total income	595	581	653	624	598	651	662	681
Staff costs	-145	-133	-104	-127	-123	-124	-121	-123
Other administrative expenses	-54	-57	-61	-47	-53	-53	-48	-50
Internal purchased and sold services	-72	-49	-57	-46	-35	-43	-42	-36
Depreciation and amortisation	-3	-4	-4	-4	-2	-3	-3	-3
Total expenses	-274	-243	-226	-224	-213	-223	-214	-212
Profit before loan losses	321	338	427	400	385	428	448	469
Net loan losses	-133	-72	-26	-31	11	-39	-136	-36
Gains/losses on disposal of property, equipment and intangible assets	1	-	1	-	-	-	-	-
Operating profit	189	266	402	369	396	389	312	433
Profit allocation	4	3	14	15	19	7	35	5
Operating profit after profit allocation	193	269	416	384	415	396	347	438

Business volumes, Branch office operations in Norway

Average volumes, NOK bn	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Deposits and borrowing from the public								
Household	11.3	10.8	10.3	9.9	9.4	9.0	8.7	8.6
Corporate	39.6	38.4	34.5	32.3	30.2	35.7	35.9	32.3
Total	50.9	49.2	44.8	42.2	39.6	44.7	44.6	40.9
Loans to the public								
Household	62.8	60.9	57.5	56.0	54.5	53.3	52.0	50.5
Corporate	100.7	100.9	103.7	101.6	101.8	101.3	101.8	103.0
Total	163.5	161.8	161.2	157.6	156.3	154.6	153.8	153.5

Handelsbanken International

SEK m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Net interest income	185	197	214	235	248	229	240	331
Net fee and commission income	104	108	115	114	108	144	143	159
Net gains/losses on financial items at fair value	42	24	28	-23	9	7	25	2
Other income	2	1	1	2	1	1	3	3
Total income	333	330	358	328	366	381	411	495
Staff costs	-152	-143	-152	-145	-149	-146	-166	-170
Other administrative expenses	-49	-49	-70	-48	-58	-49	-79	-59
Internal purchased and sold services	-52	-37	-63	-46	-34	-40	-62	-48
Depreciation and amortisation	-3	-3	-3	-3	-3	-3	-4	-3
Total expenses	-256	-232	-288	-242	-244	-238	-311	-280
Profit before loan losses	77	98	70	86	122	143	100	215
Net loan losses	-5	14	22	13	9	-343	-7	-17
Operating profit	72	112	91	99	131	-200	93	198
Profit distribution	7	1	12	17	17	4	66	14
Operating profit after profit allocation	79	113	103	116	148	-196	159	212
Cost/income ratio, %	75	70	78	70	64	62	65	55
Average number of employees	634	628	619	611	603	605	632	656
Number of branches	35	34	32	32	32	32	35	36

Handelsbanken Capital Markets

SEK m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Net interest income	174	162	185	170	133	140	130	140
Net fee and commission income	713	621	624	586	662	638	729	563
Net gains/losses on financial items at fair value	177	257	148	199	419	514	469	518
Risk result - insurance	38	81	67	42	59	37	31	47
Other income	7	4	7	4	1	4	1	-3
Total income	1,109	1,125	1,031	1,001	1,274	1,333	1,360	1,265
Staff costs	-541	-561	-519	-493	-517	-525	-610	-570
Other administrative expenses	-226	-214	-253	-209	-259	-206	-249	-168
Internal purchased and sold services	-21	-22	-24	-14	-21	-32	0	-11
Depreciation and amortisation	-10	-12	-11	-10	-13	-10	6	-15
Total expenses	-798	-809	-807	-726	-810	-773	-853	-764
Profit before loan losses	311	316	224	275	464	560	507	501
Net loan losses	-	-	-	-	-	-	-	-
Operating profit	311	316	220	275	464	560	507	501
Profit allocation	-214	-199	-327	-276	-265	-145	-476	-212
Operating profit after profit allocation	97	117	-107	-1	199	415	31	289
Internal income	-365	-278	-375	-315	-388	-302	-319	-306
Cost/income ratio, %	89.2	87.4	114.6	100.1	80.3	65.1	96.5	72.6
Allocated capital	6,263	6,197	10,214	9,992	10,069	9,353	10,104	8,379
Return on allocated capital, %	4.5	5.6	-	-	3.0	13.1	0.9	10.2
Average number of employees	1,610	1,625	1,619	1,649	1,581	1,568	1,559	1,577

Handelsbanken Liv

SEK m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Administration result	31	27	19	0	-25	1	54	-7
Risk result	38	81	67	42	59	37	31	47
Financial result	63	-45	-86	-28	29	33	-35	48
<i>of which deferred capital contribution</i>	41	-51	-48	-23	2	-1	-24	48
Other	44	19	24	34	28	24	29	34
Operating profit	176	82	24	48	91	95	79	122
AUM, SEK bn, end of period	75	75	75	72	70	70	67	63
of which unit-linked	43	41	40	34	33	32	31	28
of which portfolio bond	17	17	16	15	14	13	11	10
Solvency ratio, end of period	3.4	3.3	3.0	2.1	2.1	2.2	2.3	2.2

Other

SEK m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Net interest income	50	50	253	223	146	210	299	249
Net fee and commission income	-75	58	64	50	4	38	-20	-34
Net gains/losses on financial items at fair value	-105	-137	-259	-233	-200	-200	-237	-303
Share of profit of associated companies	18	2	-4	1	7	7	18	4
Other income	148	14	21	14	70	141	42	5
Total income	36	-13	75	55	27	196	102	-79
Staff costs	-652	-638	-709	-616	-617	-579	-637	-544
Other administrative expenses	-488	-487	-573	-483	-511	-506	-522	-403
Internal purchased and sold services	950	968	1,032	983	950			
Depreciation and amortisation	-66	-63	-55	-61	-61	-61	-62	-86
Total expenses	-256	-220	-305	-177	-239	-209	-290	-200
Profit before loan losses	-220	-233	-230	-122	-212	-13	-188	-279
Net loan losses	-	-	-	-	-	-	-	-
Gains/losses on disposal of property, equipment and intangible assets	0	0	-1	4	0	0	3	1
Operating profit	-220	-233	-231	-118	-212	-13	-185	-278
Profit allocation	0	0	0	-	0	0	-	0
Operating profit after profit allocation	-220	-233	-231	-118	-212	-13	-185	-278
Internal income	2,916	2,349	2,475	2,453	2,294	2,116	2,140	2,244
Average number of employees	1,911	1,984	1,987	1,958	1,936	1,836	1,797	1,794

Eliminations

SEK m	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Net interest income	-3	-13	-13	-12	-13	-11	-11	-10
Net fee and commission income	-	-	-	-	-	-	9	-9
Net gains/losses on financial items at fair value	0	0	12	3	-6	3	34	8
Risk result - insurance	-	-	-	-	-	-	-	-
Other income	-1	1	-	-	-	-	1	-
Total income	-4	-12	-1	-9	-19	-8	33	-11
Staff costs	165	183	160	179	166	168	123	98
Other administrative expenses	3	1	1	-	1	-	-22	11
Depreciation, amortisation and impairments of property, equipment and intangible assets	2	-2	-3	-3	-3	-3	-3	-3
Total expenses	173	195	205	153	176	176	98	106
Profit before loan losses	169	183	204	144	157	168	131	95
Net loan losses	-	-	-	-	-	-	-	-
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-
Operating profit	169	183	204	144	157	168	131	95

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.

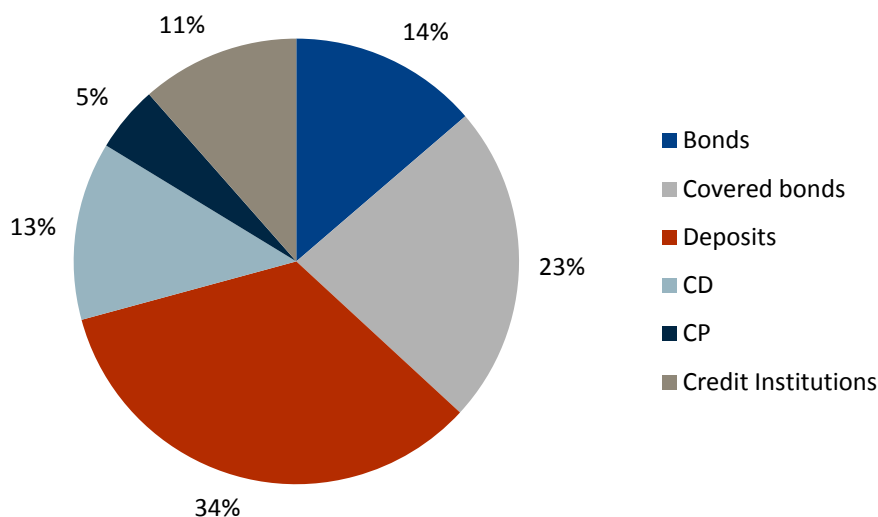
Long-term funding is for the most part raised through issuance of covered bonds in the name of Stadshypotek, mainly in Swedish kronor in the domestic market, and utilisation of other available funding programmes of the bank.

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 and are specified below:

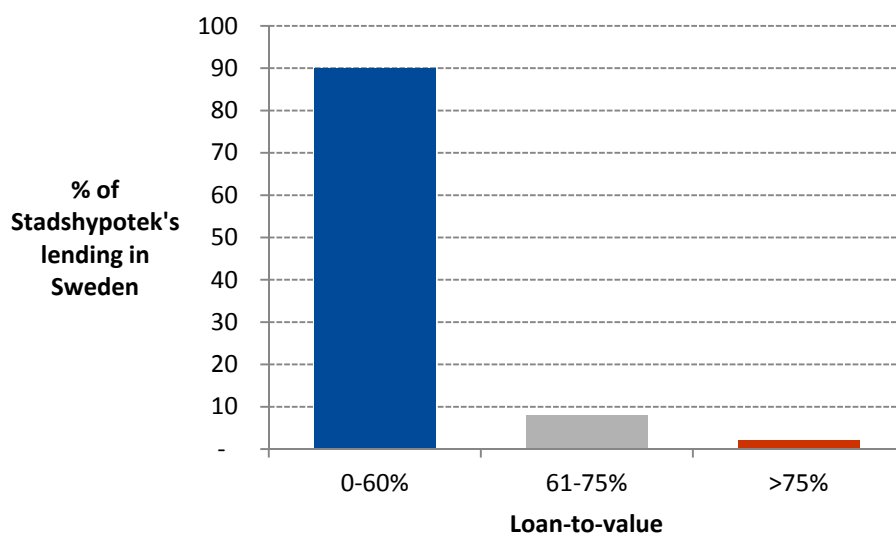
Funding programmes as of June 30, 2011 – The Group

Programme (in millions)	Programme size	Currency	Unutilised amount	Countervalue SEK m
MTN	100,000	SEK	52,406	52,406
EMTN	50,000	USD	29,804	188,364
Other funding > 1 y	15,000	USD	12,289	77,668
USCP	15,000	USD	6,615	41,807
USCP (Stadshypotek)	5,000	USD	5,000	31,600
ECP	5,000	EUR	2,094	19,148
ECP (Stadshypotek)	4,000	EUR	2,394	21,891
Swedish Commercial Paper	25,000	SEK	24,790	24,790
Swedish Commercial Paper (Stadshypotek)	90,000	SEK	86,440	86,440
French Certificates of Deposit	5,000	EUR	2,811	25,704
Extendible Notes	15,000	USD	10,310	65,160
EMTCN (Stadshypotek)	15,000	EUR	5,607	51,272
US 144A	15,000	USD	9,650	60,989
Stadshypotek US 144A	15,000	USD	13,400	84,689
Total				831,929
Total programme amount, SEK m	1,301,794			
Unutilised amount, SEK m	831,929			
Unutilised amount	64%			

Funding sources



Of the total lending to the public in the Handelsbanken Group slightly more than 50% constitutes mortgage lending in Stadshypotek. Loan-to-values in Stadshypotek's credit portfolio are low, see graph below.



Out of the total funding for the Group, 37% consists of issued bonds, including covered bonds. Covered bonds by themselves, constitutes approximately 23% of the funding for the Group (20% of total assets) and almost 85% of these are issued in the Swedish market. The issue volume for bonds in the second quarter amounted to SEK 54 billion (68), comprising SEK 10 billion in senior funding, SEK 42 billion in covered bonds and SEK 2.5 billion in a subordinated convertible bond directed at the Group's employees. Together with the issues executed in 2010, the Bank had, as at 30 June 2011, prefinanced all bond maturities up to the second quarter of 2012. At the beginning of the third quarter, a five-year bond of USD 1.25 billion was issued in the US market. This issue was the Bank's first 3(a)(2) issue, which enables the Bank to gain an even broader investor base in the US. Today only a handful of European banks have a 3(a)(2)-programme in place and thus the supply of such issues is limited.

Selection of international issues during last 12 months	
September 2010	USD 1bn 3Y FXD Covered Bond +55bps
September 2010	USD 600m 3Y FRN Covered Bond +55bps
December 2010	JPY 8bn 5Y FXD +70bps
February 2011	USD 2.65bn 6Y Extendible notes
February 2011	EUR 1bn 5Y FXD +75bps
February 2011	CNY 170m 2Y FXD
March 2011	SEK 8bn 18m FRN Covered Bond +20bps
May 2011	EUR 1.5bn 5Y Covered Bond +31bps
June 2011	USD 1.1bn 6Y Extendible notes

The greater part of 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 ten outstanding benchmark loans, which mature between 2012 and 2022. These loans are arranged by five 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.

Liquidity

As at 30 June 2011, total liquidity reserves exceeded SEK 600 billion. Balances with central banks and banks, as well as securities that are eligible as collateral with central banks, totalled SEK 314 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.

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

SEK m	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010
Cash and balances with central banks	230,436	226,142	107,430	135,972	233,074
Balances with banks, overnight	2,840	1,259	10,177	3,698	2,427
Securities issued by governments and public entities	36,581	41,229	24,923	27,621	30,283
Covered bonds	23,861	27,899	31,830	38,623	31,354
Securities issued by non-financial companies	7,450	2,170	1,628	1,509	1,673
Securities issued by financial companies	13,048	27,075	18,061	18,794	21,842
Total	314,215	325,774	194,049	226,217	320,653
<i>of which in SEK</i>	57,790	79,044	65,581	77,555	118,539
<i>of which in EUR</i>	69,063	66,090	56,646	53,975	58,530
<i>of which in USD</i>	155,027	155,375	48,169	81,310	132,895
<i>of which in other currencies</i>	32,336	25,265	23,653	13,377	10,689

Share & shareholders

The Handelsbanken share

	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009	30 Sep 2009
Share price ordinary class A, SEK	195.10	207.00	214.90	220.90	192.20	211.60	204.20	178.00
Market capitalisation, SEK bn	122	129	134	138	120	132	127	111
Number of repurchased shares, million	-	-	-	-	-	-	-	-
Number of outstanding shares, million	624.0	623.3	623.5	623.4	621.8	623.2	623.3	623.4

Share information

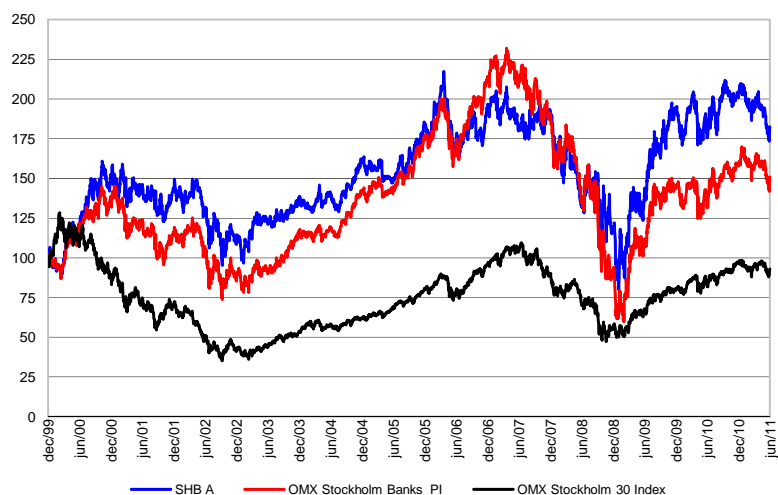
Name	SHB A
ISIN	SE0000193120
Currency	SEK
Market name	OMX STO Equities
Reuters	SHBa.ST
Bloomberg	SHBA SS

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 – 30 June 2011

Index



The largest Swedish shareholders

The largest Swedish shareholders			
as at 30 June 2011	Number of shares	% of votes	% of capital
Industrivärden	70,200,796	11.4	11.2
Oktogonen Foundation	64,300,000	10.5	10.3
Swedbank Robur funds	19,292,476	3.1	3.1
Alecta	16,315,000	2.7	2.6
Lundbergs, etc	15,032,000	2.5	2.4
AMF Försäkring and funds	11,727,000	1.9	1.9
Handelsbanken funds	10,170,269	1.7	1.6
Folksam / KPA / Förenade Liv	7,337,042	1.2	1.2
SEB Funds	6,736,361	1.1	1.1
3rd National Swedish Pension Fund	6,067,490	1.0	1.0
AFA Försäkring	5,628,676	0.9	0.9
Nordea funds	5,020,482	0.8	0.8
2nd National Swedish Pension Fund	4,532,086	0.7	0.7
Länsförsäkringar fondförvaltning	4,284,445	0.7	0.7
Forskningsstiftelserna	4,100,000	0.7	0.7

Contacts & Financial calendar

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Financial calendar:

2011

27 April 2011	Interim report January – March 2011
20 July 2011	Interim report January – June 2011
26 October 2011	Interim report January – September 2011

2012

15 February 2012	Highlights of Annual report 2011
28 March 2012	Annual General Meeting
26 April 2012	Interim report January – March 2012
17 July 2012	Interim report January – June 2012
22 October 2012	Interim report January – September 2012

Handelsbanken

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