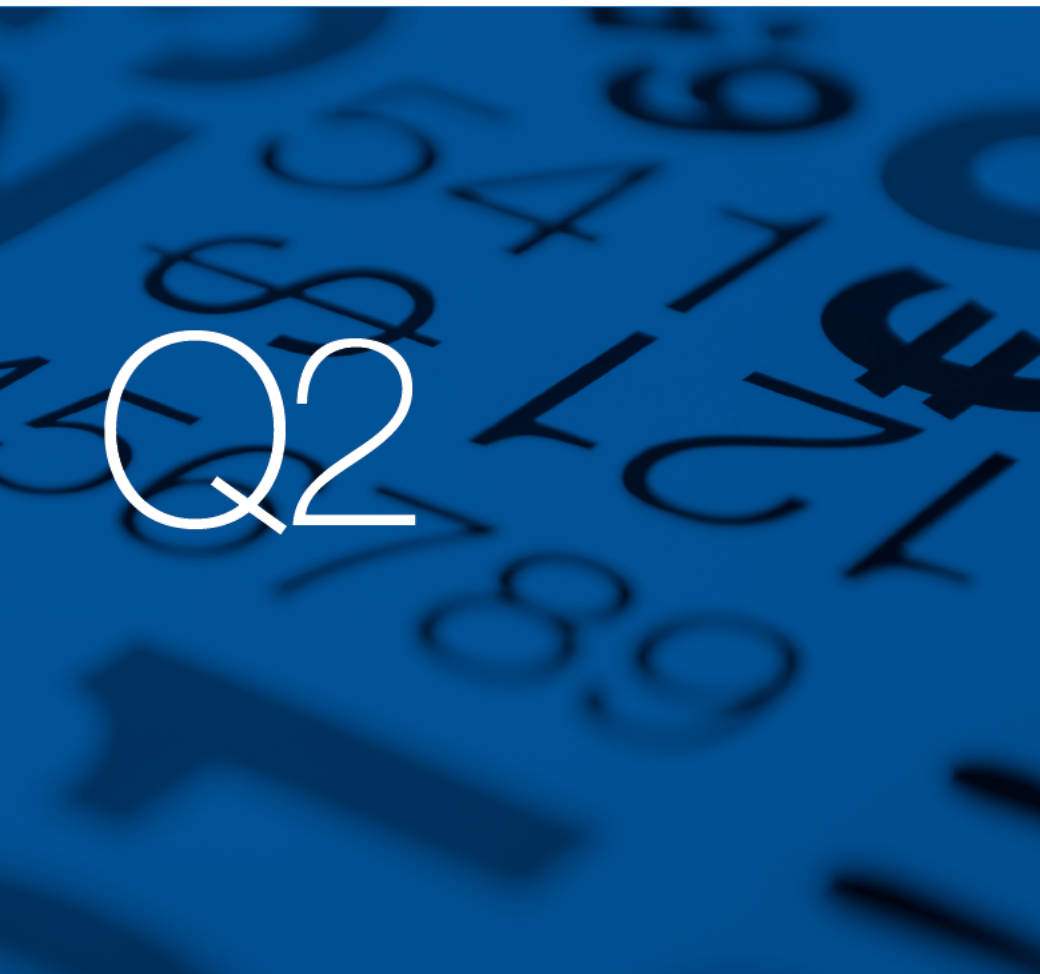


2012  
Fact book



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## This is Handelsbanken

*Founded in 1871, Handelsbanken is one of the leading banks in the Nordic region, with over 750 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 40 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](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.

# Income statement

## Income statement - Svenska Handelsbanken Group

SEK m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Interest income	16,106	16,832	16,618	15,936	14,662	14,344	11,951	11,006
Interest expense	-9,531	-10,272	-10,261	-9,870	-8,979	-8,837	-6,339	-5,679
<b>Net interest income</b>	<b>6,575</b>	<b>6,560</b>	<b>6,357</b>	<b>6,066</b>	<b>5,683</b>	<b>5,507</b>	<b>5,612</b>	<b>5,327</b>
Net fee and commission income	1,825	1,892	1,877	1,903	1,949	1,944	2,127	1,924
Net gains/losses on financial items at fair value	219	344	63	284	308	361	276	177
Risk result - insurance	39	36	38	52	38	81	67	42
Other dividend income	142	1	0	4	141	1	1	3
Share of profit of associated companies	5	-5	-3	-8	18	2	-4	1
Other income	34	38	42	27	32	42	49	32
<b>Total income</b>	<b>8,839</b>	<b>8,866</b>	<b>8,374</b>	<b>8,328</b>	<b>8,169</b>	<b>7,938</b>	<b>8,128</b>	<b>7,506</b>
Staff costs	-2,670	-2,668	-2,510	-2,498	-2,477	-2,457	-2,466	-2,330
Other administrative expenses	-1,236	-1,214	-1,392	-1,206	-1,273	-1,189	-1,425	-1,166
Depreciation, amortisation and impairments of property, equipment and intangible assets	-117	-122	-120	-112	-112	-118	-106	-114
<b>Total expenses</b>	<b>-4,023</b>	<b>-4,004</b>	<b>-4,022</b>	<b>-3,816</b>	<b>-3,862</b>	<b>-3,764</b>	<b>-3,997</b>	<b>-3,610</b>
<b>Profit before loan losses</b>	<b>4,816</b>	<b>4,862</b>	<b>4,352</b>	<b>4,512</b>	<b>4,307</b>	<b>4,174</b>	<b>4,131</b>	<b>3,896</b>
Net loan losses	-288	-291	-243	-157	-172	-244	-293	-294
Gains/losses on disposal of property, equipment and intangible assets	0	0	1	5	1	0	-5	4
<b>Operating profit</b>	<b>4,528</b>	<b>4,571</b>	<b>4,110</b>	<b>4,360</b>	<b>4,136</b>	<b>3,930</b>	<b>3,833</b>	<b>3,606</b>
Taxes	-1,143	-1,272	-1,096	-1,181	-1,048	-1,047	-1,030	-945
<b>Profit for the period from continuing operations</b>	<b>3,385</b>	<b>3,299</b>	<b>3,014</b>	<b>3,179</b>	<b>3,088</b>	<b>2,883</b>	<b>2,803</b>	<b>2,661</b>
Profit for the period from discontinued operations, after tax	29	49	32	30	48	49	89	46
<b>Profit for the period</b>	<b>3,414</b>	<b>3,348</b>	<b>3,046</b>	<b>3,209</b>	<b>3,136</b>	<b>2,932</b>	<b>2,892</b>	<b>2,707</b>
Attributable to								
Holders of ordinary shares	3,414	3,348	3,046	3,209	3,136	2,932	2,892	2,707
Minority interest	0	0	0	0	0	0	0	0

## Earnings per share

	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Earnings per share, continuing operations, SEK	5.40	5.28	4.83	5.10	4.96	4.63	4.50	4.27
- after dilution	5.30	5.15	4.70	4.96	4.88	4.56	4.46	4.19
Earnings per share, discontinued operations, SEK	0.04	0.08	0.05	0.05	0.08	0.08	0.15	0.08
- after dilution	0.04	0.07	0.05	0.04	0.07	0.07	0.14	0.08
Earnings per share, total operations, SEK	5.44	5.36	4.88	5.15	5.04	4.71	4.65	4.35
- after dilution	5.34	5.22	4.75	5.00	4.95	4.63	4.60	4.27

**Handelsbanken Group - Key figures**

SEK m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Return on equity, total operations *	14.4%	13.8%	13.0%	14.1%	14.0%	13.2%	13.4%	12.7%
Return on equity, continuing operations *	14.3%	13.6%	12.8%	14.0%	13.8%	12.9%	13.0%	12.5%
C/I ratio, continuing operations	45.5%	45.2%	48.0%	45.8%	47.3%	47.4%	49.2%	48.1%
C/I ratio, continuing operations, incl. loan losses	48.8%	48.4%	50.9%	47.7%	49.4%	50.5%	52.8%	52.0%
Adjusted equity per share, SEK	154.24	150.00	152.71	147.84	144.21	137.98	143.14	137.63
Core tier 1 ratio, Basel II **	16.8%	16.4%	15.6%	14.7%	14.8%	14.5%	13.8%	13.1%
Capital ratio, Basel II	19.9%	19.9%	20.9%	19.0%	19.7%	20.4%	20.9%	20.7%
Tier 1 ratio, Basel II	19.4%	19.1%	18.4%	17.4%	17.4%	17.2%	16.5%	15.7%
Average number of employees, continuing operations	11,095	11,135	11,146	11,434	11,091	11,066	10,947	11,100
Number of branches in Sweden	461	461	461	461	461	461	461	461
Number of branches in Great Britain	117	112	104	101	95	90	83	77
Number of branches in Denmark	54	54	54	54	54	54	53	53
Number of branches in Finland	45	45	45	45	45	45	45	45
Number of branches in Norway	49	50	50	50	50	50	49	48
Number of branches in Netherlands	12	11	10	10	10	9	7	5
Number of branches in Germany	7	7	7	7	7	7	7	7
Number of branches in other countries	15	15	15	16	18	18	18	20
<b>Total number of branches</b>	<b>760</b>	<b>755</b>	<b>746</b>	<b>744</b>	<b>740</b>	<b>734</b>	<b>723</b>	<b>716</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.

\*\* Including profit generated during the period.

**Consolidated statement of comprehensive income**

SEK m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
<b>Profit for the period</b>	<b>3,414</b>	<b>3,348</b>	<b>3,046</b>	<b>3,209</b>	<b>3,136</b>	<b>2,932</b>	<b>2,892</b>	<b>2,707</b>
<b>Other comprehensive income</b>								
Cash flow hedges	1,689	-311	-41	-391	-149	284	257	2
Available-for-sale instruments	-474	709	413	-1,364	-191	-176	905	557
Translation differences for the period	-572	261	-468	494	412	-442	-48	-1,287
Tax related to other comprehensive income	-161	-194	-112	475	120	-40	-318	-190
<b>Total other comprehensive income</b>	<b>482</b>	<b>465</b>	<b>-208</b>	<b>-786</b>	<b>192</b>	<b>-374</b>	<b>796</b>	<b>-918</b>
<b>Total comprehensive income for the period</b>	<b>3,896</b>	<b>3,813</b>	<b>2,838</b>	<b>2,423</b>	<b>3,328</b>	<b>2,558</b>	<b>3,688</b>	<b>1,789</b>
Total comprehensive income for the period to								
Holders of ordinary shares	3,896	3,813	2,838	2,423	3,328	2,558	3,688	1,789
Minority interest	0	0	0	0	0	0	0	0

**One-offs and special items**

SEK m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Benchmark effect in Stadshypotek	17	-11	-1	9	-7	-10	32	-36
Oktogonen (The Bank's profit-sharing system)	-229	-229	-283	-210	-210	-210	-281	-187
Performance-related remuneration	-23	-41	53	-48	-64	-66	-61	-41
The "corridor effect", pension costs IAS 19	-55	-55	-16	-5	-5	-5	-19	-9
<b>Total</b>	<b>-290</b>	<b>-336</b>	<b>-247</b>	<b>-254</b>	<b>-286</b>	<b>-291</b>	<b>-329</b>	<b>-273</b>

**Fees for the Stabilisation Fund etc.**

SEK m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
<b>Swedish Stabilisation Fund</b>								
Branch office operations in Sweden (net interest income)	-146	-136	-149	-123	-112	-104	-42	-49
Branch office operations outside Sweden (net interest income)	-66	-63	-63	-80	-71	-68	-28	-32
of which Great Britain	-14	-12	-12	-13	-12	-12	-5	-4
of which Denmark	-8	-8	-7	-11	-9	-8	-3	-4
of which Finland	-11	-11	-11	-13	-11	-10	-5	-6
of which Norway	-27	-25	-26	-31	-28	-26	-10	-11
of which Handelsbanken International	-7	-7	-7	-12	-12	-12	-5	-7
Other (net interest income)	-7	-8	13	-35	-10	-8	-2	-4
<b>Total fees for the Swedish Stabilisation Fund</b>	<b>-219</b>	<b>-207</b>	<b>-199</b>	<b>-238</b>	<b>-193</b>	<b>-180</b>	<b>-72</b>	<b>-85</b>
<b>Swedish deposit guarantee</b>								
Branch office operations in Sweden (net interest income)	-56	-56	-53	-56	-51	-51	-41	-41
Branch office operations outside Sweden (net interest income)	-13	-13	-11	-12	-12	-12	-12	-9
<b>Total fees for Swedish deposit guarantee</b>	<b>-69</b>	<b>-69</b>	<b>-64</b>	<b>-68</b>	<b>-63</b>	<b>-63</b>	<b>-53</b>	<b>-50</b>
<b>Det svenska investerarskyddet</b>								
Other (expenses)	-	-	-	-	-32	-	-	-
<b>Danish government guarantee</b>								
Branch office operations in Denmark (net interest income)	-	-	-	-	-	-	-	-14
Branch office operations in Denmark (expenses)	-	-	-	-	-	-1	-15	-15
<b>Total fees to Danish government guarantee</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-1</b>	<b>-15</b>	<b>-29</b>
<b>Danish deposit guarantee</b>								
Branch office operations in Denmark (net interest income)	-2	-2	-	-	-	-	-	-
Branch office operations in Denmark (expenses)	-	-	8	-	-22	-	-	-
<b>Total fees to Danish deposit guarantee</b>	<b>-2</b>	<b>-2</b>	<b>8</b>	<b>-</b>	<b>-22</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Norwegian deposit guarantee</b>								
Branch office operations in Norway (net interest income)	-	-	-	-	-	-	-1	-2
<b>British deposit guarantee</b>								
Branch office operations in Great Britain (expenses)	-	-	-	-3	-	-	-	-
<b>State fees outside home markets</b>								
Handelsbanken International, (net interest income)	-1	-	-	-	-	-	-	-
<b>Total</b>	<b>-291</b>	<b>-278</b>	<b>-255</b>	<b>-309</b>	<b>-310</b>	<b>-244</b>	<b>-141</b>	<b>-166</b>

## Exchange rates

SEK, End of period (Balance sheet)	30 Jun 2012	31 Mar 2012	31 Dec 2011	30 Sep 2011	30 Jun 2011	Change y/y	Change q/q
DKK	1.1780	1.1887	1.2014	1.2420	1.2260	-4%	-1%
EUR	8.7571	8.8433	8.9305	9.2413	9.1441	-4%	-1%
GBP	10 8350	10.6092	10.6592	10.7025	10.1157	7%	2%
NOK	1.1625	1.1641	1.1473	1.1731	1.1762	-1%	0%
USD	6 9042	6.6296	6.9028	6.8709	6.3201	9%	4%

SEK, Average as from 1 Jan (Income statement)	30 Jun 2012	31 Mar 2012	31 Dec 2011	30 Sep 2011	30 Jun 2011	Change y/y	Change q/q
DKK	1.1946	1.1909	1.2120	1.2087	1.1986	0%	0%
EUR	8 8815	8.8541	9.0300	9.0096	8.9369	-1%	0%
GBP	10 8350	10.6088	10.4069	10.3408	10.2960	5%	2%
NOK	1.1725	1.1669	1.1583	1.1539	1.1414	3%	0%
USD	6 8478	6.7533	6.4934	6.4085	6.3715	7%	1%

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

Jan - Jun 2012 vs. Same period last year

SEK m	GB	DK	FIN	N	HI	Total
Net interest income	34	-2	-2	27	3	60
Net fee and commission income	2	0	-1	3	4	8
Net gains/losses on financial items at fair value	2	0	0	1	0	3
Other income	0	0	0	0	2	2
<b>Total income</b>	<b>38</b>	<b>-2</b>	<b>-3</b>	<b>31</b>	<b>9</b>	<b>73</b>
Staff costs	-15	1	1	-9	-4	-26
Other administrative expenses	-6	1	1	-6	-3	-13
Depreciation and amortisation	0	0	0	0	0	0
<b>Total expenses</b>	<b>-21</b>	<b>2</b>	<b>2</b>	<b>-15</b>	<b>-7</b>	<b>-39</b>
Net loan losses	-5	1	0	-6	1	-9
<b>Operating profit</b>	<b>12</b>	<b>1</b>	<b>-1</b>	<b>10</b>	<b>3</b>	<b>25</b>

Q2 2012 vs. previous quarter

SEK m	GB	DK	FIN	N	HI	Total
Net interest income	17	2	1	6	2	28
Net fee and commission income	1	0	1	1	1	4
Net gains/losses on financial items at fair value	1	0	0	0	0	1
Other income	0	0	0	0	0	0
<b>Total income</b>	<b>19</b>	<b>2</b>	<b>2</b>	<b>7</b>	<b>3</b>	<b>33</b>
Staff costs	-9	-1	0	-2	-2	-14
Other administrative expenses	-3	0	-1	-1	-1	-6
Depreciation and amortisation	0	0	0	0	0	0
<b>Total expenses</b>	<b>-12</b>	<b>-1</b>	<b>-1</b>	<b>-3</b>	<b>-3</b>	<b>-20</b>
Net loan losses	0	-1	0	0	0	-1
<b>Operating profit</b>	<b>7</b>	<b>0</b>	<b>1</b>	<b>4</b>	<b>0</b>	<b>12</b>

**Net fee and commission income**

SEK m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Brokerage and other securities commissions	266	355	315	310	362	413	522	426
Mutual funds	422	395	370	402	415	452	440	393
Custody	85	89	84	89	96	101	96	53
Advisory services	48	70	51	62	55	44	73	51
Insurance	142	162	124	203	168	152	106	157
Payments	670	612	677	650	651	590	648	630
Lending and deposits	311	298	350	315	291	283	313	299
Guarantees	124	126	125	112	123	115	126	134
Other	102	108	119	99	117	91	126	104
<b>Commission income</b>	<b>2,170</b>	<b>2,215</b>	<b>2,215</b>	<b>2,242</b>	<b>2,278</b>	<b>2,241</b>	<b>2,450</b>	<b>2,247</b>
Securities commissions	-55	-60	-59	-59	-45	-52	-54	-50
Payment commissions	-264	-242	-275	-239	-251	-214	-238	-255
Other commission expenses	-26	-21	-4	-41	-33	-31	-31	-18
<b>Commission expense</b>	<b>-345</b>	<b>-323</b>	<b>-338</b>	<b>-339</b>	<b>-329</b>	<b>-297</b>	<b>-323</b>	<b>-323</b>
<b>Net fee and commission income</b>	<b>1,825</b>	<b>1,892</b>	<b>1,877</b>	<b>1,903</b>	<b>1,949</b>	<b>1,944</b>	<b>2,127</b>	<b>1,924</b>

**Net gains/losses on financial items at fair value**

SEK m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Available for sale, realised	0	15	-1	-73	65	109	9	2
Hedge accounting								
Fair value hedges	96	25	-52	44	-34	-32	84	92
Hedge ineffectiveness	-5	1	-8	-	-1	0	1	25
Instruments at fair value	615	-460	400	2,149	631	-399	-1,135	196
Loans at amortised cost	72	58	61	96	68	51	100	96
Financial liabilities at amor ised cost	-69	-38	-36	-15	7	-22	-62	-58
Gains/losses on unbundled insurance contracts	8	-18	-4	6	41	-51	-48	-23
Trading / Other	-498	761	-297	-1,923	-469	705	1,327	-153
<b>Net gains/losses on financial items at fair value</b>	<b>219</b>	<b>344</b>	<b>63</b>	<b>284</b>	<b>308</b>	<b>361</b>	<b>276</b>	<b>177</b>

**Other administrative expenses**

SEK m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Property and premises	-279	-290	-286	-267	-273	-263	-300	-247
External IT costs	-387	-385	-406	-388	-354	-385	-439	-368
Communication	-99	-92	-105	-88	-89	-97	-102	-97
Travel and marketing	-103	-84	-133	-86	-112	-92	-140	-83
Purchased services	-244	-225	-262	-203	-271	-240	-258	-215
Supplies	-45	-50	-56	-48	-51	-61	-68	-70
Other expenses	-79	-88	-144	-126	-123	-51	-118	-86
<b>Other administrative expenses</b>	<b>-1,236</b>	<b>-1,214</b>	<b>-1,392</b>	<b>-1,206</b>	<b>-1,273</b>	<b>-1,189</b>	<b>-1,425</b>	<b>-1,166</b>



**Loan losses**

SEK m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
<b>Specific provision for individually valued loan receivables</b>								
Provision for the period	-263	-358	-180	-483	-312	-366	-139	-368
Write-back of previous provisions	63	79	36	158	88	53	161	64
<b>Total</b>	<b>-200</b>	<b>-279</b>	<b>-144</b>	<b>-325</b>	<b>-224</b>	<b>-313</b>	<b>22</b>	<b>-304</b>
<b>Collective provisions</b>								
Net provision for the period for individually valued receivables	5	-12	-9	-19	18	39	24	27
Net provision for the period for homogenous loan receivables	4	3	3	5	21	4	7	-2
<b>Total</b>	<b>9</b>	<b>-9</b>	<b>-6</b>	<b>-14</b>	<b>39</b>	<b>43</b>	<b>31</b>	<b>25</b>
<b>Other provisions</b>								
Allocations for off-balance sheet items	-	-	0	14	-	-	0	0
Write-back of previous provisions	0	-	-	-	-	-	-	-
Guarantees honoured	-1	5	-3	2	0	3	5	3
<b>Total</b>	<b>-1</b>	<b>5</b>	<b>-3</b>	<b>16</b>	<b>0</b>	<b>3</b>	<b>5</b>	<b>3</b>
<b>Write-offs</b>								
Actual loan losses for the period	-278	-388	-496	-1,721	-248	-204	-564	-224
Utilised share of previous provisions	129	329	77	1,844	190	160	167	169
Recoveries	53	51	329	43	71	67	46	36
<b>Total</b>	<b>-96</b>	<b>-8</b>	<b>-90</b>	<b>166</b>	<b>13</b>	<b>23</b>	<b>-351</b>	<b>-19</b>
<b>Change in value of repossessed property</b>								
Value change for the period	-	-	-	-	-	-	-	1
<b>Net loan losses</b>	<b>-288</b>	<b>-291</b>	<b>-243</b>	<b>-157</b>	<b>-172</b>	<b>-244</b>	<b>-293</b>	<b>-294</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	30 Jun 2012	31 Mar 2012	31 Dec 2011	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010
Impaired loans	6,872	6,762	6,858	6,933	9,338	9,132	9,212	8,509
Specific provision for individually assessed loans	-3,608	-3,527	-3,680	-3,649	-5,097	-5,010	-5,039	-5,200
Provision for collectively assessed homogenous groups of loans with limited value	-110	-113	-115	-121	-124	-152	-157	-166
Collective provisions for individually assessed loans	-372	-378	-366	-359	-340	-355	-396	-420
<b>Impaired loans, net</b>	<b>2,782</b>	<b>2,744</b>	<b>2,697</b>	<b>2,804</b>	<b>3,777</b>	<b>3,615</b>	<b>3,620</b>	<b>2,723</b>
Total impaired loans reserve ratio	59.5%	59.4%	60.7%	59.6%	59.6%	60.4%	60.7%	68.0%
Proportion of impaired loans, %	0.16%	0.16%	0.16%	0.17%	0.23%	0.23%	0.23%	0.17%
Impaired loans reserve ratio excl. collective provisions	54.1%	53.8%	55.3%	54.4%	55.9%	56.5%	56.4%	63.1%
Loan loss ratio as a % of loans, quarterly	0.07%	0.07%	0.06%	0.04%	0.04%	0.06%	0.07%	0.08%
Non-performing loans	6,814	6,490	6,357	6,755	8,232	7,409	7,187	7,122
Non-performing loans which are not impaired loans	2,852	2,753	2,161	2,354	2,462	2,006	1,684	1,812

# Balance sheet

## Balance sheet - Svenska Handelsbanken Group

SEK m	30 Jun 2012	31 Mar 2012	31 Dec 2011	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010
<b>Assets</b>								
Cash and balances with central banks	272,483	225,695	251,857	262,575	167,044	163,333	56,637	75,861
Other loans to central banks	167,300	120,663	124,122	76,142	66,014	62,809	50,989	60,379
Treasury bills and other eligible bills	49,316	55,657	43,971	44,363	48,963	57,817	50,738	48,805
Loans to other credit institutions	90,927	86,399	106,823	116,834	103,653	119,753	123,465	127,926
Loans to the public	1,632,464	1,627,093	1,591,128	1,598,737	1,567,152	1,531,500	1,513,687	1,497,078
Value change of interest hedged item in portfolio hedge	5,042	5,121	4,490	4,622	4,632	4,447	4,744	5,159
Bonds and other interest-bearing securities	62,657	64,185	60,231	74,415	63,450	66,406	68,500	85,044
Shares	24,892	26,022	27,236	27,686	34,819	36,976	38,210	33,672
Participating interests in associated companies	195	164	205	153	147	129	133	99
risk	66,424	66,698	62,721	58,722	65,880	63,777	61,182	55,119
Derivative instruments	125,903	114,080	142,074	166,016	87,610	92,493	102,283	142,023
Reinsurance assets	1	1	2	3	3	3	12	11
Intangible assets	7,145	7,118	7,079	7,087	7,019	6,863	6,905	6,926
Property and equipment	2,243	3,431	3,507	3,297	3,326	3,306	3,307	3,216
Current tax assets	271	264	42	748	519	177	74	223
Deferred tax assets	70	362	380	372	237	236	337	406
Net pension assets	5,023	4,925	4,775	5,152	4,995	4,875	4,670	4,879
Assets held for sale	1,031	958	944	952	904	882	767	740
Other assets	25,342	41,962	14,267	20,325	17,023	25,548	60,260	33,175
Prepaid expenses and accrued income	7,854	9,134	8,512	7,365	6,433	8,219	6,630	7,291
<b>Total assets</b>	<b>2,546,583</b>	<b>2,459,932</b>	<b>2,454,366</b>	<b>2,475,566</b>	<b>2,249,823</b>	<b>2,249,549</b>	<b>2,153,530</b>	<b>2,188,032</b>
<b>Liabilities and equity</b>								
Due to credit institutions	265,528	249,783	201,889	235,431	219,396	248,111	251,972	212,311
Deposits and borrowing from the public	723,669	683,182	724,888	720,482	645,895	641,709	564,142	589,669
Liabilities where the customer bears the value change	66,472	66,755	62,800	58,758	65,911	63,777	61,214	55,171
Issued securities	1,167,523	1,141,561	1,140,074	1,111,855	1,019,801	984,910	963,501	951,956
Derivative instruments	116,512	113,160	127,303	143,804	88,081	100,333	101,753	146,657
Short positions	24,626	15,280	21,397	27,644	30,855	34,941	36,026	38,200
Insurance liabilities	693	1,346	690	705	713	777	723	791
Current tax liabilities	966	1,181	818	823	895	466	882	1,274
Deferred tax liabilities	9,683	9,589	9,466	9,499	9,352	9,244	9,144	8,777
Provisions	56	29	31	33	72	64	77	149
Liabilities held for sale	492	406	345	347	367	370	302	289
Other liabilities	24,778	36,905	13,847	14,957	23,960	22,459	12,604	28,998
Accrued expenses and deferred income	23,041	22,121	20,977	23,670	20,573	19,477	18,851	19,190
Subordinated liabilities	25,530	25,907	35,317	35,862	34,677	37,599	43,948	49,902
<b>Total liabilities</b>	<b>2,449,569</b>	<b>2,367,205</b>	<b>2,359,842</b>	<b>2,383,870</b>	<b>2,160,548</b>	<b>2,164,237</b>	<b>2,065,139</b>	<b>2,103,334</b>
Minority interest	1	1	0	1	1	1	0	0
Share capital	2,924	2,914	2,902	2,902	2,902	2,899	2,899	2,899
Share premium	1,647	1,266	793	792	789	184	184	184
Reserves	-1,063	-1,545	-2,010	-1,802	-1,016	-1,208	-834	-1,630
Retained earnings	86,743	86,743	80,516	80,526	80,531	80,504	75,117	75,112
Profit for the period	6,762	3,348	12,323	9,277	6,068	2,932	11,025	8,133
<b>Total equity</b>	<b>97,014</b>	<b>92,727</b>	<b>94,524</b>	<b>91,696</b>	<b>89,275</b>	<b>85,312</b>	<b>88,391</b>	<b>84,698</b>
<b>Total liabilities and equity</b>	<b>2,546,583</b>	<b>2,459,932</b>	<b>2,454,366</b>	<b>2,475,566</b>	<b>2,249,823</b>	<b>2,249,549</b>	<b>2,153,530</b>	<b>2,188,032</b>

## 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

#### Loans to the public by sector

Loans net	30 Jun 2012	31 Mar 2012	31 Dec 2011	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010
Private individuals	721,805	714,212	712,317	707,212	696,495	673,913	669,069	655,900
<i>of which mortgage loans in Stadshypotek</i>	<i>589,650</i>	<i>584,316</i>	<i>581,629</i>	<i>578,023</i>	<i>549,238</i>	<i>536,132</i>	<i>526,697</i>	<i>509,734</i>
<i>of which other mortgage loans</i>	<i>65,038</i>	<i>63,275</i>	<i>64,022</i>	<i>62,018</i>	<i>80,567</i>	<i>79,243</i>	<i>80,741</i>	<i>83,814</i>
<i>of which other loans to private individuals</i>	<i>67,117</i>	<i>66,621</i>	<i>66,666</i>	<i>67,170</i>	<i>66,690</i>	<i>59,197</i>	<i>61,631</i>	<i>62,352</i>
Housing co-operative associations	124,506	122,728	123,843	122,283	119,333	114,102	111,688	109,166
<i>of which mortgage loans in Stadshypotek</i>	<i>110,680</i>	<i>109,321</i>	<i>109,330</i>	<i>99,092</i>	<i>102,998</i>	<i>99,806</i>	<i>98,028</i>	<i>96,622</i>
Property management, Note 1	418,718	405,984	396,551	388,643	371,327	358,896	355,271	339,209
Manufacturing	48,982	49,414	48,724	54,213	53,580	49,509	53,838	53,835
Retail	36,411	37,005	35,388	36,843	35,000	34,091	32,391	33,024
Hotels and restaurants	7,280	7,204	7,081	6,920	6,747	6,720	6,590	6,816
Shipping, passenger & goods transport by sea	19,157	16,561	18,154	13,396	12,524	12,394	14,354	14,994
Other transport and communication	35,478	38,903	37,196	39,845	39,696	37,456	38,266	36,845
Construction	12,591	12,988	12,201	12,807	12,919	12,967	13,286	13,853
Electricity, gas, water	22,005	22,630	22,076	23,372	22,176	21,038	22,138	21,354
Agriculture, hunting and forestry	7,628	7,162	7,311	7,477	7,335	7,097	6,450	6,696
Other service industry	25,897	25,090	24,338	22,188	21,073	18,605	17,162	17,974
Holding companies, insurance companies, funds etc.	88,146	87,517	85,296	91,180	96,881	88,180	89,464	100,307
State & municipalities	22,473	39,945	21,654	17,629	23,312	23,326	16,995	18,204
Other corporate lending	41,759	40,128	39,364	55,088	49,094	73,561	67,121	69,321
<b>Total loans to the public, before taking into account collective provisions</b>	<b>1,632,836</b>	<b>1,627,471</b>	<b>1,591,494</b>	<b>1,599,096</b>	<b>1,567,492</b>	<b>1,531,855</b>	<b>1,514,083</b>	<b>1,497,498</b>
Collective provisions	-372	-378	-366	-359	-340	-355	-396	-420
<b>Total loans to the public</b>	<b>1,632,464</b>	<b>1,627,093</b>	<b>1,591,128</b>	<b>1,598,737</b>	<b>1,567,152</b>	<b>1,531,500</b>	<b>1,513,687</b>	<b>1,497,078</b>

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

SEK m, end of period	30 Jun 2012	31 Mar 2012	31 Dec 2011	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010
<b>Lending in Sweden</b>								
State-owned property companies	9,667	8,543	11,808	12,283	12,287	12,240	12,269	6,562
Municipal-owned property companies	14,445	13,983	15,566	17,775	17,619	16,583	18,797	18,789
Residential property companies	67,462	66,244	65,544	67,665	67,117	67,079	66,983	65,112
<i>of which mortgage loans in Stadshypotek</i>	<i>47,017</i>	<i>46,663</i>	<i>46,402</i>	<i>47,872</i>	<i>46,239</i>	<i>47,219</i>	<i>47,205</i>	<i>45,945</i>
Other property companies	136,473	131,897	130,123	125,217	121,101	116,849	114,069	112,885
<i>of which mortgage loans in Stadshypotek</i>	<i>60,529</i>	<i>59,344</i>	<i>58,028</i>	<i>55,947</i>	<i>56,414</i>	<i>54,061</i>	<i>50,807</i>	<i>48,958</i>
<b>Total lending in Sweden</b>	<b>228,047</b>	<b>220,667</b>	<b>223,041</b>	<b>222,940</b>	<b>218,124</b>	<b>212,751</b>	<b>212,118</b>	<b>203,348</b>
<b>Lending outside Sweden</b>								
Denmark	10,108	9,779	9,360	7,417	6,826	6,022	5,591	5,379
Finland	19,276	19,314	18,718	19,100	18,628	17,873	16,961	17,834
Norway	81,004	79,551	74,542	71,862	67,893	64,804	64,477	61,678
Great Britain	63,207	59,631	56,826	53,906	47,001	44,833	43,355	41,900
Other countries	17,076	17,042	14,064	13,418	12,855	12,613	12,769	9,070
<b>Total lending outside Sweden</b>	<b>190,671</b>	<b>185,317</b>	<b>173,510</b>	<b>165,703</b>	<b>153,203</b>	<b>146,145</b>	<b>143,153</b>	<b>135,861</b>
<b>Total lending - Property management</b>	<b>418,718</b>	<b>405,984</b>	<b>396,551</b>	<b>388,643</b>	<b>371,327</b>	<b>358,896</b>	<b>355,271</b>	<b>339,209</b>

**Credit risk exposure**

SEK m	30 Jun 2012	31 Mar 2012	31 Dec 2011	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010
Loans to the public	1,632,464	1,627,093	1,591,128	1,598,737	1,567,152	1,531,500	1,513,687	1,497,078
of which reverse repos	24,219	23,440	13,669	21,186	19,192	22,993	27,023	25,095
Loans to credit institutions	258,227	207,062	230,945	192,976	169,667	182,562	174,454	188,305
of which reverse repos	55,329	60,768	60,813	65,213	67,318	73,849	72,294	83,264
Unutilised part of granted overdraft facilities	125,622	149,940	152,392	152,476	149,093	146,018	164,385	182,939
Committed loan offers	240,475	254,537	254,415	260,133	251,318	242,513	240,286	229,420
Other commitments	12,080	7,974	9,035	3,086	2,948	2,739	2,802	3,163
Guarantees, credits	15,346	16,817	17,161	17,486	18,072	16,310	17,751	17,895
Guarantees, other	41,456	43,254	42,657	38,118	39,130	39,859	40,210	41,751
Documentary credits	33,650	32,249	36,712	35,996	35,135	36,911	37,055	47,330
Derivatives *	125,903	114,080	142,074	166,016	87,610	92,493	102,283	142,023
Treasury bills and other eligible bills	49,316	55,657	43,971	44,363	48,963	57,817	50,738	48,805
Bonds and other interest-bearing securities	62,657	64,185	60,231	74,415	63,450	66,406	68,500	85,044
<b>Total</b>	<b>2,597,196</b>	<b>2,572,848</b>	<b>2,580,721</b>	<b>2,583,802</b>	<b>2,432,538</b>	<b>2,415,128</b>	<b>2,412,151</b>	<b>2,483,753</b>

\* Refers to the total of positive market values.

**Credit risk exposure - by country**

SEK m	30 Jun 2012	31 Mar 2012	31 Dec 2011	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010
Sweden	1,725,931	1,742,672	1,762,296	1,812,888	1,700,269	1,716,343	1,709,942	1,797,726
Great Britain	127,966	118,368	115,327	112,262	97,439	93,008	91,491	85,097
Denmark	117,336	119,886	102,956	91,822	91,415	73,987	69,962	61,121
Finland	214,426	191,271	195,447	173,914	158,517	152,738	148,605	146,401
Norway	247,198	238,042	236,387	216,360	216,345	203,504	205,753	205,365
Germany	18,833	19,177	19,739	21,754	22,247	23,385	24,443	20,088
The Netherlands	19,668	18,239	15,431	15,421	14,005	13,552	13,140	11,940
Poland	3,543	3,481	2,860	3,007	3,432	3,410	3,490	3,927
Other	122,295	121,712	130,278	136,374	128,869	135,201	145,325	152,088
<b>Total</b>	<b>2,597,196</b>	<b>2,572,848</b>	<b>2,580,721</b>	<b>2,583,802</b>	<b>2,432,538</b>	<b>2,415,128</b>	<b>2,412,151</b>	<b>2,483,753</b>

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

SEK bn, end of period	30 Jun 2012	31 Mar 2012	31 Dec 2011	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010
Branch office operations in Sweden	1,069	1,061	1,061	1,069	1,060	1,030	1,012	1,000
Branch office operations outside Sweden	521	503	492	489	466	448	450	445
in Great Britain	103	97	93	89	77	71	70	67
in Denmark	65	62	62	57	52	51	53	51
in Finland	94	91	89	93	91	88	87	90
in Norway	204	200	196	195	193	184	184	181
in Germany	8	8	8	8	8	8	8	8
in the Netherlands	15	14	12	11	10	10	9	7
in Poland	3	3	2	2	2	2	2	2
in other countries	28	28	30	33	33	33	36	38
Other	40	39	29	36	35	45	45	49
<b>Total</b>	<b>1,630</b>	<b>1,604</b>	<b>1,582</b>	<b>1,595</b>	<b>1,561</b>	<b>1,522</b>	<b>1,507</b>	<b>1,494</b>

\* Excluding loans to the National Debt Office

**Loans to households - by country**

SEK bn, end of period	30 Jun 2012	31 Mar 2012	31 Dec 2011	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010
Branch office operations in Sweden	588	584	582	578	572	561	555	547
Branch office operations outside Sweden	173	169	166	166	159	150	148	141
in Great Britain	27	25	24	23	20	18	17	15
in Denmark	30	29	29	28	28	26	26	25
in Finland	30	30	31	32	31	30	31	31
in Norway	79	78	76	77	75	71	70	65
in Germany	0	1	0	1	1	0	0	1
in the Netherlands	2	2	2	1	1	1	0	0
in Poland	1	1	1	1	1	1	1	1
in other countries	4	3	3	3	3	2	2	2
Other	0	0	0	0	0	0	-1	-3
<b>Total</b>	<b>761</b>	<b>753</b>	<b>748</b>	<b>743</b>	<b>731</b>	<b>711</b>	<b>702</b>	<b>685</b>

**Corporate lending - by country \***

SEK bn, end of period	30 Jun 2012	31 Mar 2012	31 Dec 2011	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010
Branch office operations in Sweden	482	477	479	491	488	468	457	453
Branch office operations outside Sweden	348	335	326	324	307	298	302	305
in Great Britain	76	72	69	66	57	53	53	52
in Denmark	35	32	33	29	24	25	26	26
in Finland	64	61	58	61	60	57	57	59
in Norway	125	122	119	118	117	114	115	116
in Germany	7	8	8	8	8	8	7	7
in the Netherlands	13	13	11	10	9	9	9	7
in Poland	2	2	1	1	1	1	1	1
in other countries	25	25	27	30	30	30	34	36
Other	40	39	29	37	35	45	47	52
<b>Total</b>	<b>869</b>	<b>851</b>	<b>834</b>	<b>851</b>	<b>830</b>	<b>811</b>	<b>805</b>	<b>809</b>

**Business volumes, Branch office operations in Sweden**

Average volumes, SEK bn	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Deposits and borrowing from the public								
Household	204	203	201	198	194	191	190	185
Corporate	165	166	162	157	155	156	148	149
<b>Total</b>	<b>369</b>	<b>369</b>	<b>363</b>	<b>355</b>	<b>349</b>	<b>347</b>	<b>338</b>	<b>334</b>
Loans to the public*								
Household	584	582	580	575	566	557	552	541
of which mortgage loans	530	528	527	522	514	505	495	484
Corporate	483	480	489	487	479	460	457	463
of which mortgage loans	229	224	224	219	211	206	198	192
<b>Total</b>	<b>1,067</b>	<b>1,062</b>	<b>1,069</b>	<b>1,062</b>	<b>1,045</b>	<b>1,017</b>	<b>1,009</b>	<b>1,004</b>

\* Excluding loans to the National Debt Office.

**Business volumes, Branch office operations outside Sweden**

Average volumes, SEK bn	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Deposits and borrowing from the public								
Household	46	44	44	43	41	39	40	41
Corporate	127	131	118	109	103	103	102	99
<b>Total</b>	<b>173</b>	<b>175</b>	<b>162</b>	<b>152</b>	<b>144</b>	<b>142</b>	<b>142</b>	<b>140</b>
Loans to the public								
Household	172	167	166	161	153	146	143	142
Corporate	345	328	327	317	304	296	306	315
<b>Total</b>	<b>517</b>	<b>495</b>	<b>493</b>	<b>478</b>	<b>457</b>	<b>442</b>	<b>449</b>	<b>457</b>

**Business volumes, Handelsbanken International**

Average volumes, SEK bn	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Deposits and borrowing from the public								
Household	3.1	3.3	3.3	3.0	2.9	2.7	3.0	3.2
Corporate	29.9	29.6	22.7	20.2	16.0	13.0	14.1	12.8
<b>Total</b>	<b>33.0</b>	<b>32.9</b>	<b>26.0</b>	<b>23.2</b>	<b>18.9</b>	<b>15.7</b>	<b>17.1</b>	<b>16.0</b>
Loans to the public								
Household	5.5	5.3	5.1	4.8	4.2	4.0	4.0	3.9
Corporate	46.7	46.9	49.0	48.5	48.7	48.8	51.7	55.6
<b>Total</b>	<b>52.2</b>	<b>52.2</b>	<b>54.1</b>	<b>53.3</b>	<b>52.9</b>	<b>52.8</b>	<b>55.7</b>	<b>59.5</b>

## Business volumes – Savings and deposits

### Assets under management, Handelsbanken Group

SEK bn, end of period	30 Jun 2012	31 Mar 2012	31 Dec 2011	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010
Mutual funds, excl. PPM	126	127	118	111	124	121	121	111
PPM	10	10	9	7	11	11	11	9
Unit-linked insurance	45	45	41	39	43	41	40	35
XACT (Exchange-traded funds)	21	22	21	20	21	20	21	19
<b>Total mutual funds</b>	<b>202</b>	<b>204</b>	<b>189</b>	<b>177</b>	<b>199</b>	<b>193</b>	<b>193</b>	<b>174</b>
Portfolio bond insurance	15	16	15	14	17	17	16	15
Traditional insurance	12	13	13	14	15	17	19	22
Institutional	97	97	88	85	100	100	96	95
<i>of which in Handelsbanken mutual funds</i>	<i>41</i>	<i>34</i>	<i>37</i>	<i>34</i>	<i>36</i>	<i>34</i>	<i>34</i>	<i>30</i>
Structured products	29	29	31	35	35	36	38	39
Directly owned shares in custody	149	166	150	139	171	178	176	167
O her securities in custody	46	43	43	42	41	39	43	32
Handelsbanken's foundations	45	47	41	38	47	49	50	47
<i>of which in Handelsbanken mutual funds</i>	<i>5</i>	<i>4</i>	<i>4</i>	<i>4</i>	<i>4</i>	<i>4</i>	<i>3</i>	<i>3</i>
<b>Total assets under management, Handelsbanke</b>	<b>549</b>	<b>577</b>	<b>529</b>	<b>506</b>	<b>585</b>	<b>591</b>	<b>594</b>	<b>558</b>

### Deposits from the public -by country

SEK bn, end of period	30 Jun 2012	31 Mar 2012	31 Dec 2011	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010
Branch office operations in Sweden	372	367	370	363	355	352	347	331
Branch office operations outside Sweden	178	166	168	154	145	140	138	137
in Great Britain	31	25	23	22	19	15	16	16
in Denmark	24	21	23	24	22	21	23	23
in Finland	29	30	33	30	25	30	31	30
in Norway	58	58	56	54	60	57	52	53
Handelsbanken International	35	32	33	24	19	18	16	15
O her	173	150	187	203	145	150	79	122
<b>Total</b>	<b>724</b>	<b>683</b>	<b>725</b>	<b>720</b>	<b>646</b>	<b>642</b>	<b>564</b>	<b>590</b>

### Deposits from households -by country

SEK bn, end of period	30 Jun 2012	31 Mar 2012	31 Dec 2011	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010
Branch office operations in Sweden	215	205	205	203	200	195	194	189
Branch office operations outside Sweden	46	44	45	44	42	40	41	40
in Great Britain	5	4	5	4	4	4	4	4
in Denmark	11	10	11	11	11	10	10	11
in Finland	11	11	12	12	11	11	11	11
in Norway	16	15	14	14	14	12	12	11
Handelsbanken International	3	3	3	3	3	3	3	3
O her	5	6	6	6	7	9	0	11
<b>Total</b>	<b>266</b>	<b>254</b>	<b>256</b>	<b>253</b>	<b>249</b>	<b>243</b>	<b>244</b>	<b>241</b>

### Deposits from corporates -by country

SEK bn, end of period	30 Jun 2012	31 Mar 2012	31 Dec 2011	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010
Branch office operations in Sweden	158	162	165	161	155	157	153	142
Branch office operations outside Sweden	132	123	123	110	103	101	98	96
in Great Britain	26	20	18	18	15	12	12	12
in Denmark	13	11	13	13	12	11	13	12
in Finland	18	19	20	18	14	19	20	18
in Norway	42	43	42	40	45	44	40	41
Handelsbanken International	32	29	30	21	16	15	13	12
O her	168	144	181	197	138	141	70	111
<b>Total</b>	<b>458</b>	<b>429</b>	<b>469</b>	<b>467</b>	<b>397</b>	<b>399</b>	<b>320</b>	<b>349</b>

## Capital base and capital requirement

### Capital base

SEK m	30 Jun 2012	31 Mar 2012	31 Dec 2011	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010
<b>TIER 1 CAPITAL</b>								
Equity, group	97,014	92,727	94,524	91,696	89,275	85,312	88,391	84,698
Accrued dividend, current year	-3,066	-1,528	-6,085	-4,212	-2,808	-1,403	-5,611	-3,741
Dividend for previous year (unpaid)								
Equity outside the financial group of companies, excl profit	-1,189	-1,185	-558	-579	-548	-669	-243	-249
Differens in earnings between the group and the financ	3,041	-67	-520	-348	-132	-99	-440	-354
Minority interests, group	-1	-1	0	-1	-1	-1	-1	0
<b>Equity, capital base</b>	<b>95,799</b>	<b>89,946</b>	<b>87,361</b>	<b>86,556</b>	<b>85,786</b>	<b>83,140</b>	<b>82,096</b>	<b>80,354</b>
Innovative Tier 1 capital contributions	10,298	10,609	11,254	11,411	11,135	11,100	11,283	11,302
Non-innovative Tier 1 capital contributions	2,906	2,908	2,910	2,911	2,912	2,914	2,916	2,917
Minority interests, banking group	549	436	423	431	352	350	347	295
Deducted items								
Goodwill and other intangible assets	-7,350	-7,302	-7,234	-7,234	-7,157	-6,795	-6,838	-6,859
Revaluation reserve	-111	-113	-115	-117	-119	-121	-122	-124
Price adjustments for positions reported at fair value	-20	-27	-56	-	-	-	-	-
Deferred tax assets	-80	-48	-386	-383	-248	-236	-337	-406
Special deduction for IRB institutions	-1,097	-1,017	-945	-1,042	-608	-631	-715	-605
Capital contribution in insurance companies	-1,483	-233	-234	-234	-234	-234	-234	-234
Positions in securitisation	-218	-210	-219	-285	-204	-203	-219	-216
Adjustments in accordance with stability filter								
Cash flow hedges	-339	905	676	646	358	247	457	646
Unrealised accumulated gains, shares	-285	-645	-133		-861	-1,030	-1,241	-648
Unrealised accumulated gains/losses, fixed income instruments	212	223	246	287	281	318	403	468
<b>Total Tier 1 capital</b>	<b>98,781</b>	<b>95,432</b>	<b>93,548</b>	<b>92,947</b>	<b>91,393</b>	<b>88,819</b>	<b>87,796</b>	<b>86,890</b>
<b>TIER 2 CAPITAL</b>								
Perpetual subordinated loans	3,233	3,165	11,710	11,920	11,511	11,385	11,664	17,021
Dated subordinated loans	7,803	7,914	7,957	6,533	6,463	11,669	17,248	17,344
Additional items								
Unrealised accumulated gains, shares	285	645	133		861	1,030	1,241	648
Revaluation reserve	111	113	115	117	119	121	122	124
Deducted items								
Special deduction for IRB institutions	-1,097	-1,017	-945	-1,042	-608	-631	-715	-605
Capital contribution in insurance companies	-1,483	-233	-234	-234	-234	-234	-234	-234
Positions in securitisation	-218	-210	-219	-285	-204	-203	-219	-216
<b>Total Tier 2 capital</b>	<b>8,634</b>	<b>10,377</b>	<b>18,517</b>	<b>17,009</b>	<b>17,908</b>	<b>23,137</b>	<b>29,107</b>	<b>34,082</b>
<b>Total Tier 1 and Tier 2 capital</b>	<b>107,415</b>	<b>105,809</b>	<b>112,065</b>	<b>109,956</b>	<b>109,301</b>	<b>111,956</b>	<b>116,903</b>	<b>120,972</b>
Deductible items from total capital base								
Capital contribution in insurance companies	-4,417	-4,417	-4,417	-4,417	-4,417	-4,567	-4,567	-4,717
Surplus value pension assets	-1,837	-1,999	-1,471	-3,777	-1,859	-2,095	-1,367	-1,489
<b>Total capital base for capital adequacy purposes</b>	<b>101,161</b>	<b>99,393</b>	<b>106,177</b>	<b>101,762</b>	<b>103,025</b>	<b>105,294</b>	<b>110,969</b>	<b>114,766</b>



**Capital requirement**

SEK m	30 Jun 2012	31 Mar 2012	31 Dec 2011	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010
Credit risk according to standardised approach	3,954	3,964	3,760	3,876	4,038	3,902	4,051	4,210
Credit risk according to IRB approach	31,596	30,868	31,904	33,174	32,058	31,794	33,269	34,648
Interest rate risk	873	928	850	1,625	1,644	1,371	1,346	1,570
Equity price risk	30	27	14	28	33	18	27	27
Exchange rate risk	-	-	-	-	-	-	-	-
Commodities risk	16	18	20	31	17	42	28	43
Settlement risk	-	-	-	-	-	-	-	-
Operational risk	4,181	4,181	4,117	4,117	4,117	4,117	3,849	3,849
<b>Total capital requirement according to Basel II</b>	<b>40,650</b>	<b>39,986</b>	<b>40,665</b>	<b>42,851</b>	<b>41,907</b>	<b>41,244</b>	<b>42,570</b>	<b>44,347</b>
Adjustment according to transitional rules	39,878	39,542	38,389	35,587	36,799	35,571	33,715	31,119
<b>Capital requirement according to Basel II, transitional rules</b>	<b>80,528</b>	<b>79,528</b>	<b>79,054</b>	<b>78,438</b>	<b>78,706</b>	<b>76,815</b>	<b>76,285</b>	<b>75,466</b>
Risk-weighted assets, transitional rules	1,006,595	994,096	988,180	980,475	983,824	960,190	953,561	943,324
Risk-weighted assets, Basel II	508,124	499,826	508,317	535,640	523,841	515,550	532,136	554,342

**Capital adequacy analysis \***

	30 Jun 2012	31 Mar 2012	31 Dec 2011	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010
transitional rules	50%	50%	51%	55%	53%	54%	56%	59%
Capital ratio , Basel II	19.9%	19.9%	20.9%	19.0%	19.7%	20.4%	20.9%	20.7%
Capital ratio, transitional rules	10.0%	10.0%	10.7%	10.4%	10.5%	11.0%	11.6%	12.2%
Tier 1 ratio, Basel II	19.4%	19.1%	18.4%	17.4%	17.4%	17.2%	16.5%	15.7%
Tier 1 ratio, transitional rules	9.8%	9.6%	9.5%	9.5%	9.3%	9.3%	9.2%	9.2%
Core tier 1 ratio, Basel II	16.8%	16.4%	15.6%	14.7%	14.8%	14.5%	13.8%	
Capital base in relation to capital requirement Basel II	249%	249%	261%	237%	246%	255%	261%	259%
Capital base in relation to capital requirement according to transitional rules	126%	125%	134%	130%	131%	137%	145%	152%

\* 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 2012	31 Mar 2012	31 Dec 2011	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010
Corporates	924,314	913,984	917,480	924,640	891,651	862,075	859,427	875,717
of which repos and securities loans	5,918	10,228	6,340	12,026	15,445	13,057	12,317	19,513
of which other loans foundation approach	360,628	359,202	374,461	383,147	359,592	350,183	365,655	856,204
of which other loans advanced approach	557,768	544,554	536,679	529,467	516,614	498,835	481,455	
of which medium-sized companies	74,532	75,862	75,068	81,292	83,058	86,343	89,788	
of which property companies	360,438	347,519	339,390	327,438	315,578	299,223	281,292	
of which housing co-operative associations	122,798	121,173	122,221	120,737	117,978	113,269	110,375	
Households	738,140	731,719	730,669	728,654	723,301	702,157	691,474	680,633
of which property loans	652,056	645,054	643,449	642,116	635,502	619,963	610,234	599,963
of which other loans	86,084	86,665	87,220	86,538	87,799	82,194	81,240	80,670
Small companies	28,979	29,119	29,800	29,913	29,950	29,849	29,941	30,044
Institutions	130,759	133,255	158,538	181,709	167,694	193,213	181,574	210,801
of which repos and securities loans	66,907	73,162	79,640	92,241	101,938	127,277	102,593	140,643
of which other loans	63,852	60,093	78,898	89,468	65,756	65,936	78,981	70,158
Equity exposures	4,544	5,030	4,355	4,011	5,366	5,648	5,725	4,563
Exposures without a counterparty	2,280	2,311	2,364	1,978	2,090	2,043	2,044	2,063
Securitisation positions	1,504	1,725	1,944	2,543	2,701	4,085	5,460	5,557
of which Traditional securitisation	1,504	1,725	1,944	2,543	2,701	4,085	5,460	5,557
of which Synthetic securitisation	-	-	-	-	-	-	-	-
<b>Total IRB</b>	<b>1,830,520</b>	<b>1,817,143</b>	<b>1,845,150</b>	<b>1,873,448</b>	<b>1,822,753</b>	<b>1,799,070</b>	<b>1,775,645</b>	<b>1,809,378</b>
of which repos and securities loans	72,825	82,385	85,980	104,267	117,383	140,334	114,910	160,156
of which other loans foundation approach	432,808	429,366	462,022	481,147	435,505	427,895	457,864	938,545
of which other loans advanced approach	1,324,887	1,305,392	1,297,148	1,288,034	1,269,865	1,230,841	1,202,871	710,677

### Average risk weight, %

	30 Jun 2012	31 Mar 2012	31 Dec 2011	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010
Corporates	32.8	32.4	33.4	34.2	35.0	35.8	37.7	39.2
of which repos	0.8	0.7	1.5	0.5	0.7	1.2	0.5	0.5
of which other loans basic method	44.7	43.2	43.6	44.3	45.4	45.1	45.7	40.1
of which other loans advanced method	25.5	25.8	26.7	27.7	28.8	30.2	32.6	
of which medium-sized companies	63.4	63.0	65.8	65.5	68.0	67.6	71.6	
of which property companies	23.9	24.3	25.1	25.9	26.5	28.1	29.9	
of which housing co-operative associations	7.1	7.1	7.2	7.3	7.4	7.3	7.6	
Households	7.6	7.4	7.2	7.1	6.9	6.9	7.4	7.7
of which property lending	5.4	5.4	5.4	5.4	5.1	5.2	5.7	5.8
of which other lending	24.3	22.0	20.4	19.8	19.5	19.7	20.2	21.7
Small companies	37.7	39.0	38.9	39.1	38.6	40.6	40.8	42.2
Institutions	11.8	11.3	12.3	12.1	10.8	9.4	10.7	8.6
of which repos	0.3	0.4	0.5	0.5	1.1	0.7	0.6	0.5
of which other lending	23.8	24.5	24.2	24.0	25.7	26.0	23.9	24.9
Equity exposures	142.1	139.8	136.2	138.2	133.3	131.8	115.0	101.4
Exposures without a counterparty	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Securitisation positions	4.3	4.8	5.0	219.2	4.7	6.1	6.4	6.5
of which Traditional securitisation	4.3	4.8	5.0	219.2	4.7	6.1	6.4	6.5
of which Synthetic securitisation	-	-	-	-	-	-	-	-
<b>Total IRB</b>	<b>21.6</b>	<b>21.2</b>	<b>21.6</b>	<b>22.1</b>	<b>22.0</b>	<b>22.1</b>	<b>23.4</b>	<b>23.9</b>
of which repos and securities lending	0.4	0.4	0.6	0.5	1.1	0.8	0.6	0.5
of which other loans basic method	42.8	41.7	41.3	42.4	43.5	43.2	42.6	39.1
of which other loans advanced method	15.8	15.8	16.0	16.3	16.5	17.2	18.3	

### Capital requirement

SEK m	30 Jun 2012	31 Mar 2012	31 Dec 2011	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010
Corporates	24,275	23,668	24,529	25,314	24,966	24,705	25,922	27,442
of which repos	4	6	8	5	9	12	5	8
of which other loans basic method	12,899	12,408	13,052	13,570	13,050	12,641	13,363	27,434
of which other loans advanced method	11,372	11,253	11,469	11,739	11,907	12,052	12,554	
of which medium-sized companies	3,779	3,822	3,949	4,262	4,519	4,671	5,145	
of which property companies	6,900	6,748	6,812	6,774	6,686	6,717	6,739	
of which housing co-operative associations	693	683	708	703	702	664	670	
Households	4,511	4,338	4,217	4,122	3,970	3,892	4,095	4,180
of which property lending	2,839	2,811	2,795	2,749	2,603	2,593	2,781	2,783
of which other lending	1,672	1,527	1,422	1,373	1,367	1,299	1,314	1,397
Small companies	875	908	927	935	925	969	977	1,014
Institutions	1,231	1,200	1,559	1,755	1,448	1,449	1,557	1,448
of which repos	18	24	32	38	93	76	46	53
of which other lending	1,214	1,176	1,527	1,717	1,355	1,373	1,511	1,395
Equity exposures	517	562	475	444	572	596	526	370
Exposures without a counterparty	182	185	189	158	167	163	164	165
Securitisation positions	5	7	8	446	10	20	28	29
of which Traditional securitisation	5	7	8	446	10	20	28	29
of which Synthetic securitisation	-	-	-	-	-	-	-	-
<b>Total IRB</b>	<b>31,596</b>	<b>30,868</b>	<b>31,904</b>	<b>33,174</b>	<b>32,058</b>	<b>31,794</b>	<b>33,269</b>	<b>34,648</b>
of which repos and securities lending	22	29	40	43	102	89	51	61
of which other loans basic method	14,816	14,340	15,251	16,335	15,154	14,792	15,592	29,393
of which other loans advanced method	16,758	16,499	16,613	16,796	16,802	16,913	17,626	

## Segment information

### Operating profit per segment

SEK m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Branch office operations in Sweden	3,221	3,428	3,349	3,182	3,180	3,041	2,975	2,520
Branch office operations outside Sweden	1,150	1,015	852	924	696	623	665	785
Handelsbanken Capital Markets	205	158	43	381	311	316	220	275
Other	-140	-147	-306	-288	-220	-233	-231	-118
Eliminations	92	117	192	161	169	183	204	144
<b>Operating profit, Group</b>	<b>4,528</b>	<b>4,571</b>	<b>4,110</b>	<b>4,360</b>	<b>4,136</b>	<b>3,930</b>	<b>3,833</b>	<b>3,606</b>

### Branch office operations in Sweden

SEK m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Net interest income	4,161	4,281	4,172	4,033	3,872	3,750	3,498	3,204
Net fee and commission income	860	849	888	896	931	915	1,060	920
Net gains/losses on financial items at fair value	137	156	158	98	100	154	250	170
Other income	1	7	3	3	-1	15	8	7
<b>Total income</b>	<b>5,159</b>	<b>5,293</b>	<b>5,221</b>	<b>5,030</b>	<b>4,902</b>	<b>4,834</b>	<b>4,816</b>	<b>4,301</b>
Staff costs	-789	-801	-770	-780	-773	-795	-762	-748
Other administrative expenses	-315	-267	-341	-329	-319	-256	-294	-238
Internal purchased and sold services	-703	-700	-709	-639	-638	-748	-777	-719
Depreciation and amortisation	-22	-22	-23	-24	-21	-23	-22	-20
<b>Total expenses</b>	<b>-1,829</b>	<b>-1,790</b>	<b>-1,843</b>	<b>-1,772</b>	<b>-1,751</b>	<b>-1,822</b>	<b>-1,855</b>	<b>-1,725</b>
<b>Profit before loan losses</b>	<b>3,330</b>	<b>3,503</b>	<b>3,378</b>	<b>3,258</b>	<b>3,151</b>	<b>3,012</b>	<b>2,961</b>	<b>2,576</b>
Net loan losses	-109	-75	-29	-76	29	29	14	-56
Gains/losses on disposal of property, equipment and intangible assets	0	0	0	0	0	0	0	0
<b>Operating profit</b>	<b>3,221</b>	<b>3,428</b>	<b>3,349</b>	<b>3,182</b>	<b>3,180</b>	<b>3,041</b>	<b>2,975</b>	<b>2,520</b>
Profit allocation	163	137	186	127	170	181	263	222
<b>Operating profit after profit allocation</b>	<b>3,384</b>	<b>3,565</b>	<b>3,535</b>	<b>3,309</b>	<b>3,350</b>	<b>3,222</b>	<b>3,238</b>	<b>2,742</b>
Internal income	-796	-921	-862	-723	-667	-552	-571	-568
Cost/income ratio, %	34.4	33.0	34.1	34.4	34.5	36.3	36.5	38.1
Loan loss ratio, %	0.04	0.03	0.01	0.03				
Allocated capital	51,592	54,849	50,408	51,609	48,744	50,634	43,880	41,679
Return on allocated capital, %	19.4	19.2	20.7	18.9	20.3	18.8	21.8	19.4
Average number of employees	4,293	4,361	4,391	4,679	4,449	4,395	4,338	4,552
Number of branches	461	461	461	461	461	461	461	461

**Segmented operating profit in Branch office operations outside Sweden**

SEK m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Great Britain	260	248	224	165	149	101	130	9
Denmark	86	47	110	161	84	-6	-192	110
Finland	158	155	143	166	173	114	174	131
Norway	527	440	338	351	218	302	462	434
Handelsbanken International	119	125	37	81	72	112	91	99
Eliminations & other	0	0	0	0	0	0	0	2
<b>Operating profit</b>	<b>1,150</b>	<b>1,015</b>	<b>852</b>	<b>924</b>	<b>696</b>	<b>623</b>	<b>665</b>	<b>785</b>

**Branch office operations outside Sweden**

SEK m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Net interest income	2,127	2,005	1,939	1,776	1,590	1,558	1,689	1,742
Net fee and commission income	367	354	352	346	380	350	379	368
Net gains/losses on financial items at fair value	92	92	92	73	136	87	125	38
Other income	20	20	12	14	20	9	14	10
<b>Total income</b>	<b>2,606</b>	<b>2,471</b>	<b>2,395</b>	<b>2,209</b>	<b>2,126</b>	<b>2,004</b>	<b>2,207</b>	<b>2,158</b>
Staff costs	-746	-722	-742	-702	-676	-646	-636	-652
Other administrative expenses	-240	-228	-271	-229	-243	-233	-306	-236
Internal purchased and sold services	-271	-270	-298	-256	-294	-211	-278	-227
Depreciation and amortisation	-20	-20	-18	-17	-17	-18	-15	-20
<b>Total expenses</b>	<b>-1,277</b>	<b>-1,240</b>	<b>-1,329</b>	<b>-1,204</b>	<b>-1,230</b>	<b>-1,108</b>	<b>-1,235</b>	<b>-1,135</b>
<b>Profit before loan losses</b>	<b>1,329</b>	<b>1,231</b>	<b>1,066</b>	<b>1,005</b>	<b>896</b>	<b>896</b>	<b>972</b>	<b>1,023</b>
Net loan losses	-179	-216	-214	-81	-201	-273	-307	-238
Gains/losses on disposal of property, equipment and intangible assets	0	0	0	0	1	0	0	0
<b>Operating profit</b>	<b>1,150</b>	<b>1,015</b>	<b>852</b>	<b>924</b>	<b>696</b>	<b>623</b>	<b>665</b>	<b>785</b>
Profit allocation	29	28	51	32	44	18	64	54
<b>Operating profit after profit allocation</b>	<b>1,179</b>	<b>1,043</b>	<b>903</b>	<b>956</b>	<b>740</b>	<b>641</b>	<b>729</b>	<b>839</b>
Internal income	-1,654	-1,737	-1,034	-1,988	-1,884	-1,519	-1,529	-1,570
Cost/income ratio, %	48.5	49.6	54.3	53.7	56.7	54.8	54.4	51.3
Loan loss ratio, %	0.16	0.19	0.18	0.08	0.19	0.26	0.25	0.19
Allocated capital	30,935	28,452	28,053	24,267	23,810	24,992	25,117	25,978
Return on allocated capital, %	11.2	10.8	9.5	11.6	9.2	7.6	8.6	9.5
Average number of employees	3,277	3,226	3,206	3,188	3,121	3,062	3,003	2,940
Number of branches	299	294	285	283	279	273	262	255

**Branch office operations in Great Britain**

SEK m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Net interest income	519	477	451	402	358	329	339	344
Net fee and commission income	25	23	22	22	21	16	17	18
Net gains/losses on financial items at fair value	23	22	25	18	19	17	22	14
Other income	4	4	0	0	0	0	0	0
<b>Total income</b>	<b>571</b>	<b>526</b>	<b>498</b>	<b>442</b>	<b>398</b>	<b>362</b>	<b>378</b>	<b>376</b>
Staff costs	-200	-183	-169	-157	-147	-140	-140	-136
Other administrative expenses	-45	-42	-44	-37	-36	-30	-35	-33
Internal purchased and sold services	-50	-49	-42	-38	-38	-33	-35	-27
Depreciation and amortisation	-3	-4	-2	-2	-2	-2	-1	-3
<b>Total expenses</b>	<b>-298</b>	<b>-278</b>	<b>-257</b>	<b>-234</b>	<b>-223</b>	<b>-205</b>	<b>-211</b>	<b>-199</b>
<b>Profit before loan losses</b>	<b>273</b>	<b>248</b>	<b>241</b>	<b>208</b>	<b>175</b>	<b>157</b>	<b>167</b>	<b>177</b>
Net loan losses	-13	0	-17	-43	-26	-56	-37	-168
<b>Operating profit</b>	<b>260</b>	<b>248</b>	<b>224</b>	<b>165</b>	<b>149</b>	<b>101</b>	<b>130</b>	<b>9</b>
Profit allocation	3	3	5	2	5	3	7	5
<b>Operating profit after profit allocation</b>	<b>263</b>	<b>251</b>	<b>229</b>	<b>167</b>	<b>154</b>	<b>104</b>	<b>137</b>	<b>14</b>
Cost/income ratio, %	51.9	52.6	51.1	52.7	55.3	56.2	54.8	52.2
Average number of employees	917	873	817	777	729	689	645	600
Number of branches	117	112	104	101	95	90	83	77

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

GBP m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Net interest income	47.3	45.0	42.7	38.6	34.9	31.7	31.5	30.5
Net fee and commission income	2.3	2.2	2.0	2.1	2.1	1.6	1.5	1.6
Net gains/losses on financial items at fair value	2.1	2.0	2.4	1.7	1.9	1.6	2.0	1.3
Other income	0.4	0.4	-	0.0	-	0.0	0.0	0.0
<b>Total income</b>	<b>52.1</b>	<b>49.6</b>	<b>47.1</b>	<b>42.4</b>	<b>38.9</b>	<b>34.9</b>	<b>35.0</b>	<b>33.4</b>
Staff costs	-18.2	-17.2	-16.0	-15.1	-14.4	-13.5	-13.0	-12.1
Other administrative expenses	-4.1	-4.0	-4.1	-3.6	-3.5	-2.9	-3.2	-2.9
Internal purchased and sold services	-4.6	-4.6	-4.0	-3.5	-3.7	-3.2	-3.2	-2.3
Depreciation and amortisation	-0.3	-0.4	-0.2	-0.2	-0.2	-0.2	-0.1	-0.3
<b>Total expenses</b>	<b>-27.2</b>	<b>-26.2</b>	<b>-24.3</b>	<b>-22.4</b>	<b>-21.8</b>	<b>-19.8</b>	<b>-19.5</b>	<b>-17.6</b>
<b>Profit before loan losses</b>	<b>24.9</b>	<b>23.4</b>	<b>22.8</b>	<b>20.0</b>	<b>17.1</b>	<b>15.1</b>	<b>15.5</b>	<b>15.8</b>
Net loan losses	-1.2	0.0	-1.5	-4.1	-2.6	-5.4	-3.6	-14.9
<b>Operating profit</b>	<b>23.7</b>	<b>23.4</b>	<b>21.3</b>	<b>15.9</b>	<b>14.5</b>	<b>9.7</b>	<b>11.9</b>	<b>0.9</b>
Profit allocation	0.3	0.3	0.4	0.2	0.5	0.3	0.7	0.4
<b>Operating profit after profit allocation</b>	<b>24.0</b>	<b>23.7</b>	<b>21.7</b>	<b>16.1</b>	<b>15.0</b>	<b>10.0</b>	<b>12.6</b>	<b>1.3</b>

**Business volumes, Great Britain**

Average volumes, GBP m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Deposits and borrowing from the public								
Household	446	415	400	353	356	361	347	343
Corporate	2,228	1,926	1,763	1,636	1,335	1,110	1,158	1,076
<b>Total</b>	<b>2,674</b>	<b>2,341</b>	<b>2,163</b>	<b>1,989</b>	<b>1,691</b>	<b>1,471</b>	<b>1,505</b>	<b>1,419</b>
Loans to the public								
Household	2,441	2,318	2,197	2,029	1,851	1,667	1,516	1,366
Corporate	6,978	6,468	6,326	5,900	5,461	5,081	4,972	4,863
<b>Total</b>	<b>9,419</b>	<b>8,786</b>	<b>8,523</b>	<b>7,929</b>	<b>7,312</b>	<b>6,748</b>	<b>6,488</b>	<b>6,229</b>

**Branch office operations in Denmark**

	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
SEK m								
Net interest income	356	339	356	317	280	272	302	290
Net fee and commission income	74	75	73	56	70	70	67	70
Net gains/losses on financial items at fair value	14	10	12	13	19	8	10	12
Other income	7	4	0	8	8	2	5	3
<b>Total income</b>	<b>451</b>	<b>428</b>	<b>441</b>	<b>394</b>	<b>377</b>	<b>352</b>	<b>384</b>	<b>375</b>
Staff costs	-136	-135	-143	-137	-131	-131	-136	-137
Other administrative expenses	-45	-41	-47	-46	-79	-46	-74	-53
Internal purchased and sold services	-66	-57	-67	-56	-58	-47	-61	-48
Depreciation and amortisation	-4	-4	-5	-4	-4	-4	-3	-4
<b>Total expenses</b>	<b>-251</b>	<b>-237</b>	<b>-262</b>	<b>-243</b>	<b>-272</b>	<b>-228</b>	<b>-274</b>	<b>-242</b>
<b>Profit before loan losses</b>	<b>200</b>	<b>191</b>	<b>179</b>	<b>151</b>	<b>105</b>	<b>124</b>	<b>110</b>	<b>133</b>
Net loan losses	-114	-144	-69	10	-21	-130	-302	-23
<b>Operating profit</b>	<b>86</b>	<b>47</b>	<b>110</b>	<b>161</b>	<b>84</b>	<b>-6</b>	<b>-192</b>	<b>110</b>
Profit allocation	5	6	8	4	5	1	7	3
<b>Operating profit after profit allocation</b>	<b>91</b>	<b>53</b>	<b>118</b>	<b>165</b>	<b>89</b>	<b>-5</b>	<b>-185</b>	<b>113</b>
Cost/income ratio, %	55.0	54.6	58.4	61.1	71.2	64.6	70.1	64.0
Average number of employees	614	619	621	628	625	621	623	624
Number of branches	54	54	54	54	54	54	53	53

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

	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
DKK m								
Net interest income	297	285	292	258	232	229	244	230
Net fee and commission income	62	63	60	45	58	59	54	56
Net gains/losses on financial items at fair value	12	8	9	11	16	7	8	10
Other income	6	3	-	7	6	1	5	2
<b>Total income</b>	<b>377</b>	<b>359</b>	<b>361</b>	<b>321</b>	<b>312</b>	<b>296</b>	<b>311</b>	<b>298</b>
Staff costs	-114	-113	-117	-112	-108	-110	-110	-109
Other administrative expenses	-38	-35	-38	-37	-66	-39	-60	-42
Internal purchased and sold services	-55	-48	-55	-45	-48	-40	-49	-38
Depreciation and amortisation	-3	-3	-4	-3	-3	-3	-2	-3
<b>Total expenses</b>	<b>-210</b>	<b>-199</b>	<b>-214</b>	<b>-197</b>	<b>-225</b>	<b>-192</b>	<b>-221</b>	<b>-192</b>
<b>Profit before loan losses</b>	<b>167</b>	<b>160</b>	<b>147</b>	<b>124</b>	<b>87</b>	<b>104</b>	<b>90</b>	<b>106</b>
Net loan losses	-95	-121	-57	9	-17	-109	-236	-18
<b>Operating profit</b>	<b>72</b>	<b>39</b>	<b>90</b>	<b>133</b>	<b>70</b>	<b>-5</b>	<b>-146</b>	<b>88</b>
Profit allocation	4	5	7	3	4	1	5	2
<b>Operating profit after profit allocation</b>	<b>76</b>	<b>44</b>	<b>97</b>	<b>136</b>	<b>74</b>	<b>-4</b>	<b>-141</b>	<b>90</b>

**Business volumes, Branch office operations in Denmark**

Average volumes, DKK bn	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Deposits and borrowing from the public								
Household	8.7	8.4	8.7	8.7	8.3	8.1	8.4	8.5
Corporate	11.0	13.2	12.9	11.2	10.2	12.2	12.0	12.2
<b>Total</b>	<b>19.7</b>	<b>21.6</b>	<b>21.6</b>	<b>19.9</b>	<b>18.5</b>	<b>20.3</b>	<b>20.4</b>	<b>20.7</b>
Loans to the public								
Household	25.0	23.9	22.6	22.1	21.8	21.2	20.3	19.7
Corporate	27.6	26.9	25.2	23.1	20.8	21.0	20.3	19.6
<b>Total</b>	<b>52.6</b>	<b>50.8</b>	<b>47.8</b>	<b>45.2</b>	<b>42.6</b>	<b>42.2</b>	<b>40.6</b>	<b>39.3</b>

**Branch office operations in Finland**

SEK m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Net interest income	240	255	251	237	203	205	220	239
Net fee and commission income	91	92	84	87	99	86	105	95
Net gains/losses on financial items at fair value	7	10	7	6	29	9	10	9
Other income	1	3	2	1	2	2	3	0
<b>Total income</b>	<b>339</b>	<b>360</b>	<b>344</b>	<b>331</b>	<b>333</b>	<b>302</b>	<b>338</b>	<b>343</b>
Staff costs	-84	-81	-88	-79	-79	-81	-90	-84
Other administrative expenses	-34	-36	-45	-33	-17	-44	-57	-47
Internal purchased and sold services	-51	-47	-51	-47	-63	-38	-53	-51
Depreciation and amortisation	-5	-6	-5	-5	-5	-5	-4	-5
<b>Total expenses</b>	<b>-174</b>	<b>-170</b>	<b>-189</b>	<b>-164</b>	<b>-164</b>	<b>-168</b>	<b>-204</b>	<b>-187</b>
<b>Profit before loan losses</b>	<b>165</b>	<b>190</b>	<b>155</b>	<b>167</b>	<b>169</b>	<b>134</b>	<b>134</b>	<b>156</b>
Net loan losses	-7	-35	-12	-1	4	-20	40	-25
<b>Operating profit</b>	<b>158</b>	<b>155</b>	<b>143</b>	<b>166</b>	<b>173</b>	<b>114</b>	<b>174</b>	<b>131</b>
Profit allocation	10	8	20	11	22	10	23	11
<b>Operating profit after profit allocation</b>	<b>168</b>	<b>163</b>	<b>163</b>	<b>177</b>	<b>195</b>	<b>124</b>	<b>197</b>	<b>142</b>
Cost/income ratio, %	49.9	46.2	51.9	48.0	46.2	53.8	56.5	52.8
Average number of employees	484	465	460	464	469	477	483	486
Number of branches	45	45	45	45	45	45	45	45

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

EUR m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Net interest income	26.9	28.8	27.6	26.0	22.5	23.1	23.9	25.5
Net fee and commission income	10.2	10.4	9.2	9.5	11.0	9.7	11.4	10.1
Net gains/losses on financial items at fair value	0.8	1.1	0.8	0.6	3.3	1.0	1.0	1.0
Other income	0.1	0.4	0.2	0.1	0.2	0.3	0.3	0.0
<b>Total income</b>	<b>38.0</b>	<b>40.7</b>	<b>37.8</b>	<b>36.2</b>	<b>37.0</b>	<b>34.1</b>	<b>36.6</b>	<b>36.6</b>
Staff costs	-9.4	-9.1	-9.7	-8.6	-8.8	-9.1	-9.8	-8.9
Other administrative expenses	-3.8	-4.1	-5.0	-3.6	-1.9	-5.0	-6.2	-5.0
Internal purchased and sold services	-5.7	-5.3	-5.6	-5.1	-7.0	-4.3	-5.7	-5.4
Depreciation and amortisation	-0.6	-0.7	-0.5	-0.6	-0.5	-0.6	-0.4	-0.6
<b>Total expenses</b>	<b>-19.5</b>	<b>-19.2</b>	<b>-20.8</b>	<b>-17.9</b>	<b>-18.2</b>	<b>-19.0</b>	<b>-22.1</b>	<b>-19.9</b>
<b>Profit before loan losses</b>	<b>18.5</b>	<b>21.5</b>	<b>17.0</b>	<b>18.3</b>	<b>18.8</b>	<b>15.1</b>	<b>14.5</b>	<b>16.7</b>
Net loan losses	-0.8	-4.0	-1.3	-0.1	0.5	-2.2	3.7	-3.3
<b>Operating profit</b>	<b>17.7</b>	<b>17.5</b>	<b>15.7</b>	<b>18.2</b>	<b>19.3</b>	<b>12.9</b>	<b>18.2</b>	<b>13.4</b>
Profit allocation	1.1	0.9	2.2	1.2	2.4	1.1	2.5	1.2
<b>Operating profit after profit allocation</b>	<b>18.8</b>	<b>18.4</b>	<b>17.9</b>	<b>19.4</b>	<b>21.7</b>	<b>14.0</b>	<b>20.7</b>	<b>14.6</b>

**Business volumes, Branch office operations in Finland**

Average volumes, EUR m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Deposits and borrowing from the public								
Household	1,272	1,324	1,348	1,277	1,227	1,214	1,248	1,264
Corporate	2,222	2,318	2,120	1,671	1,706	2,249	2,512	2,498
<b>Total</b>	<b>3,494</b>	<b>3,642</b>	<b>3,468</b>	<b>2,948</b>	<b>2,933</b>	<b>3,463</b>	<b>3,760</b>	<b>3,762</b>
Loans to the public								
Household	3,447	3,260	3,262	3,253	3,231	3,209	3,196	3,170
Corporate	7,066	6,823	6,887	6,855	6,728	6,600	6,684	6,734
<b>Total</b>	<b>10,513</b>	<b>10,083</b>	<b>10,149</b>	<b>10,108</b>	<b>9,959</b>	<b>9,809</b>	<b>9,880</b>	<b>9,904</b>

**Branch office operations in Norway**

SEK m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Net interest income	757	693	656	607	564	555	614	634
Net fee and commission income	86	64	73	82	86	70	75	71
Net gains/losses on financial items at fair value	23	24	26	30	27	29	55	26
Other income	7	8	8	4	8	4	5	5
<b>Total income</b>	<b>873</b>	<b>789</b>	<b>763</b>	<b>723</b>	<b>685</b>	<b>658</b>	<b>749</b>	<b>736</b>
Staff costs	-172	-173	-176	-173	-167	-151	-118	-150
Other administrative expenses	-61	-58	-68	-60	-62	-64	-70	-55
Internal purchased and sold services	-69	-78	-85	-74	-83	-56	-66	-55
Depreciation and amortisation	-3	-3	-3	-3	-3	-4	-4	-5
<b>Total expenses</b>	<b>-305</b>	<b>-312</b>	<b>-332</b>	<b>-310</b>	<b>-315</b>	<b>-275</b>	<b>-258</b>	<b>-265</b>
<b>Profit before loan losses</b>	<b>568</b>	<b>477</b>	<b>431</b>	<b>413</b>	<b>370</b>	<b>383</b>	<b>491</b>	<b>471</b>
Net loan losses	-41	-37	-93	-62	-153	-81	-30	-37
<b>Operating profit</b>	<b>527</b>	<b>440</b>	<b>338</b>	<b>351</b>	<b>218</b>	<b>302</b>	<b>462</b>	<b>434</b>
Profit allocation	6	7	12	10	5	3	15	18
<b>Operating profit after profit allocation</b>	<b>533</b>	<b>447</b>	<b>350</b>	<b>361</b>	<b>223</b>	<b>305</b>	<b>477</b>	<b>452</b>
Cost/income ratio, %	34.7	39.2	42.8	42.3	45.7	41.6	33.8	35.1
Average number of employees	651	652	659	666	664	647	633	619
Number of branches	49	50	50	50	50	50	49	48

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

NOK m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Net interest income	643	594	561	515	490	490	537	538
Net fee and commission income	73	55	62	70	75	62	65	60
Net gains/losses on financial items at fair value	19	20	22	26	23	26	46	22
Other income	6	7	7	3	7	3	5	4
<b>Total income</b>	<b>741</b>	<b>676</b>	<b>652</b>	<b>614</b>	<b>595</b>	<b>581</b>	<b>653</b>	<b>624</b>
Staff costs	-146	-148	-150	-147	-145	-133	-104	-127
Other administrative expenses	-52	-49	-58	-51	-54	-57	-61	-47
Internal purchased and sold services	-58	-67	-73	-63	-72	-49	-57	-46
Depreciation and amortisation	-3	-3	-3	-2	-3	-4	-4	-4
<b>Total expenses</b>	<b>-259</b>	<b>-267</b>	<b>-284</b>	<b>-263</b>	<b>-274</b>	<b>-243</b>	<b>-226</b>	<b>-224</b>
<b>Profit before loan losses</b>	<b>482</b>	<b>409</b>	<b>368</b>	<b>351</b>	<b>321</b>	<b>338</b>	<b>427</b>	<b>400</b>
Net loan losses	-35	-32	-79	-52	-133	-72	-26	-31
Gains/losses on disposal of property, equipment and intangible assets	0	0	0	-	1	-	1	-
<b>Operating profit</b>	<b>447</b>	<b>377</b>	<b>289</b>	<b>299</b>	<b>189</b>	<b>266</b>	<b>402</b>	<b>369</b>
Profit allocation	5	6	10	9	4	3	14	15
<b>Operating profit after profit allocation</b>	<b>452</b>	<b>383</b>	<b>299</b>	<b>308</b>	<b>193</b>	<b>269</b>	<b>416</b>	<b>384</b>

**Business volumes, Branch office operations in Norway**

Average volumes, NOK bn	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Deposits and borrowing from the public								
Household	13.6	12.1	11.9	12.0	11.3	10.8	10.3	9.9
Corporate	33.7	38.8	35.6	35.9	39.6	38.4	34.5	32.3
<b>Total</b>	<b>47.3</b>	<b>50.9</b>	<b>47.5</b>	<b>47.9</b>	<b>50.9</b>	<b>49.2</b>	<b>44.8</b>	<b>42.2</b>
Loans to the public								
Household	67.3	66.1	65.9	64.6	62.8	60.9	57.5	56.0
Corporate	106.5	105.4	102.1	100.3	100.7	100.9	103.7	101.6
<b>Total</b>	<b>173.8</b>	<b>171.5</b>	<b>168.0</b>	<b>164.9</b>	<b>163.5</b>	<b>161.8</b>	<b>161.2</b>	<b>157.6</b>



**Handelsbanken International**

SEK m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Net interest income	255	241	225	213	185	197	214	235
Net fee and commission income	91	100	100	99	104	108	115	114
Net gains/losses on financial items at fair value	25	26	22	6	42	24	28	-23
Other income	1	1	2	1	2	1	1	2
<b>Total income</b>	<b>372</b>	<b>368</b>	<b>349</b>	<b>319</b>	<b>333</b>	<b>330</b>	<b>358</b>	<b>328</b>
Staff costs	-154	-150	-166	-156	-152	-143	-152	-145
Other administrative expenses	-55	-51	-67	-53	-49	-49	-70	-48
Internal purchased and sold services	-35	-39	-53	-41	-52	-37	-63	-46
Depreciation and amortisation	-5	-3	-3	-3	-3	-3	-3	-3
<b>Total expenses</b>	<b>-249</b>	<b>-243</b>	<b>-289</b>	<b>-253</b>	<b>-256</b>	<b>-232</b>	<b>-288</b>	<b>-242</b>
<b>Profit before loan losses</b>	<b>123</b>	<b>125</b>	<b>60</b>	<b>66</b>	<b>77</b>	<b>98</b>	<b>70</b>	<b>86</b>
Net loan losses	-4	0	-23	15	-5	14	22	13
<b>Operating profit</b>	<b>119</b>	<b>125</b>	<b>37</b>	<b>81</b>	<b>72</b>	<b>112</b>	<b>91</b>	<b>99</b>
Profit distribution	5	4	6	5	7	1	12	17
<b>Operating profit after profit allocation</b>	<b>124</b>	<b>129</b>	<b>43</b>	<b>86</b>	<b>79</b>	<b>113</b>	<b>103</b>	<b>116</b>
Cost/income ratio, %	66	65	81	78	75	70	78	70
Average number of employees	611	617	649	653	634	628	619	611
Number of branches	34	33	32	33	35	34	32	32

**Handelsbanken Capital Markets**

SEK m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Net interest income	195	180	208	167	174	162	185	170
Net fee and commission income	607	655	625	652	713	621	624	586
Net gains/losses on financial items at fair value	168	129	-73	267	177	257	148	199
Risk result - insurance	39	36	38	52	38	81	67	42
Other income	3	4	5	2	7	4	7	4
<b>Total income</b>	<b>1,012</b>	<b>1,004</b>	<b>803</b>	<b>1,140</b>	<b>1,109</b>	<b>1,125</b>	<b>1,031</b>	<b>1,001</b>
Staff costs	-573	-583	-461	-548	-541	-561	-519	-493
Other administrative expenses	-204	-217	-264	-185	-226	-214	-253	-209
Internal purchased and sold services	-18	-31	-20	-14	-21	-22	-24	-14
Depreciation and amortisation	-12	-15	-15	-12	-10	-12	-11	-10
<b>Total expenses</b>	<b>-807</b>	<b>-846</b>	<b>-760</b>	<b>-759</b>	<b>-798</b>	<b>-809</b>	<b>-807</b>	<b>-726</b>
<b>Profit before loan losses</b>	<b>205</b>	<b>158</b>	<b>43</b>	<b>381</b>	<b>311</b>	<b>316</b>	<b>224</b>	<b>275</b>
Net loan losses	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>205</b>	<b>158</b>	<b>43</b>	<b>381</b>	<b>311</b>	<b>316</b>	<b>220</b>	<b>275</b>
Profit allocation	-192	-165	-237	-159	-214	-199	-327	-276
<b>Operating profit after profit allocation</b>	<b>13</b>	<b>-7</b>	<b>-194</b>	<b>222</b>	<b>97</b>	<b>117</b>	<b>-107</b>	<b>-1</b>
Internal income	-316	-297	-162	-106	-365	-278	-375	-315
Cost/income ratio, %	98.4	100.8	134.3	77.4	89.2	87.4	114.6	100.1
Allocated capital	4,811	6,195	7,174	6,723	6,263	6,197	10,214	9,992
Return on allocated capital, %	0.8	-	-	9.7	4.5	5.6	-	-
Average number of employees	1,563	1,605	1,617	1,652	1,610	1,625	1,619	1,649

**Handelsbanken Liv**

SEK m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Administration result	25	30	30	20	31	27	19	0
Risk result	39	36	38	52	38	81	67	42
Financial result	10	-24	-13	75	63	-45	-86	-28
<i>of which deferred capital contribution</i>	8	-18	-4	6	41	-51	-48	-23
Other	44	38	42	55	44	19	24	34
<b>Operating profit</b>	<b>118</b>	<b>80</b>	<b>97</b>	<b>202</b>	<b>176</b>	<b>82</b>	<b>24</b>	<b>48</b>
AUM, SEK bn, end of period	72	74	69	67	75	75	75	72
of which unit-linked	45	45	41	39	43	41	40	35
of which portfolio bond	15	16	15	14	17	17	16	15
Solvency ratio, end of period	5.6	3.2	2.5	2.7	3.4	3.3	3.0	2.1

**Other**

SEK m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Net interest income	102	103	47	99	50	50	253	223
Net fee and commission income	-9	34	12	9	-75	58	64	50
Net gains/losses on financial items at fair value	-178	-33	-114	-154	-105	-137	-259	-233
Share of profit of associated companies	5	-5	-3	-8	18	2	-4	1
Other income	152	8	22	12	148	14	21	14
<b>Total income</b>	<b>72</b>	<b>107</b>	<b>-36</b>	<b>-42</b>	<b>36</b>	<b>-13</b>	<b>75</b>	<b>55</b>
Staff costs	-654	-679	-709	-633	-652	-638	-709	-616
Other administrative expenses	-477	-502	-516	-459	-488	-487	-573	-483
Internal purchased and sold services	982	992	1,018	900	950			
Depreciation and amortisation	-63	-65	-64	-59	-66	-63	-55	-61
<b>Total expenses</b>	<b>-212</b>	<b>-254</b>	<b>-271</b>	<b>-251</b>	<b>-256</b>	<b>-220</b>	<b>-305</b>	<b>-177</b>
<b>Profit before loan losses</b>	<b>-140</b>	<b>-147</b>	<b>-307</b>	<b>-293</b>	<b>-220</b>	<b>-233</b>	<b>-230</b>	<b>-122</b>
Net loan losses	-	-	-	-	-	-	-	-
Gains/losses on disposal of property, equipment and intangible assets	0	0	1	5	0	0	-1	4
<b>Operating profit</b>	<b>-140</b>	<b>-147</b>	<b>-306</b>	<b>-288</b>	<b>-220</b>	<b>-233</b>	<b>-231</b>	<b>-118</b>
Profit allocation	0	0	0	0	0	0	0	0
<b>Operating profit after profit allocation</b>	<b>-140</b>	<b>-147</b>	<b>-306</b>	<b>-288</b>	<b>-220</b>	<b>-233</b>	<b>-231</b>	<b>-118</b>
Internal income	2,766	2,955	2,058	2,817	2,916	2,349	2,475	2,453
Average number of employees	1,962	1,943	1,933	1,915	1,911	1,984	1,987	1,958

**Eliminations**

SEK m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Net interest income	-10	-9	-9	-9	-3	-13	-13	-12
Net fee and commission income	-	-	-	-	-	-	-	-
Net gains/losses on financial items at fair value	-	-	-	0	0	0	12	3
Risk result - insurance	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-1	1	-	-
<b>Total income</b>	<b>-10</b>	<b>-9</b>	<b>-9</b>	<b>-9</b>	<b>-4</b>	<b>-12</b>	<b>-1</b>	<b>-9</b>
Staff costs	92	117	192	165	165	183	160	179
Other administrative expenses	-	-	-	-4	3	1	1	-
Depreciation, amortisation and impairments of property, equipment and intangible assets	-	-	-	-	2	-2	-3	-3
<b>Total expenses</b>	<b>102</b>	<b>126</b>	<b>201</b>	<b>170</b>	<b>173</b>	<b>195</b>	<b>205</b>	<b>153</b>
<b>Profit before loan losses</b>	<b>92</b>	<b>117</b>	<b>192</b>	<b>161</b>	<b>169</b>	<b>183</b>	<b>204</b>	<b>144</b>
Net loan losses	-	-	-	-	-	-	-	-
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>92</b>	<b>117</b>	<b>192</b>	<b>161</b>	<b>169</b>	<b>183</b>	<b>204</b>	<b>144</b>

## 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 June 30, 2012 – The Group

Programme (in millions)	Programme size	Currency	Unutilised amount, current programme	Countervalue SEK m
ECP *	5,000	EUR	2,100	18,390
ECP (Stadshypotek) *	4,000	EUR	2,710	23,732
French Certificates of Deposit	5,000	EUR	1,503	13,162
EMTCN (Stadshypotek) *	20,000	EUR	7,059	61,816
MTN *	100,000	SEK	65,126	65,126
Swedish Commercial Paper	25,000	SEK	18,500	18,500
Swedish Commercial Paper (Stadshypotek)	90,000	SEK	88,440	88,440
EMTN *	50,000	USD	29,627	204,551
Other funding > 1 y *	15,000	USD	13,160	90,859
USCP	15,000	USD	7,750	53,508
Extendible Notes	15,000	USD	12,938	89,327
US 144A / 3(a)(2)	15,000	USD	7,150	49,365
Stadshypotek US 144A	15,000	USD	13,400	92,516
Stadshypotek AUD Covered Bond Programme	5,000	AUD	5,000	35,362
<b>Total</b>				<b>904,653</b>
Total programme amount, SEK m	1,411,128			
Unutilised amount, SEK m	904,653			
<b>Unutilised amount</b>		<b>64%</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.

Out of the total funding for the Group, 36% consists of issued bonds, including covered bonds. Covered bonds by themselves, constitute approximately 24% of the funding for the Group (20% of total assets) and a bit more than 82% of these are issued in the Swedish market. The issue volume for bonds in the second quarter amounted to SEK 53 bn (71bn in Q1), comprising SEK 21 bn in senior funding and SEK 32 bn in covered bonds. The Bank had, as at 30 June, 2012, prefinanced all bond maturities until the end of the second quarter 2013.

During the second quarter the significant dollar inflows continued. The volume of so-called CDs (Certificates of Deposit) in USD amounted as at June 30, 2012 to USD 26.4 bn. These funds are mainly placed with the Federal Reserve and constitute part of the total liquidity reserve of the Bank.

In the beginning of the third quarter, a 3-year senior unsecured bond issue of EUR 1.5 bn was done.

Selection of international issues during last 12 months	
July 2011	USD 1.25n bn 5y FXD 144A/3(a)(2) T+145
October 2011	JPY 5bn 10Y FXD
October 2011	JPY 20bn 5Y FXD
October 2011	EUR 1.25bn 10Y FXD +170bps
January 2012	JPY 2.1 bn 2Y FXD +55bps
January 2012	EUR 1bn 5Y FXD MS +163bps
January 2012	GBP 400m 7Y FXD G +250 bps
January 2012	GBP 400m 2Y FRN L +110 bps
January 2012	NOK 3bn 3Y FRN Covered Bond +51bps
March 2012	NOK 1.5bn 5Y FRN Covered Bond +69bps
March 2012	EUR 1.5bn 5Y FRN Covered Bond +30bps
April 2012	USD 1.25n bn 5y FXD 144A/3(a)(2) T+187.5
May 2012	NOK 1bn 7Y FRN Covered Bond +72bps
June 2012	EUR 1.25bn 6Y FXD +92bps

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.

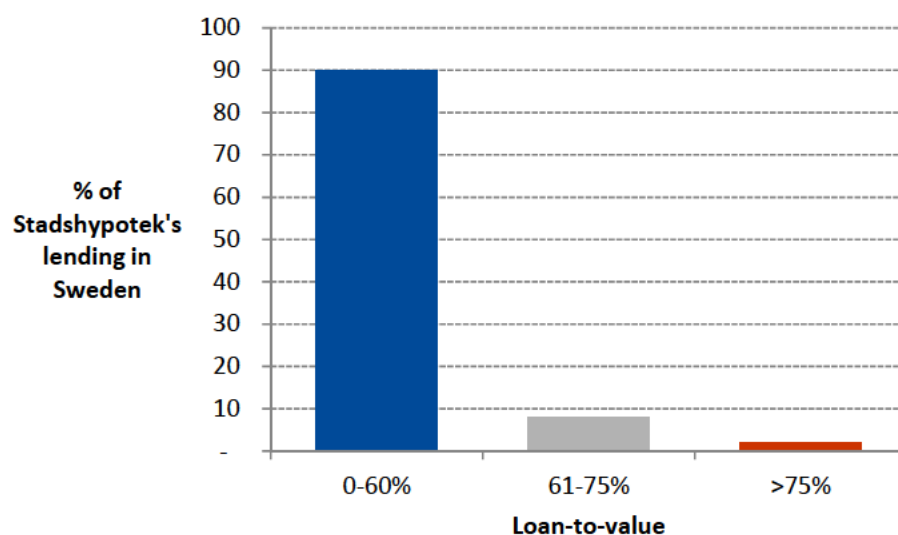
The Swedish market is one of the largest covered bond markets in Europe. Bonds are issued on-tap on a continuous basis in a few benchmarks per issuer. Stadshypotek has nine outstanding benchmark loans, which mature between 2012 and 2022. These loans are arranged by five market makers and are non-callable 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.

During the period, Stadshypotek again issued covered bonds in Norwegian Kroner backed by the pool of Norwegian mortgages. One issue was done with a 7-year maturity of an amount of NOK 1 bn.

## STADSHYPOTEK

Of the total lending to the public in the Handelsbanken Group about 52% constitutes mortgage lending in Stadshypotek.

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



### Cover Pool Data, Sweden

SEK m	30 jun 2012	31 mar 2012	31 dec 2011	30 sep 2011	30 jun 2011	31 mar 2011	31 dec 2010	30 sep 2010
Stadshypotek total public lending in Sweden	758,022	751,110	752,258	745,626	735,512	717,574	703,658	683,446
Assets available for Cover Pool	678,257	679,702	673,080	673,207	661,612	648,640	640,682	614,493
Assets utilized for Cover Pool	591,739	578,912	584,238	548,585	514,663	497,674	488,330	471,157
WA Max-LTV Cover Pool, as defined by ASCB	47.4%	47.6%	48.5%	49.1%	48.4%	48.4%	48.9%	49.3%
<b>LTV-distribution</b>								
0-10%	29.3%	28.8%	28.8%	31.6%	29.5%	29.2%	29.6%	26.8%
10-20%	21.6%	21.5%	21.5%	19.3%	21.8%	21.7%	21.6%	20.6%
20-30%	17.4%	17.4%	17.4%	17.4%	17.4%	17.5%	17.4%	17.3%
30-40%	13.8%	13.9%	13.9%	13.8%	13.7%	13.9%	13.7%	15.0%
40-50%	10.6%	10.8%	10.7%	10.7%	10.5%	10.7%	10.6%	12.1%
50-60%	7.2%	7.3%	7.3%	7.0%	6.9%	6.9%	6.9%	7.8%
60-70%	0.2%	0.3%	0.3%	0.2%	0.1%	0.0%	0.1%	0.3%
70-75%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%
WA loan size, SEK	538,700	550,200	519,200	585,000	584,100	605,200	616,120	466,000
WA seasoning of Cover Pool, months	37	37	37	35	35	35	34	38
<b>Interest index distribution</b>								
Floating (3 months)	49%	49%	49%	49%	51%	52%	57%	59%
Fixed rate (> 3 months)	51%	51%	51%	51%	49%	48%	43%	41%

## Liquidity

The bank chose to further increase the total liquidity reserve during the second quarter. As at 30 June, 2012, total liquidity reserves exceeded SEK 750 billion. Balances with central banks and banks, as well as securities that are eligible as collateral with central banks, totaled SEK 537 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				
	30 Jun 2012	31 Mar 2012	31 Dec 2011	30 Sep 2011	30 Jun 2011
Cash and balances with and other lending to central banks	437,648	340,824	375,751	338,602	230,436
Balances with banks & the National Debt Office, overnight (incl. repos)	14,217	37,675	22,113	33,035	21,317
Securities issued by governments and public entities	35,988	49,771	30,978	36,496	37,223
Covered bonds	45,337	43,686	38,954	47,363	28,664
Securities issued by non-financial companies	-	1,821	1,122	2,111	7,856
Securities issued by financial companies	4,029	2,737	11,524	8,495	13,485
<b>Total</b>	<b>537,219</b>	<b>476,514</b>	<b>480,442</b>	<b>466,102</b>	<b>338,980</b>
<i>of which in SEK</i>	<i>97,788</i>	<i>117,366</i>	<i>98,373</i>	<i>87,077</i>	<i>63,935</i>
<i>of which in EUR</i>	<i>112,433</i>	<i>90,858</i>	<i>95,739</i>	<i>78,080</i>	<i>70,190</i>
<i>of which in USD</i>	<i>266,910</i>	<i>228,323</i>	<i>247,751</i>	<i>265,345</i>	<i>172,361</i>
<i>of which in other currencies</i>	<i>60,088</i>	<i>39,967</i>	<i>38,579</i>	<i>35,600</i>	<i>32,494</i>

30 June 2012					
Market value, SEK m	SEK	EUR	USD	Other	Total
Cash and balances with and other lending to central banks	25,572	103,522	255,361	53,193	437,648
Balances with banks & the National Debt Office, overnight (incl. repos)	10,214	126	211	3,666	14,217
Securities issued by governments	21,558	4,374	7,930	2,125	35,987
Securities issued by municipalities and other public entities	1	-	-	-	1
Covered bonds	33,289	2,164	2,373	-	37,826
Own covered bonds	6,407	-	-	1,104	7,511
Securities issued by non-financial companies	-	-	-	-	-
Securities issued by financial companies	747	2,247	1,035	-	4,029
Other securities	-	-	-	-	-
<b>Total</b>	<b>97,788</b>	<b>112,433</b>	<b>266,910</b>	<b>60,088</b>	<b>537,219</b>

## MATURITY ANALYSIS

### Maturities for financial assets and liabilities

30 June 2012 SEK m	Up to 3 mths	3 - 12 mths	1 - 5 yrs	5 yrs -	Unspecified maturity	Total
Cash and balances with central banks	436,614	230	2,168	771	-	439,783
Bonds and other interest-bearing securities	111,973	-	-	-	-	111,973
Loans to credit institutions	68,043	1,259	1,440	4,163	16,022	90,927
-of which reverse repos	54,747	-	-	-	-	54,747
Loans to the public	226,622	199,104	283,724	913,887	9,127	1,632,464
-of which reverse repos	24,219	-	-	-	-	24,219
Other, not distributed by maturity	-	-	-	-	271,436	271,436
<b>Total</b>	<b>843,252</b>	<b>200,593</b>	<b>287,332</b>	<b>918,821</b>	<b>296,585</b>	<b>2,546,583</b>
Due to credit institutions	156,251	55,763	416	10,849	42,716	265,995
-of which repos	4,271	-	-	-	-	4,271
Deposits and borrowing from the public	154,700	58,085	6,161	4,010	500,713	723,669
-of which repos	11,854	-	-	-	-	11,854
Issued securities	366,911	185,077	559,691	55,844	-	1,167,523
Other trading liabilities	22,412	-	-	-	-	22,412
Subordinated liabilities	-	7,312	13,223	4,995	-	25,530
Other, not distributed by maturity	-	-	-	-	341,454	341,454
<b>Total</b>	<b>700,274</b>	<b>306,237</b>	<b>579,491</b>	<b>75,698</b>	<b>884,883</b>	<b>2,546,583</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.

Assets and liabilities are reported as maturing in the time intervals that correspond to the contractual maturity dates.

Assets without a fixed maturity date are reported in the interval "Over 5 years". This is the case, for example, in lending in Stadshypotek, Sweden.

Amortisations are reported in the time intervals that correspond to the contractual maturity dates.

Liabilities without a fixed maturity date are reported in the interval "Unspecified maturity". This is the case, for example, for all sight deposits in the Bank.

"Other, not distributed by maturity" includes market values in derivative transactions.



## Share & shareholders

### The Handelsbanken share

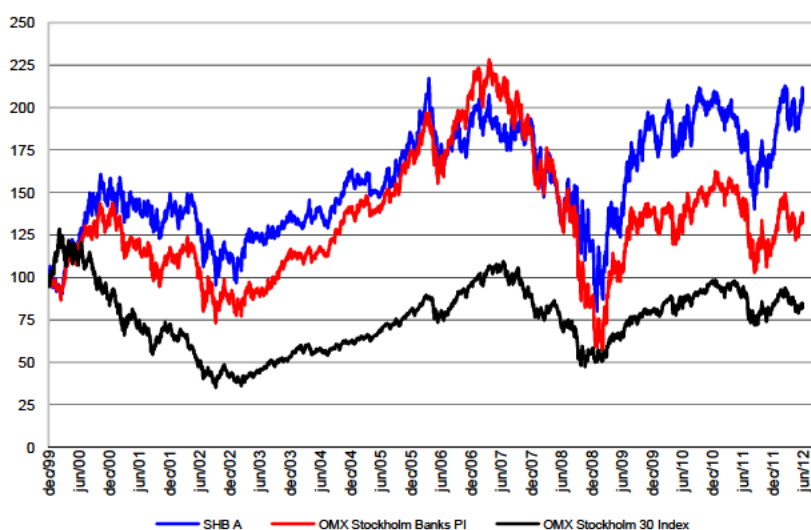
	30 Jun 2012	31 Mar 2012	31 Dec 2011	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010
Share price ordinary class A, SEK	226.70	210.90	181.00	176.10	195.10	207.00	214.90	220.90
Market capitalisation, SEK bn	143	132	113	110	122	129	134	138
Dividend, SEK	-	-	9.75	-	-	-	9.00	-
Number of repurchased shares, million	-	-	-	-	-	-	-	-
Number of outstanding shares, million	628.9	626.7	624.0	624.0	624.0	623.3	623.5	623.4

### 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 2012

#### Index



### The largest Swedish shareholders

The largest Swedish shareholders			
as at 30 June 2012	Number of shares	% of votes	% of capital
Industrivärden	64,841,979	10.5	10.3
Oktogonen Foundation	64,300,000	10.4	10.2
Swedbank Robur funds	18,962,849	3.1	3.0
Lundbergs	14,932,000	2.4	2.4
AMF and funds	11,663,250	1.9	1.9
Alecta	8,340,000	1.3	1.3
SEB Funds	7,393,783	1.2	1.2
4th National Swedish Pension Fund	7,005,240	1.1	1.1
Handelsbanken funds	6,634,038	1.1	1.1
Folksam / KPA / Förenade Liv	6,609,924	1.1	1.1
AFA Försäkring	6,153,876	1.0	1.0
2nd National Swedish Pension Fund	4,278,478	0.7	0.7
J. Wallanders & T. Hedelius stiftelse, T. Browaldhs sti	4,100,000	0.7	0.7
3rd National Swedish Pension Fund	3,873,038	0.6	0.6
SPP Funds	3,216,122	0.5	0.5

# Contacts & Financial calendar

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## Financial calendar:

### 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

### 2013

6 February 2013	Highlights of Annual report 2012
24 April 2013	Interim report January – March 2013
24 July 2013	Interim report January – June 2013
23 October 2013	Interim report January – September 2013

# Handelsbanken