

Fact book
2014

Q2

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This is Handelsbanken

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

HANDELSBANKEN'S GOAL

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

BUSINESS PHILOSOPHY

Decentralisation – the branch is the bank

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

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

Focus on customers, not on products

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

Not a mass market bank

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

No sales targets

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

No bonuses

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

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

No budgets

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

Credit policy

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

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

Low risk tolerance

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

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

Follow-up and business control

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

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

ADJUSTED COMPARISON FIGURES

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

Income statement

Income statement - Svenska Handelsbanken Group

SEK m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Interest income	12,926	12,870	13,573	13,569	13,544	13,777	14,428	15,448
Interest expense	-6,222	-6,217	-6,801	-6,886	-6,871	-7,236	-7,944	-8,986
Net interest income	6,704	6,653	6,772	6,683	6,673	6,541	6,484	6,462
Net fee and commission income	2,135	2,060	2,107	1,896	1,924	1,877	1,910	1,742
Net gains/losses on financial transactions	466	658	304	354	440	259	366	191
Risk result - insurance	43	42	35	30	26	51	88	33
Other dividend income	245	4	1	4	155	1	1	8
Share of profit of associates	5	-11	7	5	2	-5	7	1
Other income	49	75	52	37	20	76	35	29
Total income	9,647	9,481	9,278	9,009	9,240	8,800	8,891	8,466
Staff costs	-2,910	-2,887	-2,980	-2,845	-2,796	-2,783	-2,923	-2,678
Other administrative expenses	-1,267	-1,248	-1,411	-1,187	-1,304	-1,279	-1,511	-1,108
Depreciation, amortisation and impairments of property, equipment and intangible assets	-122	-111	-116	-125	-115	-120	-112	-113
Total expenses	-4,299	-4,246	-4,507	-4,157	-4,215	-4,182	-4,546	-3,899
Profit before loan losses	5,348	5,235	4,771	4,852	5,025	4,618	4,345	4,567
Net loan losses	-272	-315	-322	-284	-306	-283	-395	-277
Gains/losses on disposal of property, equipment and intangible assets	1	0	9	3	4	1	-2	-1
Operating profit	5,077	4,920	4,458	4,571	4,723	4,336	3,948	4,289
Taxes	-1,074	-1,038	-966	-997	-1,067	-885	400	-1,137
Profit for the period from continuing operations	4,003	3,882	3,492	3,574	3,656	3,451	4,348	3,152
Profit for the period pertaining to discontinued operations, after tax	31	27	35	33	39	15	-64	8
Profit for the period	4,034	3,909	3,527	3,607	3,695	3,466	4,284	3,160
Attributable to								
Shareholders in Svenska Handelsbanken AB	4,033	3,909	3,527	3,607	3,695	3,466	4,283	3,160
Minority interest	1	0	0	0	0	0	1	0

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

Earnings per share

	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Profit for the year, attributable to shareholders in Svenska Handelsbanken AB	4,033	3,909	3,527	3,607	3,695	3,466	4,283	3,160
- of which interest expense on convertible subordinated loan after tax	-32	-27	-28	-27	-29	-35	-35	-38
Average number of outstanding shares, million	635.5	635.6	635.6	635.4	634.9	633.1	632.1	630.2
Average number of outstanding shares after dilution, million	649.8	647.5	647.6	647.7	647.6	647.3	647.8	647.8
Earnings per share, continuing operations, SEK	6.30	6.11	5.50	5.63	5.76	5.45	6.88	5.00
- after dilution	6.21	6.04	5.44	5.56	5.69	5.39	6.77	4.93
Earnings per share, discontinued operations, SEK	0.05	0.04	0.05	0.05	0.06	0.02	-0.10	0.01
- after dilution	0.05	0.04	0.05	0.05	0.06	0.02	-0.10	0.01
Earnings per share, total operations, SEK	6.35	6.15	5.55	5.68	5.82	5.47	6.78	5.01
- after dilution	6.26	6.08	5.49	5.61	5.75	5.41	6.67	4.94

Handelsbanken Group - Key figures

SEK m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Return on equity, total operations *	15.1%	14.1%	13.3%	14.2%	15.1%	13.8%	17.5%	13.5%
Return on equity, continuing operations*	15.0%	14.0%	13.2%	14.0%	14.9%	13.7%	17.8%	13.5%
C/I ratio, continuing operations	44.6%	44.8%	48.6%	46.1%	45.6%	47.5%	51.1%	46.1%
C/I ratio, continuing operations, incl. loan losses	47.4%	48.1%	52.0%	49.3%	48.9%	50.7%	55.6%	49.3%
Adjusted equity per share, SEK	182.69	170.64	177.71	169.01	162.81	157.20	162.63	153.21
Common equity tier 1 ratio, CRD IV	20.1%	19.5%	18.9%	18.8%	17.8%	17.5%		
Total capital ratio, CRD IV	25.0%	24.5%	21.6%	21.6%	21.1%	21.0%		
Capital base in relation to capital requirement according to Basel I floor	143%	141%	124%	125%	123%	126%	125%	127%
Average number of employees, continuing operations	11,626	11,633	11,585	11,825	11,361	11,242	11,156	11,381
Number of branches in Sweden	462	462	462	461	461	461	461	461
Number of branches in Great Britain	170	166	161	151	147	138	133	124
Number of branches in Denmark	57	57	56	55	55	55	54	54
Number of branches in Finland	46	45	45	45	45	45	45	45
Number of branches in Norway	50	49	49	49	49	49	49	49
Number of branches in Netherlands	18	18	18	16	15	15	13	12
Number of branches in Germany	7	7	7	7	7	7	7	7
Number of branches in other countries	12	12	12	12	12	12	12	13
Total number of branches	822	816	810	796	791	782	774	765

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

Consolidated statement of other comprehensive income

SEK m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Profit for the period	4,034	3,909	3,527	3,607	3,695	3,466	4,284	3,160
Other comprehensive income								
Items that cannot be reclassified into profit or loss								
Defined-benefit plans	286	417	341	851	-933	1,143	1,320	461
Taxes on items that cannot be reclassified into profit or loss	-63	-92	-72	-188	204	-251	-236	-121
Total items that cannot be reclassified into profit or loss	223	325	269	663	-729	892	1,084	340
Items that can be reclassified into profit or loss								
Cash flow hedges	2,596	1,309	-1,045	173	-2,192	-346	691	321
Available-for-sale instruments	-58	148	175	308	-268	320	370	379
Translation differences for the period	2,421	1,888	1,942	-496	695	-1,378	294	-109
<i>of which hedging net investment in foreign operations</i>	<i>1,210</i>	<i>1,378</i>	<i>1,266</i>	<i>238</i>	<i>-628</i>	<i>-109</i>	<i>-166</i>	<i>871</i>
Taxes on items that can be reclassified into profit or loss	-819	-614	-72	-149	681	54	-135	-423
<i>of which cash flow hedges</i>	<i>-571</i>	<i>-282</i>	<i>224</i>	<i>-38</i>	<i>482</i>	<i>76</i>	<i>-118</i>	<i>-85</i>
<i>of which available-for-sale instruments</i>	<i>18</i>	<i>-29</i>	<i>-17</i>	<i>-58</i>	<i>60</i>	<i>-46</i>	<i>-88</i>	<i>-110</i>
<i>of which hedging net investment in foreign operations</i>	<i>-266</i>	<i>-303</i>	<i>-279</i>	<i>-53</i>	<i>139</i>	<i>24</i>	<i>71</i>	<i>-228</i>
Total items that can be reclassified into profit or loss	4,140	2,731	1,000	-164	-1,084	-1,350	1,220	168
Total other comprehensive income for the period	4,363	3,056	1,269	499	-1,813	-458	2,304	508
Total comprehensive income for the period	8,397	6,965	4,796	4,106	1,882	3,008	6,588	3,668
Attributable to								
Shareholders in Svenska Handelsbanken AB	8,396	6,965	4,796	4,106	1,882	3,008	6,587	3,668
Minority interest	1	0	0	0	0	0	1	0

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

One-offs and special items

SEK m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Benchmark effect in Stadshypotek	-35	-10	32	-26	-11	24	-16	-4
Oktagonen (The Bank's profit-sharing system)	-183	-183	-328	-256	-256	-256	-333	-229
Performance-related remuneration	-30	-33	-36	-32	-40	-28	-41	-22
Non-recurring costs relating to terminated rental contracts							-91	
Recalculation of the Bank's pension liability			46					
Other non-recurring staff cost			-24				-77	
Reallocations of the Bank's shareholdings (NFT)		306						
Total	-248	80	-310	-314	-307	-260	-558	-255

Fees for the Stabilisation Fund etc.

SEK m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Swedish Stabilisation Fund								
Branch operations in Sweden (net interest income)	-115	-105	-106	-117	-87	-104	-94	-89
Branch operations outside Sweden (net interest income)	-56	-53	-49	-51	-44	-50	-43	-41
of which UK	-13	-13	-11	-11	-9	-10	-9	-8
of which Denmark	-7	-7	-6	-7	-6	-6	-5	-5
of which Finland	-10	-9	-9	-9	-8	-9	-7	-7
of which Norway	-20	-19	-18	-19	-17	-20	-17	-16
of which the Netherlands	-2	-2	-1	-1	-1	-1	-	-
of which Handelsbanken International	-4	-3	-4	-4	-3	-4	-5	-5
Other (net interest income)	-61	-56	-54	-45	-50	-56	-49	-51
Total fees for the Swedish Stabilisation Fund	-232	-214	-209	-213	-181	-210	-186	-181
Swedish deposit guarantee								
Branch operations in Sweden (net interest income)	-58	-58	-55	-55	-55	-55	-55	-47
Branch operations outside Sweden (net interest income)	-14	-14	-13	-13	-13	-13	-11	-11
Total fees for Swedish deposit guarantee	-72	-72	-68	-68	-68	-68	-66	-58
Danish deposit guarantee								
Branch operations in Denmark (net interest income)	-2	-3	-2	-2	-2	-2	-2	-2
Branch operations in Denmark (expenses)	-	-	-	-	-	-	-	-
Total fees to Danish deposit guarantee	-2	-3	-2	-2	-2	-2	-2	-2
Norwegian deposit guarantee								
Branch operations in Norway (net interest income)	-2	-1	-1	-1	-1	-1	-	-
Handelsbanken International, (net interest income)	-	-	-1	-1	-1	-1	-1	-1
Total	-308	-290	-281	-285	-253	-282	-255	-242

Exchange rates

SEK, End of period (Balance sheet)	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	Change y/y	Change q/q
DKK	1.2279	1.1995	1.1937	1.1624	1.1771	4%	2%
EUR	9.1548	8.9552	8.9058	8.6691	8.7798	4%	2%
GBP	11.4332	10.8011	10.6623	10.3499	10.2508	12%	6%
NOK	1.0903	1.0844	1.0583	1.0654	1.1097	-2%	1%
USD	6.7020	6.4888	6.4704	6.4086	6.7441	-1%	3%

SEK, Average as from 1 Jan (Income statement)	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	Change y/y	Change q/q
DKK	1.1994	1.1868	1.1598	1.1507	1.1435	5%	1%
EUR	8.9506	8.8565	8.6496	8.5814	8.5273	5%	1%
GBP	10.8978	10.6992	10.1854	10.0721	10.0233	9%	2%
NOK	1.0813	1.0610	1.1090	1.1202	1.1343	-5%	2%
USD	6.5296	6.4639	6.5146	6.5166	6.4945	1%	1%

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

Jan - Jun 2014 vs. same period last year

SEK m	GB	DK	FI	NO	NL	HI	Total
Net interest income	105	34	27	-75	5	7	103
Net fee and commission income	6	8	9	-9	1	3	18
Net result of financial transactions	4	1	1	-1	0	-1	4
Other income	1	0	0	0	0	0	1
Total income	116	43	37	-85	6	9	126
Staff costs	-43	-14	-9	16	-2	-5	-57
Other administrative expenses	-20	-9	-8	12	-2	-5	-32
Depreciation and amortisation	-1	0	0	0	0	0	-1
Total expenses	-64	-23	-17	28	-4	-10	-90
Net loan losses	-15	-3	-3	5	0	0	-16
Operating profit	37	17	17	-52	2	-1	20

Q1 2014 vs. previous quarter

SEK m	GB	DK	FI	NO	NL	HI	Total
Net interest income	30	8	8	32	1	2	81
Net fee and commission income	3	2	2	4	0	1	12
Net result of financial transactions	2	0	0	0	0	0	2
Other income	0	0	0	0	0	0	0
Total income	35	10	10	36	1	3	95
Staff costs	-15	-3	-2	-6	-1	-2	-29
Other administrative expenses	-6	-2	-2	-5	0	-2	-17
Depreciation and amortisation	0	0	0	0	0	0	0
Total expenses	-21	-5	-4	-11	-1	-4	-46
Net loan losses	0	0	0	-1	0	0	-1
Operating profit	14	5	6	24	0	-1	48

Net interest income

SEK m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Interest income								
Loans to credit institutions and central banks	447	407	402	424	375	374	502	549
Loans to the public	12,623	12,592	13,102	13,114	13,205	13,193	13,819	14,598
Interest-bearing securities eligible as collateral with central banks	208	162	241	259	972	634	114	447
Interest-bearing securities	292	262	289	451	646	512	-788	930
Derivative instruments	-771	-774	-594	-689	-719	-554	-584	-245
Other interest income	353	381	349	376	351	383	483	339
Total interest income	13,152	13,030	13,789	13,935	14,830	14,542	13,546	16,618
gains/losses on financial transactions	226	160	216	366	1,286	765	-882	1,170
Interest income according to income statement	12,926	12,870	13,573	13,569	13,544	13,777	14,428	15,448
Interest expense								
Due to credit institutions and central banks	-264	-227	-260	-284	-358	-385	-418	-457
Deposits and borrowing from the general public	-1,082	-1,030	-1,169	-1,113	-1,094	-1,232	-1,398	-1,766
Issued securities	-5,447	-5,559	-5,851	-5,735	-5,864	-5,687	-6,174	-6,271
Derivative instruments	1,177	1,211	1,002	924	997	668	561	-99
Subordinated liabilities	-293	-331	-273	-292	-331	-318	-341	-308
Other interest expense	-394	-368	-368	-627	-1,314	-985	869	-1,231
Total interest expense	-6,303	-6,304	-6,919	-7,127	-7,964	-7,939	-6,901	-10,132
Of which interest expense reported in Net gains/losses on financial transactions	-81	-87	-118	-241	-1,093	-703	1,043	-1,146
Interest expense according to income statement	-6,222	-6,217	-6,801	-6,886	-6,871	-7,236	-7,944	-8,986
Net interest income	6,704	6,653	6,772	6,683	6,673	6,541	6,484	6,462

Net fee and commission income

SEK m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Brokerage and other securities commissions	293	328	312	250	321	306	273	243
Mutual funds	605	554	537	513	493	465	438	425
Custody and other asset management fees	130	135	124	111	108	84	92	82
Advisory services	62	49	68	35	71	104	51	26
Insurance	163	158	148	142	140	141	137	142
Payments	784	708	776	738	680	619	709	685
Loans and deposits	289	279	284	272	286	282	305	281
Guarantees	101	108	108	115	107	108	115	101
Other	113	106	127	108	110	101	157	103
Commission income	2,540	2,425	2,484	2,284	2,316	2,210	2,277	2,088
Securities	-60	-69	-47	-63	-60	-58	-54	-47
Payments	-323	-279	-310	-304	-308	-253	-291	-273
Other	-22	-17	-20	-21	-24	-22	-22	-26
Commission expense	-405	-365	-377	-388	-392	-333	-367	-346
Net fee and commission income	2,135	2,060	2,107	1,896	1,924	1,877	1,910	1,742

Net gains/losses on financial transactions

SEK m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Trading, derivatives, FX effect etc	-194	-155	-14	465	941	634	171	-354
Other financial instruments at fair value in profit/loss	627	533	184	-101	-494	-374	115	462
of which interest-bearing securities	638	536	177	-93	-472	-319	87	464
of which loans	-11	-3	7	-8	-22	-55	28	-2
Financial instruments at amortised cost	51	14	132	8	27	-18	78	2
of which loans	101	93	203	73	101	62	128	71
of which liabilities	-50	-79	-71	-65	-74	-80	-50	-69
Financial instruments available for sale	-3	313	17	9	13	-15	4	-1
Hedge accounting	-16	-45	-18	-11	-21	52	11	77
of which net gains/losses on fair value hedges	-21	-37	-24	-23	6	15	17	72
of which hedge ineffectiveness	5	-8	6	12	-27	37	-6	5
Gains/losses on unbundled insurance contracts	1	-2	3	-16	-26	-20	-13	5
Net gains/losses on financial transactions	466	658	304	354	440	259	366	191

Other administrative expenses

SEK m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Property and premises	-299	-287	-288	-268	-281	-281	-400	-263
External IT costs	-398	-410	-467	-394	-421	-422	-460	-356
Communication	-82	-97	-95	-85	-90	-99	-82	-72
Travel and marketing	-91	-78	-108	-75	-113	-82	-128	-77
Purchased services	-247	-238	-277	-227	-266	-261	-290	-244
Supplies	-39	-53	-58	-47	-51	-46	-55	-40
Other expenses	-111	-85	-118	-91	-82	-88	-96	-56
Other administrative expenses	-1,267	-1,248	-1,411	-1,187	-1,304	-1,279	-1,511	-1,108

Loan losses

SEK m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Specific provision for individually valued loan receivables								
Provision for the period	-238	-569	-412	-272	-291	-312	-514	-325
Reversal of previous provisions	-34	236	115	68	69	37	151	51
Total	-272	-333	-297	-204	-222	-275	-363	-274
Collective provisions								
Net provision for the period for individually valued receivables	-4	1	-10	2	-57	5	27	57
Net provision for the period for homogeneous loan receivables	1	4	4	8	3	0	6	-8
Total	-3	5	-6	10	-54	5	33	49
Other provisions								
Losses on off-balance sheet items	0	-6	-9	-	-	-	-	-
Reversal of losses on off-balance-sheet items	0	1	-	-	-	0	-	-
Change in collective provision for off-balance-sheet items	7	8	-7	-2	0	-1	-2	3
Total	7	3	-16	-2	0	-1	-2	3
Write-offs								
Actual loan losses for the period	-709	-482	-352	-376	-311	-464	-519	-198
Utilised share of previous provisions	662	438	290	236	231	417	407	110
Recoveries	43	54	59	52	50	35	49	33
Total	-4	10	-3	-88	-30	-12	-63	-55
Net loan losses	-272	-315	-322	-284	-306	-283	-395	-277

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 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
Impaired loans	5,824	6,763	6,944	6,799	7,266	7,006	7,325	7,171
Specific provision for individually assessed loans	-2,980	-3,347	-3,454	-3,467	-3,589	-3,522	-3,725	-3,673
Provision for collectively assessed homogeneous groups of loans with limited value	-88	-88	-92	-94	-103	-113	-115	-118
Collective provisions	-364	-357	-357	-347	-350	-280	-288	-313
Impaired loans, net	2,392	2,971	3,041	2,891	3,224	3,091	3,197	3,067
Total impaired loans reserve ratio	58.9%	56.1%	56.2%	57.5%	55.6%	55.9%	56.4%	57.2%
Proportion of impaired loans, %	0.13%	0.17%	0.18%	0.17%	0.19%	0.18%	0.18%	0.18%
Impaired loans reserve ratio excl. collective provisions	52.7%	50.8%	51.1%	52.4%	50.8%	51.9%	52.4%	52.9%
Loan loss ratio as a % of loans, quarterly	0.06%	0.07%	0.07%	0.06%	0.07%	0.06%	0.09%	0.07%
Loans past due > 60 days	5,665	5,596	6,185	6,661	6,834	6,396	6,988	7,029
Loans past due > 60 days, which are not impaired	1,675	1,838	2,150	2,478	2,382	2,136	2,563	2,715

Segment information

Operating profit per segment, quarterly

SEK m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Branch operations in Sweden	3,078	2,825	3,101	3,216	3,154	3,018	3,067	3,324
Branch operations in UK	373	381	351	288	271	233	230	268
Branch operations in Denmark	229	258	199	242	194	177	115	184
Branch operations in Finland	190	232	151	176	188	168	134	169
Branch operations in Norway	598	628	641	704	672	575	571	528
Branch operations in the Netherlands	21	27	17	23	15	18	10	20
Handelsbanken International	75	61	17	20	45	51	110	39
Capital Markets	535	375	274	207	352	268	197	56
Other	-22	133	-316	-284	-168	-161	-463	-290
Eliminations	-	0	23	-21	0	-11	-23	-9
Operating profit, Group	5,077	4,920	4,458	4,571	4,723	4,336	3,948	4,289

Total income per segment

SEK m	Q2 2014	Q1 2014	Change	Q2 2013	Change	Jan-Jun 2014	Jan-Jun 2013	Change	Full year 2013
Branch operations in Sweden	5,081	4,962	2%	5,204	-2%	10,043	10,247	-2%	20,441
Branch operations in UK	958	882	9%	700	37%	1,840	1,343	37%	2,970
Branch operations in Denmark	512	506	1%	474	8%	1,018	924	10%	1,963
Branch operations in Finland	479	463	3%	408	17%	942	791	19%	1,676
Branch operations in Norway	984	963	2%	1,018	-3%	1,947	1,975	-1%	4,033
Branch operations in the Netherlands	77	77	0%	59	31%	154	115	34%	254
Handelsbanken International	244	267	-9%	268	-9%	511	521	-2%	1,053
Branch office operations	8,335	8,120	3%	8,131	3%	16,455	15,916	3%	32,390
Handelsbanken Capital Markets	1,201	1,096	10%	1,067	13%	2,297	2,036	13%	3,938
Other	124	277	-55%	52	138%	401	109	268%	44
Eliminations	-13	-12	-8%	-10	-30%	-25	-21	-19%	-45
Total income	9,647	9,481	2%	9,240	4%	19,128	18,040	6%	36,327

Total expenses per segment

SEK m	Q2 2014	Q1 2014	Change	Q2 2013	Change	Jan-Jun 2014	Jan-Jun 2013	Change	Full year 2013
Branch operations in Sweden	-1,915	-1,889	1%	-1,918	0%	-3,804	-3,841	-1%	-7,604
Branch operations in UK	-535	-501	7%	-379	41%	-1,036	-734	41%	-1,660
Branch operations in Denmark	-260	-250	4%	-243	7%	-510	-486	5%	-990
Branch operations in Finland	-183	-183	0%	-186	-2%	-366	-365	0%	-725
Branch operations in Norway	-339	-314	8%	-308	10%	-653	-627	4%	-1,272
Branch operations in the Netherlands	-54	-51	6%	-43	26%	-105	-81	30%	-174
Handelsbanken International	-214	-205	4%	-212	1%	-419	-418	0%	-855
Branch office operations	-3,500	-3,393	3%	-3,289	6%	-6,893	-6,552	5%	-13,280
Handelsbanken Capital Markets	-666	-721	-8%	-715	-7%	-1,387	-1,416	-2%	-2,837
Other	-146	-144	1%	-221	-34%	-290	-439	-34%	-980
Eliminations	13	12	8%	10	30%	25	10	150%	36
Total expenses	-4,299	-4,246	1%	-4,215	2%	-8,545	-8,397	2%	-17,061

Operating profit per segment

SEK m	Q2 2014	Q1 2014	Change	Q2 2013	Change	Jan-Jun 2014	Jan-Jun 2013	Change	Full year 2013
Branch operations in Sweden	3,078	2,825	9%	3,154	-2%	5,903	6,172	-4%	12,489
Branch operations in UK	373	381	-2%	271	38%	754	504	50%	1,143
Branch operations in Denmark	229	258	-11%	194	18%	487	371	31%	812
Branch operations in Finland	190	232	-18%	188	1%	422	356	19%	683
Branch operations in Norway	598	628	-5%	672	-11%	1,226	1,247	-2%	2,592
Branch operations in the Netherlands	21	27	-22%	15	40%	48	33	45%	73
Handelsbanken International	75	61	23%	45	67%	136	96	42%	133
Branch office operations	4,564	4,412	3%	4,539	1%	8,976	8,779	2%	17,925
Handelsbanken Capital Markets	535	375	43%	352	52%	910	620	47%	1,101
Other	-22	133	-168	87%	111	-329	-929		
Eliminations	-	0	0	0	0	-11	-9		
Operating profit	5,077	4,920	3%	4,723	7%	9,997	9,059	10%	18,088

Branch operations in Sweden

SEK m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Net interest income	3,947	3,937	4,066	4,091	4,173	4,094	4,148	4,191
Net fee and commission income	969	920	978	886	838	826	847	819
Net gains/losses on financial transactions	152	86	52	104	190	116	151	135
Other income	13	19	9	8	3	7	7	3
Total income	5,081	4,962	5,105	5,089	5,204	5,043	5,153	5,148
Staff costs	-837	-840	-814	-831	-822	-833	-782	-785
Other administrative expenses	-290	-266	-326	-261	-301	-302	-358	-278
Internal purchased and sold services	-769	-764	-770	-719	-770	-768	-766	-659
Depreciation, amortisation and impairments of property, equipment and intangible assets	-19	-19	-21	-21	-25	-20	-25	-21
Total expenses	-1,915	-1,889	-1,931	-1,832	-1,918	-1,923	-1,931	-1,743
Profit before loan losses	3,166	3,073	3,174	3,257	3,286	3,120	3,222	3,405
Net loan losses	-88	-248	-75	-44	-135	-103	-155	-81
Gains/losses on disposal of property, equipment and intangible assets	-	-	2	3	3	1	0	0
Operating profit	3,078	2,825	3,101	3,216	3,154	3,018	3,067	3,324
Profit allocation	248	209	361	182	197	162	197	144
Operating profit after profit allocation	3,326	3,034	3,462	3,398	3,351	3,180	3,264	3,468
Cost/income ratio, %	35.9	36.5	35.3	34.8	35.5	36.9	36.1	32.9
Loan loss ratio, %	0.03	0.09	0.03	0.02	0.05	0.04	0.06	0.03
Allocated capital	62,698	65,504	61,805	58,388	55,842	60,084	57,244	54,124
Return on allocated capital, %	16.5	14.5	17.5	18.2	18.7	16.5	16.8	18.9
Average number of employees	4,316	4,350	4,357	4,632	4,342	4,350	4,342	4,548
Number of branches	462	462	462	461	461	461	461	461

Business volumes, Branch operations in Sweden

Average volumes, SEK bn	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Loans to the public*								
Household	639	631	625	617	610	602	595	588
of which mortgage loans	588	580	572	564	556	548	542	535
Corporate	487	486	489	493	496	482	480	480
of which mortgage loans	267	260	255	251	246	239	232	226
Total	1,126	1,117	1,114	1,110	1,106	1,084	1,075	1,068
Deposits and borrowing from the public								
Household	236	231	227	222	217	213	212	210
Corporate	163	168	170	162	163	168	165	160
Total	399	399	397	384	380	381	377	370

* Excluding loans to the National Debt Office.

Branch operations in Great Britain

SEK m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Net interest income	834	767	719	682	631	592	602	544
Net fee and commission income	83	76	73	73	42	25	21	25
Net gains/losses on financial transactions	37	36	51	25	21	23	24	22
Other income	4	3	4	0	6	3	3	4
Total income	958	882	847	780	700	643	650	595
Staff costs	-348	-329	-327	-271	-241	-220	-210	-200
Other administrative expenses	-79	-71	-75	-59	-53	-56	-49	-42
Internal purchased and sold services	-102	-96	-82	-82	-81	-72	-56	-46
Depreciation, amortisation and impairments of property, equipment and intangible assets	-6	-5	-14	-16	-4	-7	-3	-2
Total expenses	-535	-501	-498	-428	-379	-355	-318	-290
Profit before loan losses	423	381	349	352	321	288	332	305
Net loan losses	-51	0	2	-65	-50	-55	-101	-37
Gains/losses on disposal of property, equipment and intangible assets	1	0	0	1	0	0	-1	0
Operating profit	373	381	351	288	271	233	230	268
Profit allocation	8	9	15	6	5	4	6	3
Operating profit after profit allocation	381	390	366	294	276	237	236	271
Cost/income ratio, %	55.4	56.2	57.8	54.5	53.8	54.9	48.5	48.5
Loan loss ratio, %	0.15	0.00	-0.01	0.22	0.17	0.19	0.43	0.16
Allocated capital	7,732	8,186	7,644	7,010	6,477	6,500	5,878	5,669
Return on allocated capital, %	15.4	14.9	15.0	13.1	13.3	11.4	11.8	14.1
Average number of employees	1,547	1,476	1,405	1,332	1,201	1,102	1,022	964
Number of branches	170	166	161	151	147	138	133	124

Branch office operations in Great Britain, in local currency

GBP m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Net interest income	75.2	71.7	68.5	67.0	62.8	59.3	56.3	51.0
Net fee and commission income	7.4	7.1	7.1	7.2	4.1	2.5	2.0	2.3
Net gains/losses on financial transactions	3.4	3.4	4.8	2.5	2.2	2.3	2.2	2.1
Other income	0.4	0.3	0.4	0.1	0.5	0.3	0.4	0.4
Total income	86.4	82.5	80.8	76.8	69.6	64.4	60.9	55.8
Staff costs	-31.4	-30.7	-31.2	-26.6	-24.0	-22.1	-19.7	-18.7
Other administrative expenses	-7.2	-6.6	-7.1	-5.7	-5.4	-5.6	-4.6	-3.9
Internal purchased and sold services	-9.2	-9.0	-7.7	-8.2	-8.0	-7.2	-5.3	-4.3
Depreciation, amortisation and impairments of property, equipment and intangible assets	-0.5	-0.5	-1.5	-1.6	-0.3	-0.7	-0.2	-0.2
Total expenses	-48.3	-46.8	-47.5	-42.1	-37.7	-35.6	-29.8	-27.1
Profit before loan losses	38.1	35.7	33.3	34.7	31.9	28.8	31.1	28.7
Net loan losses	-4.7	0.0	0.4	-6.4	-5.0	-5.5	-9.4	-3.5
Operating profit	33.4	35.7	33.7	28.3	27.0	23.3	21.6	25.1
Profit allocation	0.7	0.8	1.4	0.6	0.5	0.4	0.5	0.3
Operating profit after profit allocation	34.1	36.5	35.1	28.9	27.5	23.7	22.1	25.4

Business volumes, UK

Average volumes, GBP m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Loans to the public								
Household	3,921	3,763	3,580	3,344	3,122	2,963	2,780	2,608
Corporate	8,924	8,782	8,677	8,509	8,317	8,021	7,703	7,327
Total	12,845	12,545	12,257	11,853	11,439	10,984	10,483	9,935
Deposits and borrowing from the public								
Household	1,222	1,032	821	779	605	548	508	483
Corporate	6,431	5,366	4,132	3,093	2,438	2,288	2,586	2,564
Total	7,653	6,398	4,953	3,872	3,043	2,836	3,094	3,047

Branch operations in Denmark

SEK m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Net interest income	389	380	397	403	363	356	360	342
Net fee and commission income	107	95	92	74	82	81	73	68
Net gains/losses on financial transactions	8	25	35	29	25	8	14	17
Other income	8	6	5	4	4	5	5	3
Total income	512	506	529	510	474	450	452	430
Staff costs	-147	-140	-142	-137	-137	-130	-137	-129
Other administrative expenses	-44	-43	-49	-37	-43	-46	-50	-37
Internal purchased and sold services	-64	-63	-69	-61	-59	-63	-59	-53
Depreciation, amortisation and impairments of property, equipment and intangible assets	-5	-4	-5	-4	-4	-4	-4	-4
Total expenses	-260	-250	-265	-239	-243	-243	-250	-223
Profit before loan losses	252	256	264	271	231	207	202	207
Net loan losses	-23	2	-65	-29	-37	-30	-87	-23
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-
Operating profit	229	258	199	242	194	177	115	184
Profit allocation	14	13	17	12	10	8	10	6
Operating profit after profit allocation	243	271	216	254	204	185	125	190
Cost/income ratio, %	49.4	48.2	48.5	45.8	50.2	53.1	54.1	51.1
Loan loss ratio, %	0.13	-0.01	0.40	0.18	0.22	0.19	0.58	0.15
Allocated capital	5,172	5,564	5,348	5,447	4,985	5,268	4,926	4,800
Return on allocated capital, %	14.7	15.2	12.6	14.6	12.7	10.9	7.4	11.7
Average number of employees	635	633	625	625	626	619	618	617
Number of branches	57	57	56	55	55	55	54	54

Branch office operations in Denmark, in local currency

DKK m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Net interest income	321	320	335	346	317	312	311	303
Net fee and commission income	89	80	77	64	71	71	62	60
Net gains/losses on financial transactions	7	21	30	25	22	7	12	15
Other income	6	5	4	3	4	4	4	3
Total income	423	426	446	438	414	394	389	381
Staff costs	-121	-118	-119	-117	-120	-114	-119	-114
Other administrative expenses	-36	-36	-42	-31	-38	-40	-43	-33
Internal purchased and sold services	-53	-53	-58	-52	-52	-55	-51	-47
Depreciation, amortisation and impairments of property, equipment and intangible assets	-4	-4	-5	-4	-3	-3	-3	-4
Total expenses	-214	-211	-224	-204	-213	-212	-216	-198
Profit before loan losses	209	215	222	234	201	182	173	183
Net loan losses	-20	2	-54	-26	-32	-27	-75	-24
Operating profit	189	217	168	208	169	155	98	159
Profit allocation	11	11	15	11	8	7	8	6
Operating profit after profit allocation	200	228	183	219	177	162	106	165

Business volumes, Branch operations in Denmark

Average volumes, DKK bn	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Loans to the public								
Household	32.4	31.4	30.6	29.4	28.7	27.9	26.6	25.7
Corporate	28.2	28.0	27.9	29.8	31.5	30.7	27.7	28.1
Total	60.6	59.4	58.5	59.2	60.2	58.6	54.3	53.8
Deposits and borrowing from the public								
Household	10.0	9.4	9.3	9.2	9.2	8.9	8.8	8.8
Corporate	12.2	15.2	14.6	12.3	12.6	14.8	14.9	15.2
Total	22.2	24.6	23.9	21.5	21.8	23.7	23.7	24.0

Branch operations in Finland

SEK m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Net interest income	340	344	337	315	294	273	277	260
Net fee and commission income	109	108	107	106	100	99	107	85
Net gains/losses on financial transactions	28	9	12	6	13	9	7	6
Other income	2	2	1	1	1	2	0	1
Total income	479	463	457	428	408	383	391	352
Staff costs	-83	-85	-85	-79	-84	-83	-86	-75
Other administrative expenses	-38	-35	-36	-35	-40	-34	-43	-30
Internal purchased and sold services	-60	-61	-62	-59	-60	-58	-65	-45
Depreciation, amortisation and impairments of property, equipment and intangible assets	-2	-2	-2	-2	-2	-4	-5	-5
Total expenses	-183	-183	-185	-175	-186	-179	-199	-155
Profit before loan losses	296	280	272	253	222	204	192	197
Net loan losses	-106	-48	-121	-77	-34	-36	-58	-28
Gains/losses on disposal of property, equipment and intangible assets	-	0	0	-	-	-	0	0
Operating profit	190	232	151	176	188	168	134	169
Profit allocation	19	21	27	17	15	11	18	8
Operating profit after profit allocation	209	253	178	193	203	179	152	177
Cost/income ratio, %	36.7	37.8	38.2	39.3	44.0	45.4	48.7	43.1
Loan loss ratio, %	0.42	0.19	0.54	0.34	0.16	0.16	0.28	0.13
Allocated capital	5,717	6,204	6,121	6,288	5,371	5,854	5,427	5,099
Return on allocated capital, %	11.4	12.7	9.0	9.6	11.8	9.5	8.3	10.2
Average number of employees	500	486	485	502	496	477	472	489
Number of branches	46	45	45	45	45	45	45	45

Branch office operations in Finland, in local currency

EUR m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Net interest income	37.6	38.9	38.1	36.3	34.3	32.2	32.0	30.8
Net fee and commission income	11.9	12.2	12.1	12.1	11.8	11.6	12.3	10.2
Net gains/losses on financial transactions	3.1	1.0	1.3	0.8	1.4	1.1	0.9	0.7
Other income	0.2	0.2	0.1	0.1	0.2	0.2	0.1	-
Total income	52.8	52.3	51.6	49.3	47.7	45.1	45.3	41.7
Staff costs	-9.1	-9.6	-9.6	-9.2	-9.7	-9.8	-10.0	-8.9
Other administrative expenses	-4.2	-4.0	-3.9	-4.1	-4.7	-4.0	-4.9	-3.6
Internal purchased and sold services	-6.6	-6.9	-7.2	-6.7	-7.0	-6.8	-7.4	-5.4
Depreciation, amortisation and impairments of property, equipment and intangible assets	-0.2	-0.2	-0.2	-0.2	-0.2	-0.5	-0.5	-0.6
Total expenses	-20.1	-20.7	-20.9	-20.2	-21.6	-21.1	-22.8	-18.5
Profit before loan losses	32.7	31.6	30.7	29.1	26.1	24.0	22.5	23.2
Net loan losses	-11.7	-5.5	-13.9	-8.8	-4.1	-4.2	-6.8	-3.2
Operating profit	21.0	26.1	16.8	20.3	22.0	19.8	15.7	20.0
Profit allocation	2.1	2.3	3.2	1.9	1.8	1.3	2.1	0.9
Operating profit after profit allocation	23.1	28.4	20.0	22.2	23.8	21.1	17.8	20.9

Business volumes, Branch operations in Finland

Average volumes, EUR m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Loans to the public								
Household	3,811	3,787	3,773	3,736	3,667	3,598	3,534	3,486
Corporate	8,369	8,207	8,166	7,990	7,955	7,807	7,524	7,391
Total	12,180	11,994	11,939	11,726	11,622	11,405	11,058	10,877
Deposits and borrowing from the public								
Household	1,235	1,249	1,273	1,248	1,256	1,271	1,277	1,276
Corporate	3,119	3,043	2,457	1,597	1,457	1,546	1,949	2,051
Total	4,354	4,292	3,730	2,845	2,713	2,817	3,226	3,327

Branch operations in Norway

SEK m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Net interest income	859	843	902	918	905	849	865	783
Net fee and commission income	97	97	90	100	88	86	95	84
Net gains/losses on financial transactions	23	17	22	19	23	19	21	19
Other income	5	6	3	4	2	3	-5	5
Total income	984	963	1,017	1,041	1,018	957	976	891
Staff costs	-174	-169	-161	-171	-159	-171	-182	-173
Other administrative expenses	-63	-53	-66	-53	-54	-59	-63	-53
Internal purchased and sold services	-99	-90	-104	-85	-93	-86	-98	-71
Depreciation, amortisation and impairments of property, equipment and intangible assets	-3	-2	-2	-3	-2	-3	-3	-3
Total expenses	-339	-314	-333	-312	-308	-319	-346	-300
Profit before loan losses	645	649	684	729	710	638	630	591
Net loan losses	-47	-21	-43	-25	-38	-63	-59	-63
Gains/losses on disposal of property, equipment and intangible assets	-	-	0	0	0	-	0	0
Operating profit	598	628	641	704	672	575	571	528
Profit allocation	14	11	22	7	8	6	12	6
Operating profit after profit allocation	612	639	663	711	680	581	583	534
Cost/income ratio, %	34.0	32.2	32.1	29.8	30.0	33.1	35.0	33.4
Loan loss ratio, %	0.10	0.04	0.08	0.05	0.07	0.12	0.13	0.14
Allocated capital	11,532	12,761	12,123	11,900	11,583	12,689	11,873	11,882
Return on allocated capital, %	16.5	15.6	17.1	18.6	18.3	14.3	14.5	13.2
Average number of employees	663	663	655	654	648	644	640	645
Number of branches	50	49	49	49	49	49	49	49

Branch office operations in Norway, in local currency

NOK m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Net interest income	780	794	837	839	804	743	740	686
Net fee and commission income	88	92	83	92	78	75	82	73
Net gains/losses on financial transactions	21	16	21	18	20	16	18	16
Other income	5	6	3	3	2	3	-4	5
Total income	894	908	944	952	904	837	836	780
Staff costs	-159	-159	-150	-157	-141	-150	-156	-151
Other administrative expenses	-57	-50	-61	-49	-48	-51	-54	-47
Internal purchased and sold services	-90	-85	-95	-78	-83	-76	-84	-63
Depreciation, amortisation and impairments of property, equipment and intangible assets	-3	-2	-3	-2	-2	-2	-3	-2
Total expenses	-309	-296	-309	-286	-274	-279	-297	-263
Profit before loan losses	585	612	635	666	630	558	539	517
Net loan losses	-44	-20	-39	-24	-34	-55	-51	-55
Operating profit	541	592	596	642	596	503	488	462
Profit allocation	12	11	21	6	7	5	11	5
Operating profit after profit allocation	553	603	617	648	603	508	499	467

Business volumes, Branch operations in Norway

Average volumes, NOK bn	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Loans to the public								
Household	75.8	75.0	74.2	72.4	71.2	70.3	69.3	68.2
Corporate	113.3	113.4	112.0	111.5	109.7	109.9	109.6	106.8
Total	189.1	188.4	186.2	183.9	180.9	180.2	178.9	175.0
Deposits and borrowing from the public								
Household	15.0	14.6	14.3	14.3	13.7	13.5	13.2	14.2
Corporate	45.1	43.7	39.5	31.7	32.4	38.7	38.7	33.6
Total	60.1	58.3	53.8	46.0	46.1	52.2	51.9	47.8

Branch operations in the Netherlands

SEK m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Net interest income	67	70	66	61	53	50	48	47
Net fee and commission income	7	5	6	6	5	6	6	5
Net gains/losses on financial transactions	3	2	0	0	1	0	1	0
Other income	-	-	-	-	-	-	-	-
Total income	77	77	72	67	59	56	55	52
Staff costs	-32	-29	-26	-25	-23	-22	-21	-19
Other administrative expenses	-6	-6	-6	-5	-5	-5	-6	-3
Internal purchased and sold services	-15	-16	-17	-13	-15	-11	-12	-10
Depreciation, amortisation and impairments of property, equipment and intangible assets	-1	0	0	-1	0	0	-6	0
Total expenses	-54	-51	-49	-44	-43	-38	-45	-32
Profit before loan losses	23	26	23	23	16	18	10	20
Net loan losses	-2	1	-6	0	-1	-	-	-
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-
Operating profit	21	27	17	23	15	18	10	20
Profit allocation	1	5	1	0	1	2	0	0
Operating profit after profit allocation	22	32	18	23	16	20	10	20
Cost/income ratio, %	69.2	62.2	67.1	65.7	71.7	65.5	81.8	61.5
Loan loss ratio, %	0.04	-0.02	0.17	0.01	0.02	-	-	-
Allocated capital	742	865	818	805	739	745	540	506
Return on allocated capital, %	9.7	11.4	6.9	8.9	6.6	8.5	6.5	11.4
Average number of employees	128	120	110	103	100	95	91	86
Number of branches	18	18	18	16	15	15	13	12

Branch office operations in the Netherlands, in local currency

Euro m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Net interest income	7.4	7.9	7.6	6.9	6.2	5.9	5.6	5.6
Net fee and commission income	0.8	0.5	0.6	0.8	0.6	0.6	0.7	0.6
Net gains/losses on financial transactions	0.3	0.3	0.2	0.0	0.0	0.0	0.1	0.0
Other income	-	-	-	-	-	-	-	-
Total income	8.5	8.7	8.4	7.7	6.8	6.5	6.4	6.2
Staff costs	-3.5	-3.3	-2.9	-2.9	-2.7	-2.6	-2.4	-2.2
Other administrative expenses	-0.7	-0.7	-0.7	-0.7	-0.5	-0.5	-0.7	-0.4
Internal purchased and sold services	-1.7	-1.7	-1.9	-1.5	-1.8	-1.3	-1.4	-1.2
Depreciation, amortisation and impairments of property, equipment and intangible assets	-0.1	-	-0.1	0.0	0.0	0.0	-0.7	0.0
Total expenses	-6.0	-5.7	-5.6	-5.1	-5.0	-4.4	-5.2	-3.8
Profit before loan losses	2.5	3.0	2.8	2.6	1.8	2.1	1.2	2.4
Net loan losses	-0.2	0.1	-0.7	0.0	-0.1	-	-	-
Operating profit	2.3	3.1	2.1	2.6	1.7	2.1	1.2	2.4
Profit allocation	0.2	0.5	0.0	0.0	0.1	0.3	0.0	0.0
Operating profit after profit allocation	2.5	3.6	2.1	2.6	1.8	2.4	1.2	2.4

Business volumes, Branch operations in the Netherlands

Average volumes, EUR m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Loans to the public								
Household	682	625	567	515	442	389	313	265
Corporate	1,145	1,460	1,264	1,256	1,255	1,226	1,325	1,523
Total	1,827	2,085	1,831	1,771	1,697	1,615	1,638	1,788
Deposits and borrowing from the public								
Household	29	27	27	26	26	24	22	23
Corporate	1,067	960	1,264	836	935	639	499	784
Total	1,096	987	1,291	862	961	663	521	807

Handelsbanken International

SEK m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Net interest income	153	174	176	170	161	153	166	186
Net fee and commission income	72	62	73	75	79	81	81	71
Net gains/losses on financial transactions	15	29	14	22	27	16	18	18
Other income	4	2	2	0	1	3	-1	1
Total income	244	267	265	267	268	253	264	276
Staff costs	-132	-126	-126	-125	-129	-130	-140	-119
Other administrative expenses	-45	-41	-58	-42	-43	-38	-50	-45
Internal purchased and sold services	-35	-35	-47	-34	-37	-35	-26	-23
Depreciation, amortisation and impairments of property, equipment and intangible assets	-2	-3	-3	-2	-3	-3	-2	-4
Total expenses	-214	-205	-234	-203	-212	-206	-218	-191
Profit before loan losses	30	62	31	64	56	47	46	85
Net loan losses	45	-1	-14	-44	-11	4	65	-45
Gains/losses on disposal of property, equipment and intangible assets	0	0	0	0	0	0	-1	-1
Operating profit	75	61	17	20	45	51	110	39
Profit allocation	6	13	18	9	3	8	9	3
Operating profit after profit allocation	81	74	35	29	48	59	119	42
Cost/income ratio, %	85.6	73.2	82.7	73.6	78.2	78.9	79.9	68.5
Loan loss ratio, %	-0.67	0.02	0.18	0.58	0.15	-0.05	-0.70	0.48
Allocated capital	3,711	4,024	4,221	4,507	4,202	4,269	4,001	4,126
Return on allocated capital, %	6.8	5.7	2.5	2.0	3.6	4.3	8.6	3.0
Average number of employees	502	503	498	511	517	519	533	534
Number of branches	19	19	19	19	19	19	19	20

Business volumes, Handelsbanken International

Average volumes, SEK bn	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Loans to the public								
Household	3.9	3.8	3.7	3.4	3.4	3.4	3.5	3.4
Corporate	28.2	28.5	29.3	29.7	30.0	29.9	31.4	32.7
Total	32.1	32.3	33.0	33.1	33.4	33.3	34.9	36.1
Deposits and borrowing from the public								
Household	2.4	2.3	2.4	2.3	2.4	2.4	2.8	2.7
Corporate	32.1	28.7	34.7	25.1	21.7	23.6	22.4	24.4
Total	34.5	31.0	37.1	27.4	24.1	26.0	25.2	27.1

Handelsbanken Capital Markets

Handelsbanken Capital Markets

SEK m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Net interest income	31	28	28	34	46	43	44	98
Net fee and commission income	699	702	707	588	703	660	637	539
Net gains/losses on financial transactions	424	326	253	215	298	211	242	119
Risk result - insurance	43	42	35	30	26	51	88	33
Other income	4	-2	2	10	-6	4	3	1
Total income	1,201	1,096	1,025	877	1,067	969	1,014	790
Staff costs	-496	-524	-512	-505	-509	-507	-583	-516
Other administrative expenses	-170	-178	-228	-164	-208	-185	-189	-158
Internal purchased and sold services	23	-10	0	13	13	5	-31	-47
Depreciation, amortisation and impairments of property, equipment and intangible assets	-23	-9	-11	-14	-11	-14	-14	-13
Total expenses	-666	-721	-751	-670	-715	-701	-817	-734
Profit before loan losses	535	375	274	207	352	268	197	56
Net loan losses	-	-	-	-	-	-	-	-
Operating profit	535	375	274	207	352	268	197	56
Profit allocation	-310	-281	-461	-233	-239	-201	-252	-170
Operating profit after profit allocation	225	94	-187	-26	113	67	-55	-114
Internal income	-355	-284	-412	-290	-340	-372	-297	-257
Cost/income ratio, %	74.7	88.5	133.2	104.0	86.4	91.3	107.2	118.4
Allocated capital	3,073	2,934	3,061	3,241	3,926	3,954	4,187	4,581
Return on allocated capital, %	22.9	10.0	-	-	9.0	5.3	-	-
Average number of employees	1,388	1,427	1,448	1,486	1,458	1,463	1,481	1,553

Handelsbanken Liv

SEK m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Administration result	51	39	43	45	30	28	20	32
Risk result	43	42	35	30	26	51	88	33
Financial result	12	5	1	-17	-28	-21	-20	12
<i>of which deferred capital contribution</i>	1	-2	3	-16	-26	-20	-13	5
Other	7	9	13	19	27	28	20	33
Operating profit	113	95	92	77	55	86	108	110
AUM, SEK bn, end of period	96	90	88	84	80	79	75	75
<i>of which unit-linked</i>	67	62	60	57	53	52	49	47
<i>of which portfolio bond</i>	18	17	17	16	16	16	15	16
Solvency ratio, end of period	7.6	7.7	7.9	7.6	7.3	6.5	5.9	5.5
Premiums paid, SEK m	3,284	2,521	2,485	2,127	3,312	2,448	2,062	1,594
of which portfolio bond	615	643	596	470	631	556	359	163
of which unit-linked	2,500	1,712	1,705	1,475	2,500	1,654	1,510	1,258
of which occupational pensions	588	461	412	404	402	343	313	306
New sales mutual funds & custody, Sweden, SEK m	470	484	386	302	502	406	303	171

Other

SEK m	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Net interest income	97	122	93	21	57	142	-17	21
Net fee and commission income	-8	-5	-19	-12	-13	13	43	46
Net gains/losses on financial transactions	-224	128	-135	-66	-158	-143	-112	-145
Share of profit of associates	5	-11	7	5	2	-5	7	1
Other income	254	43	27	14	164	50	24	19
Total income	124	277	-27	-38	52	57	-55	-58
Staff costs	-661	-645	-810	-680	-692	-676	-759	-653
Other administrative expenses	-532	-555	-567	-531	-557	-554	-703	-462
Internal purchased and sold services	1,108	1,123	1,139	1,028	1,092			
Depreciation, amortisation and impairments of property, equipment and intangible assets	-61	-67	-58	-62	-64	-65	-50	-61
Total expenses	-146	-144	-296	-245	-221	-218	-408	-232
Profit before loan losses	-22	133	-323	-283	-169	-161	-463	-290
Net loan losses								
Gains/losses on disposal of property, equipment and intangible assets	-	0	7	-1	1	0	0	0
Operating profit	-22	133	-316	-284	-168	-161	-463	-290
Profit allocation	-	0	0	0	0	0	0	0
Operating profit after profit allocation	-22	133	-316	-284	-168	-161	-463	-290
Internal income	1,969	2,033	2,110	1,985	2,037	2,206	2,122	2,447
Average number of employees	1,947	1,975	2,002	1,980	1,973	1,973	1,957	1,945

Eliminations

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

Balance sheet

Balance sheet - Svenska Handelsbanken Group

SEK m	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
Assets								
Cash and balances with central banks	417,306	367,464	334,794	345,109	211,274	219,746	236,545	341,208
Other loans to central banks	59,780	42,941	35,160	34,403	34,327	40,312	12,370	35,777
Interest-bearing securities eligible as collateral with central banks	56,610	61,782	57,451	63,245	54,996	56,866	48,906	50,005
Loans to other credit institutions	76,519	58,295	62,898	72,984	71,693	87,206	89,511	84,364
Loans to the public	1,765,160	1,727,011	1,696,339	1,682,552	1,685,665	1,655,041	1,680,479	1,620,505
Value change of interest-hedged item in portfolio hedge	90	95	96	2,143	2,396	2,702	5,271	5,792
Bonds and other interest-bearing securities	53,057	59,175	64,125	63,947	65,575	72,049	68,354	69,738
Shares	41,870	48,345	48,595	41,929	38,698	35,488	30,146	25,748
Investments in associates	263	267	272	278	277	219	203	195
Assets where the customer bears the value change risk	88,879	83,246	80,930	77,496	73,199	71,552	69,590	68,788
Derivative instruments	78,068	68,435	69,961	74,627	90,141	101,865	110,850	135,490
Reinsurance assets	4	4	4	1	1	1	1	1
Intangible assets	7,968	7,890	7,835	7,716	7,747	7,162	7,206	7,068
Property and equipment	2,266	2,187	2,205	2,114	2,183	2,156	2,209	2,201
Current tax assets	692	360	405	785	387	365	129	612
Deferred tax assets	309	243	269	407	480	362	350	63
Net pension assets	2,385	2,134	1,733	1,907	1,043	1,964	766	-
Assets held for sale	1,166	1,294	1,247	1,159	1,084	985	854	1,019
Other assets	21,800	37,892	13,262	32,460	37,144	21,044	12,812	50,924
Prepaid expenses and accrued income	6,099	6,780	7,140	6,705	7,013	8,250	7,399	8,691
Total assets	2,680,291	2,575,840	2,484,721	2,511,967	2,385,323	2,385,335	2,383,951	2,508,189
Liabilities and equity								
Due to credit institutions	205,649	173,675	171,624	169,761	197,223	213,004	183,945	227,153
Deposits and borrowing from the public	943,151	867,225	825,205	807,630	636,776	642,314	682,223	728,572
Liabilities where the customer bears the value change risk	88,942	83,294	80,977	77,559	73,228	71,572	69,638	68,835
Issued securities	1,174,512	1,173,702	1,150,641	1,180,015	1,209,644	1,158,140	1,151,426	1,150,503
Derivative instruments	52,253	61,555	61,529	71,564	73,086	92,369	106,044	133,370
Short positions	19,644	21,001	22,845	18,371	20,098	29,040	16,201	19,504
Insurance liabilities	646	1,304	622	632	672	679	666	649
Current tax liabilities	648	343	831	1,069	928	1,389	497	1,581
Deferred tax liabilities	8,903	7,999	7,413	7,568	7,363	8,027	8,713	8,540
Provisions	112	117	141	123	110	111	120	49
Net pension liabilities	-	-	-	-	-	-	-	124
Liabilities related to assets held for sale	589	575	539	537	549	442	349	351
Other liabilities	18,710	29,977	13,189	31,303	24,139	24,725	17,848	23,583
Accrued expenses and deferred income	20,143	20,730	21,861	23,412	19,977	23,184	21,264	23,857
Subordinated liabilities	29,575	26,523	15,965	15,911	19,139	19,973	21,167	24,406
Total liabilities	2,563,477	2,468,020	2,373,382	2,405,455	2,282,932	2,284,969	2,280,101	2,411,077
Minority interest	3	2	2	2	2	2	2	1
Share capital	2,956	2,956	2,956	2,955	2,955	2,951	2,943	2,939
Share premium	3,444	2,847	2,843	2,813	2,798	2,659	2,337	2,191
Reserves	9,256	4,893	1,837	568	69	1,882	2,340	36
Retained earnings	93,213	93,213	89,406	89,406	89,406	89,406	82,191	82,191
Profit for the period, attributable to shareholders in Svenska Handelsbanken AB	7,942	3,909	14,295	10,768	7,161	3,466	14,037	9,754
Total equity	116,814	107,820	111,339	106,512	102,391	100,366	103,850	97,112
Total liabilities and equity	2,680,291	2,575,840	2,484,721	2,511,967	2,385,323	2,385,335	2,383,951	2,508,189

Business volumes – Lending to the public

CREDIT POLICY

Credit process

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

Basic guidelines

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

Loans to the public by sector

Loans net	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
SEK m, end of period								
Private individuals	821,614	800,648	787,705	771,159	762,461	744,776	742,602	726,434
<i>of which mortgage loans in Stadshypotek</i>	663,995	651,777	642,405	631,153	624,732	612,349	607,119	596,089
<i>of which other mortgage loans</i>	85,048	80,075	77,350	73,246	71,214	66,525	66,916	63,846
<i>of which other loans to private individuals</i>	72,570	68,795	67,950	66,760	66,515	65,902	68,567	66,499
Housing co-operative associations	147,355	143,213	140,287	136,935	135,420	131,788	129,114	125,837
<i>of which mortgage loans in Stadshypotek</i>	133,281	130,894	128,515	125,020	123,521	119,955	105,417	112,559
Property management, Note 1	472,707	463,410	461,332	447,619	445,340	432,559	436,329	419,717
Manufacturing	41,697	42,319	38,534	40,100	42,888	42,953	44,697	46,213
Retail	27,778	29,701	31,208	32,516	33,754	32,964	33,205	34,426
Hotels and restaurants	7,760	7,728	7,372	7,470	7,871	7,885	8,198	7,579
Shipping, passenger & goods transport by sea	14,010	13,855	14,310	14,925	16,528	17,049	17,433	17,096
Other transport and communication	30,366	28,762	26,892	27,672	29,129	29,717	32,224	33,703
Construction	14,657	14,042	12,179	13,331	13,653	13,475	13,289	13,359
Electricity, gas, water	23,075	23,081	23,576	23,181	22,586	23,633	23,940	22,884
Agriculture, hunting and forestry	9,994	9,442	8,340	9,261	9,397	9,020	8,902	8,482
Other service industry	21,477	19,562	22,895	24,474	25,182	24,646	25,345	25,807
Holding companies, insurance companies, funds etc.	56,145	58,939	72,703	84,680	88,045	92,138	88,618	81,719
State & municipalities	32,624	28,664	20,935	20,743	18,311	21,502	36,711	31,311
Other corporate lending	44,265	44,002	28,428	28,833	35,450	31,216	40,160	26,251
Total loans to the public, before taking into account collective provisions	1,765,524	1,727,368	1,696,696	1,682,899	1,686,015	1,655,321	1,680,767	1,620,818
Collective provisions	-364	-357	-357	-347	-350	-280	-288	-313
Total loans to the public	1,765,160	1,727,011	1,696,339	1,682,552	1,685,665	1,655,041	1,680,479	1,620,505

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

SEK m, end of period	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
Lending in Sweden								
State-owned property companies	7,373	7,673	7,798	8,448	7,800	8,063	9,213	9,416
Municipal-owned property companies	15,983	16,269	15,430	15,747	15,428	14,729	14,468	14,351
Residential property companies	86,851	85,577	73,556	74,834	73,499	74,248	72,881	68,077
<i>of which mortgage loans in Stadshypotek</i>	<i>69,970</i>	<i>69,141</i>	<i>57,725</i>	<i>58,076</i>	<i>56,708</i>	<i>55,759</i>	<i>52,756</i>	<i>48,389</i>
Other property companies	138,255	140,223	151,300	145,173	147,122	146,276	144,937	137,740
<i>of which mortgage loans in Stadshypotek</i>	<i>70,929</i>	<i>67,403</i>	<i>75,966</i>	<i>65,120</i>	<i>64,711</i>	<i>63,105</i>	<i>61,092</i>	<i>60,552</i>
Total lending in Sweden	248,462	249,742	248,084	244,202	243,849	243,316	241,499	229,584
Lending outside Sweden								
Denmark	12,294	11,824	11,991	11,496	11,658	10,623	10,527	9,880
Finland	24,336	23,067	23,612	22,303	21,510	19,340	19,471	19,083
Norway	79,381	78,479	76,397	76,517	78,706	75,662	80,475	78,725
Great Britain	90,817	82,783	81,060	77,170	73,830	68,811	69,679	65,520
The Netherlands	9,809	9,916	12,633					
Other countries	7,608	7,599	7,555	7,250	7,447	14,807	14,678	16,925
Total lending outside Sweden	224,245	213,668	213,248	203,417	201,491	189,243	194,830	190,133
Total lending - Property management	472,707	463,410	461,332	447,619	445,340	432,559	436,329	419,717

Credit risk exposure

SEK m	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
Loans to the public	1,765,160	1,727,011	1,696,339	1,682,552	1,685,665	1,655,041	1,680,479	1,620,505
<i>of which reverse repos</i>	<i>19,418</i>	<i>18,539</i>	<i>15,711</i>	<i>22,932</i>	<i>24,284</i>	<i>16,056</i>	<i>33,799</i>	<i>14,295</i>
Loans to other credit institutions	76,519	58,295	62,898	72,984	71,693	87,206	89,511	84,364
<i>of which reverse repos</i>	<i>37,497</i>	<i>30,436</i>	<i>33,874</i>	<i>38,562</i>	<i>42,463</i>	<i>53,826</i>	<i>59,241</i>	<i>56,132</i>
Unutilised part of granted overdraft facilities *	91,754	91,538	99,660	98,937	98,862	99,885	108,368	101,100
Committed loan offers	263,690	258,152	246,518	247,486	247,482	240,965	239,774	238,672
Other commitments	11,696	9,552	9,046	16,248	10,637	21,851	20,779	8,214
Guarantees, credits	9,472	8,390	8,371	9,002	10,145	10,364	10,723	10,702
Guarantees, other	60,754	58,838	58,568	58,623	59,186	56,416	39,913	39,310
Documentary credits	5,260	5,702	7,190	7,559	8,187	9,609	30,164	33,686
Derivative instruments **	81,869	68,435	69,961	74,627	90,141	101,865	110,850	135,490
Treasury bills and other eligible bills	56,610	61,782	57,451	63,245	54,996	56,866	48,906	50,005
Bonds and other interest-bearing securities	53,057	59,175	64,125	63,947	65,575	72,049	68,354	69,738
Total	2,475,841	2,406,870	2,380,127	2,395,210	2,402,569	2,412,117	2,447,821	2,391,786

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

** Refers to the total of positive market values.

Credit risk exposure by country

SEK m	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
Sweden	1,614,833	1,586,526	1,598,668	1,629,561	1,646,730	1,675,137	1,710,767	1,690,886
Great Britain	185,162	170,951	164,682	155,575	148,134	137,072	140,238	132,603
Denmark	105,936	102,175	100,369	97,296	96,771	87,469	87,164	81,130
Finland	141,458	132,741	128,894	123,121	125,073	116,793	116,516	110,594
Norway	263,983	261,489	253,563	252,522	257,074	252,375	252,411	238,058
Germany	13,452	13,450	13,539	15,489	16,415	17,123	18,050	19,009
The Netherlands	25,312	22,903	22,860	21,476	21,340	19,420	19,521	20,020
Poland	3,609	3,546	3,495	3,368	3,429	3,189	3,569	3,254
Other	122,096	113,091	116,969	119,598	108,844	124,040	123,751	120,398
Total	2,475,841	2,406,870	2,403,039	2,418,006	2,423,810	2,432,618	2,471,987	2,415,952

Loans to the public - by country *

SEK bn, end of period	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
Branch operations in Sweden	1,130	1,119	1,111	1,110	1,107	1,101	1,078	1,069
Branch operations in UK	149	137	132	125	119	110	113	107
Branch operations in Denmark	76	74	72	70	73	68	67	61
Branch operations in Finland	115	108	107	103	103	96	97	92
Branch operations in Norway	208	204	198	197	202	200	209	200
Branch operations in the Netherlands	17	15	18	15	15	14	14	15
Handelsbanken International	32	32	32	32	34	33	34	36
Other	26	26	21	29	31	25	52	31
Total	1,753	1,715	1,691	1,681	1,683	1,647	1,664	1,610

* Excluding loans to the National Debt Office.

Loans to households - by country

SEK bn, end of period	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
Branch operations in Sweden	648	635	627	620	614	604	597	592
Branch operations in UK	46	42	39	36	33	30	30	28
Branch operations in Denmark	41	38	38	35	34	32	32	30
Branch operations in Finland	35	34	34	33	33	30	31	30
Branch operations in Norway	85	83	81	79	81	80	83	79
Branch operations in the Netherlands	6	6	5	5	4	4	3	2
Handelsbanken International	4	4	4	3	4	4	3	4
Other	-	0	-	0	1	1	0	0
Total	865	842	827	811	803	785	779	765

Corporate lending - by country *

SEK bn, end of period	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
Branch operations in Sweden	482	484	485	489	493	497	482	477
Branch operations in UK	103	95	92	89	86	81	83	79
Branch operations in Denmark	35	35	34	35	38	37	35	31
Branch operations in Finland	80	74	74	70	71	66	66	62
Branch operations in Norway	123	121	117	117	121	119	127	120
Branch operations in the Netherlands	11	9	13	10	11	10	11	13
Handelsbanken International	28	28	28	29	30	29	30	33
Other	26	27	21	31	30	24	52	31
Total	888	873	864	870	880	862	885	846

* Excluding loans to the National Debt Office.

Business volumes – Savings and deposits

Assets under management, Handelsbanken Group

SEK bn, end of period	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
Mutual funds, excl. PPM and Unit-linked	230	213	199	185	177	177	166	157
PPM	16	15	14	12	12	12	11	10
Unit-linked insurance	67	62	60	57	53	52	49	47
<i>of which external mutual funds</i>	-2	-2	-2	-2	-1	-2	-2	-2
Total mutual funds	311	288	271	252	241	239	224	212
Structured products	22	24	25	25	26	27	28	29
Portfolio bond insurance	18	17	17	16	16	16	15	16
<i>of which in mutual funds and structured products</i>	-6	-5	-5	-5	-4	-4	-4	-4
Traditional insurance	10	10	11	11	11	11	12	12
<i>of which in mutual funds and structured products</i>	-1	-	-	0	0	0	0	-1
Institutional *	172	154	140	124	119	105	100	107
<i>of which in mutual funds and structured products</i>	-76	-67	-59	-53	-53	-54	-51	-47
Handelsbanken's pensions foundations	59	58	58	54	52	53	49	48
<i>of which in mutual funds and structured products</i>	-8	-6	-6	-6	-6	-5	-5	-6
Total assets under management, excl. securities in custody	501	473	452	418	402	388	368	366
Securities in custody, excl. mutual funds	274	269	256	239	237	242	228	221

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

Deposits and borrowing from the public - by country

SEK bn, end of period	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
Branch operations in Sweden	404	398	404	391	384	383	384	374
Branch operations in UK	92	71	58	45	34	27	30	34
Branch operations in Denmark	26	24	28	26	25	22	27	26
Branch operations in Finland	41	41	34	28	24	22	25	30
Branch operations in Norway	66	65	59	52	49	53	62	56
Branch operations in the Netherlands	10	9	6	11	8	7	4	7
Handelsbanken International	44	29	33	33	21	28	23	26
Other	260	230	203	222	92	100	127	176
Total	943	867	825	808	637	642	682	729

Deposits and borrowing from households - by country

SEK bn, end of period	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
Branch operations in Sweden	245	234	233	228	228	219	217	217
Branch operations in UK	15	12	9	8	7	6	6	5
Branch operations in Denmark	12	12	12	11	11	11	11	10
Branch operations in Finland	11	11	11	11	11	11	11	11
Branch operations in Norway	17	16	15	15	16	15	16	15
Branch operations in the Netherlands	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2
Handelsbanken International	3	2	2	2	2	2	2	3
Other	6	4	5	4	5	5	4	5
Total	309	291	287	280	281	268	267	266

Deposits and borrowing from corporates - by country

SEK bn, end of period	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
Branch operations in Sweden	159	164	171	163	156	164	167	158
Branch operations in UK	77	58	49	36	27	22	24	29
Branch operations in Denmark	14	13	16	15	14	11	16	16
Branch operations in Finland	30	30	23	17	13	12	14	19
Branch operations in Norway	49	49	44	37	33	38	47	41
Branch operations in the Netherlands	10	9	6	11	7	7	4	7
Handelsbanken International	41	27	31	31	19	25	20	23
Other	254	226	198	218	87	95	123	170
Total	634	576	538	528	356	374	415	462

Capital base and capital requirement

Capital base CRD IV *

SEK m	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013
TIER 1 CAPITAL						
Equity, Group	116,814	107,820	111,339	106,512	102,391	100,366
Accrued unpaid dividend last year	-	-	-	-	-	-
Accrued dividend current year **	-4,085	-1,904	-10,485	-5,123	-3,415	-1,707
Result from unconsolidated entities	-335	-180	-680	-326	-227	-174
Equity not part of the consolidated situation	421	1,031	1,727	1,842	1,829	1,843
Minority interests	-3	-2	-2	-2	-2	-2
Equity (consolidated entities)	112,812	106,765	101,899	102,903	100,576	100,326
Deducted items						
Goodwill and other intangible assets	-7,958	-7,883	-7,835	-8,164	-8,136	-7,533
Value adjustments (fair value)	-1	-1	-67	-7	-14	-12
Special deduction for IRB institutions	-2,228	-2,216	-1,986	-1,750	-1,852	-2,222
Positions in securitisation	-	-492	-490	-486	-512	-496
Net pension assets	-13	-47	-	-	-	-174
Adjustments in accordance with stability filter	-	-	-	-	-	-
Cash flow hedges	-1,535	490	1,518	696	831	-879
Unrealised accumulated gains, shares	-1,280	-1,323	-	-	-	-
Common equity tier 1 capital, gross	99,797	95,293	93,039	93,192	90,893	89,010
Threshold deductions						
Capital contributions to unconsolidated financial entities >10% CET1	-	-	-	-	-	-
Deferred tax assets >10% CET1	-	-	-	-	-	-
Amount of capital contributions and deferred tax assets >15%	-	-	-	-	-	-
Common equity tier 1 capital	99,797	95,293	93,039	93,192	90,893	89,010
Additional tier 1 instruments	7,896	7,746	10,602	10,577	10,685	11,617
Total tier 1 capital	107,693	103,039	103,641	103,769	101,578	100,627
TIER 2 CAPITAL						
Subordinated loans	17,588	17,393	3,882	4,313	7,362	7,231
Deducted items						
Tier 2 contribution in unconsolidated financial entities	-1,129	-1,129	-1,129	-1,129	-1,129	-1,129
Total tier 2 capital	16,459	16,264	2,753	3,184	6,233	6,102
Total own funds	124,152	119,303	106,394	106,953	107,811	106,729

* The historic comparison figures for 2013 in the table refer to CRR/CRD IV and are estimates based on the Bank's interpretation of the regulations at the respective reporting date and assuming full implementation of the regulations.

** The amount as at 30 June 2014 assumes that Handelsbanken receives the consent of the Swedish Financial Supervisory Authority to calculate the deduction for dividends based on historical ordinary dividends, i.e. excluding extraordinary dividends. The Supervisory Authority has not yet made a decision on this matter. If the deduction was instead based on the total dividend, common equity tier 1 capital would be reduced by SEK 1,776m.

Capital adequacy analysis *

	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
Common equity tier 1 ratio, CRD IV	20.1%	19.5%	18.9%	18.8%	17.8%	17.5%		
Tier 1 ratio, CRD IV	21.7%	21.1%	21.0%	21.0%	19.9%	19.8%		
Total capital ratio, CRD IV	25.0%	24.5%	21.6%	21.6%	21.1%	21.0%		
Capital base in relation to capital requirement according to Basel I floor	143%	141%	124%	125%	123%	126%	125%	127%

* The historic ratios for 2013 refer to CRR/CRD IV and are estimates based on the Bank's interpretation of the regulations at the respective reporting date and assuming full implementation of the regulations.

Capital requirement

SEK m	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013
Credit risk according to standardised approach	5,992	5,731	4,225	4,089	3,885	3,690
Credit risk according to IRB approach	28,161	27,729	28,015	28,385	29,555	29,342
Market risks	696	700	770	711	988	1,089
Credit value adjustment risk (CVA)	476	434	0	0	0	0
Operational risk	4,439	4,439	4,246	4,246	4,246	4,246
Total capital requirement	39,764	39,033	37,256	37,431	38,674	38,367
Adjustment according to Basel I floor	48,893	46,859	44,039	43,363	42,957	41,990
Capital requirement, Basel I floor	88,657	85,892	81,295	80,794	81,631	80,357
Total capital base, Basel I floor	126,380	121,519	100,406	101,360	102,210	101,117

Capital requirement market risks

SEK m	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013
Position risk in the trading book	686	691	756	701	978	1,073
Interest rate risk	667	675	745	690	956	1,047
<i>of which general risk</i>	459	441	493	466	568	684
<i>of which specific risk</i>	202	228	252	224	387	362
<i>of which positions in securitisation instruments</i>	0	0	0	0	1	1
<i>of which non-delta risk</i>	6	6	-	-	-	-
Equity price risk	19	16	11	11	22	26
<i>of which general risk</i>	3	4	3	4	6	5
<i>of which specific risk</i>	8	8	6	6	16	21
<i>of which mutual funds</i>	1	1	2	1	0	0
<i>of which non-delta risk</i>	7	3	-	-	-	-
Exchange rate risk	-	-	-	-	-	-
<i>of which non-delta risk</i>	-	-	-	-	-	-
Commodities risk	10	9	14	10	10	16
<i>of which non-delta risk</i>	0	1	-	-	-	-
Settlement risk	0	0	0	-	-	0
Total capital requirement for market risks	696	700	770	711	988	1,089

Credit risks IRB

Exposure after credit risk protection (EAD)

SEK m	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
Corporates	939,822	918,852	915,218	924,820	936,194	934,564	944,987	911,841
of which repos and securities loans	7,973	8,629	8,376	13,584	12,448	9,442	23,286	6,966
of which other loans foundation approach	149,720	143,513	140,425	149,831	158,771	341,322	341,048	341,470
of which other loans advanced approach	782,129	766,710	766,417	761,405	764,975	583,800	580,653	563,405
of which large companies	150,042	146,069	153,810	158,606	164,770			
of which medium-sized companies	72,817	72,598	72,305	71,289	72,976	72,345	72,467	74,953
of which property companies	413,632	406,876	401,705	396,055	393,260	381,033	380,147	364,443
of which housing co-operative associations	145,638	141,167	138,597	135,455	133,969	130,422	128,039	124,009
Households	846,126	830,431	818,080	806,941	801,857	783,232	780,772	770,124
Private individuals	817,811	802,201	789,722	778,483	772,908	754,875	752,176	741,500
of which property loans	731,626	717,143	705,004	693,925	688,534	672,548	665,969	656,377
of which other loans	86,185	85,058	84,718	84,558	84,374	82,327	86,207	85,123
Small companies	28,315	28,230	28,358	28,458	28,949	28,357	28,596	28,624
Institutions	123,566	99,045	100,503	102,976	109,811	134,499	128,748	123,389
of which repos and securities loans	53,033	48,384	48,863	55,991	55,018	83,847	76,588	69,078
of which other loans	70,534	50,661	51,640	46,985	54,793	50,652	52,160	54,311
Equity exposures	6,491	6,581	5,693	5,509	5,227	5,464	5,206	4,861
Exposures without a counterparty	2,266	2,187	2,204	2,499	2,467	2,321	2,279	2,250
Securitisation positions	319	854	878	890	944	987	1,323	1,322
of which Traditional securitisation	319	854	878	890	944	987	1,323	1,322
of which Synthetic securitisation	-	-	-	-	-	-	-	-
Total IRB	1,918,590	1,857,950	1,842,576	1,843,635	1,856,500	1,861,067	1,863,315	1,813,787
of which repos and securities loans	61,006	57,013	57,239	69,575	67,466	93,289	99,874	76,044
of which other loans foundation approach	229,329	203,796	200,840	205,714	222,202	420,746	402,016	404,214
of which other loans advanced approach	1,628,255	1,597,141	1,584,497	1,568,346	1,566,832	1,347,032	1,361,425	1,333,529

Average risk weight, %

	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
Corporates	25.6	26.1	28.4	28.6	29.7	29.9	30.5	31.6
of which repos	0.8	0.7	0.5	0.4	0.4	0.3	0.6	0.5
of which other loans basic method	32.5	33.6	35.8	35.6	36.7	42.9	44.5	44.2
of which other loans advanced method	24.5	25.0	27.4	27.8	28.8	22.7	23.4	24.4
of which large companies	51.5	51.4	52.5	51.6	52.9			
of which medium-sized companies	48.9	51.2	57.4	59.3	60.3	60.4	61.2	61.8
of which property companies	17.4	18.2	20.0	20.2	20.7	21.2	21.7	22.7
of which housing co-operative associations	3.9	4.0	5.2	5.5	5.7	6.1	7.0	6.8
Households	8.0	8.2	8.3					
Private individuals	7.4	7.5	7.3	7.4	7.4	7.4	7.5	7.6
of which property lending	5.4	5.5	5.2	5.2	5.2	5.3	5.4	5.4
of which other lending	23.9	24.2	24.6	25.5	25.5	24.2	23.8	24.1
Small companies	27.3	28.2	35.3	35.6	35.9	37.1	38.1	37.2
Institutions	17.5	16.6	11.9	11.4	11.9	8.7	9.5	10.2
of which repos	3.6	3.4	0.8	0.6	0.6	0.6	0.6	0.3
of which other lending	27.9	29.1	22.3	24.1	23.3	22.1	22.5	22.8
Equity exposures	301.8	301.2	143.6	142.2	143.7	140.3	140.1	139.7
Exposures without a counterparty	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Securitisation positions	8.1	3.2	3.1	3.1	3.2	3.5	3.5	4.0
of which Traditional securitisation	8.1	3.2	3.1	3.1	3.2	3.5	3.5	4.0
of which Synthetic securitisation	-	-	-	-	-	-	-	-
Total IRB	18.3	18.7	19.0	15.5	16.2	16.2	16.6	17.1
of which repos and securities lending	3.2	3.0	0.7	0.6	0.6	0.6	0.6	0.3
of which other loans basic method	39.4	41.7	36.0	36.5	36.4	39.8	43.0	42.6
of which other loans advanced method	16.0	16.3	17.5	17.8	18.4	14.7	14.9	15.3

Capital requirement

SEK m	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
Corporates	19,242	19,204	20,824	21,196	22,273	22,319	23,026	23,061
<i>of which repos</i>	5	5	3	4	4	3	12	3
<i>of which other loans basic method</i>	3,992	3,860	4,023	4,264	4,657	11,713	12,137	12,061
<i>of which other loans advanced method</i>	15,245	15,339	16,798	16,928	17,612	10,603	10,877	10,997
<i>of which large companies</i>	6,185	6,003	6,458	6,554	6,968			
<i>of which medium-sized companies</i>	2,849	2,971	3,323	3,385	3,519	3,495	3,549	3,703
<i>of which property companies</i>	5,759	5,914	6,435	6,392	6,515	6,467	6,612	6,622
<i>of which housing co-operative associations</i>	452	451	582	598	610	641	716	672
Households	5,440	5,448	5,405	5,425	5,436	5,287	5,402	5,332
Private individuals	4,821	4,812	4,604	4,615	4,604	4,445	4,530	4,480
<i>of which property lending</i>	3,172	3,167	2,934	2,892	2,880	2,850	2,885	2,842
<i>of which other lending</i>	1,648	1,645	1,670	1,723	1,724	1,595	1,645	1,639
Small companies	619	636	801	810	832	842	872	852
Institutions	1,729	1,314	954	936	1,046	934	976	1,007
<i>of which repos</i>	153	133	31	28	26	40	38	18
<i>of which other lending</i>	1,575	1,181	923	908	1,020	894	938	989
Equity exposures	1,567	1,586	654	627	601	613	584	543
Exposures without a counterparty	181	175	176	200	197	186	182	180
Securitisation positions	2	2	2	2	2	3	4	4
<i>of which Traditional securitisation</i>	2	2	2	2	2	3	4	4
<i>of which Synthetic securitisation</i>	-	-	-	-	-	-	-	-
Total IRB	28,161	27,729	28,015	28,386	29,555	29,342	30,174	30,127
<i>of which repos and securities lending</i>	158	138	34	32	30	43	50	21
<i>of which other loans basic method</i>	7,318	6,803	5,778	6,001	6,477	13,409	13,845	13,777
<i>of which other loans advanced method</i>	20,685	20,788	22,203	22,353	23,048	15,890	16,279	16,329

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, 2014 – The Group

Programme (in millions)	Programme size	Currency	Unutilised amount	Countervalue SEK m	Latest issue
ECP*	5,000	EUR	2,281	20,882	Jun-14
ECP (Stadshypotek)*	4,000	EUR	2,099	19,216	May-14
French Commercial Paper	7,500	EUR	6,996	64,047	Jun-14
EMTCN (Stadshypotek)*	20,000	EUR	7,506	68,716	May-14
MTN*	100,000	SEK	83,119	83,119	Jun-14
Swedish Commercial Paper	25,000	SEK	24,980	24,980	Mar-14
Swedish Commercial Paper (Stadshypotek)	90,000	SEK	90,000	90,000	Jun-13
EMTN*	50,000	USD	26,018	174,371	Mar-14
General funding >1 Y*	15,000	USD	12,350	82,769	May-14
USCP	15,000	USD	7,865	52,711	Jun-14
Extendible Notes	15,000	USD	7,925	53,113	Oct-13
US 144A / 3(a)(2)	20,000	USD	10,600	71,041	Jun-14
Stadshypotek US 144A	15,000	USD	12,250	82,099	May-13
Stadshypotek AUD Covered Bond Programme	5,000	AUD	4,250	26,803	Oct-12
Samurai	400,000	JPY	349,500	22,042	Jun-13
AUD MTN	5,000	AUD	4,350	27,434	Apr-14
Total				963,343	
Total programme (or limited) amounts, SEK m	1,508,697				
Unutilised amount, SEK m	963,343				
Available amount	64%				

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

Maturity profile

30 June 2014						
SEK bn	2014	2015	2016	2017	2018	2019
Senior bonds	3	31	50	45	31	21
Covered bonds	21	180	95	70	91	25
Extendible notes (X-notes)	40					
Total	64	211	145	115	122	46

Long-term funding

SEK bn	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Issued during the quarter								
Senior bonds	16	6	7	33	7	21	7	34
Covered bonds	37	36	39	39	51	44	21	45
Total bonds	53	42	46	72	58	65	28	79
Extendible notes					14	26		
Total issued	53	42	46	72	72	91	28	79
Matured during the quarter	-71	-23	-25	-95	-10	-19	-78	-50
Net	-18	19	21	-23	62	72	-50	29

During the second quarter of 2014, the issued bond volume was SEK 53 billion, with SEK 16 billion in senior unsecured bonds. The Bank was active in AUD and USD among other currencies for funding and the funding costs remained the lowest among European banks. In the same period, a bond volume of SEK 71 billion matured.

The bank has also issued a convertible subordinated loan to the employees. The issued volume was SEK 3.2 billion.

The volume of so called CD's (Certificates of Deposit) in USD amounted to USD 23.8 billion at the 30 of June 2014. This volume is to a large extent placed with the Federal Reserve and constitutes a part of the Bank's total liquidity reserve.

Selection of international issues during last 12 months

August 2013	EUR 1.25 bn 7Y +60 bps
August 2013	GBP 250 m 4Y G+90 bps
August 2013	CHF 400 m 6Y +20 bps
September 2013	USD 1.5 bn 5.4Y T+105 bps
September 2013	USD 1 bn 3Y 3m \$L +47 bps
October 2013	EUR 1 bn 7Y FXD Covered Bond +9 bps
November 2013	GBP 400 m 7Y FXD G+105 bps
January 2014	EUR 1.5 bn Tier 2 10NC5 Subordinated +143 bps
February 2014	CHF 350 m 5Y FXD +15 bps
March 2014	EUR 1.25 bn 5Y FXD Covered bond +5bps
April 2014	AUD 450m 5Y FXD BBSW +95bps
April 2014	AUD 200m 5Y FRN BBSW +95bps
June 2014	USD 1 bn 5Y FXD T+57 bps
June 2014	USD 400 m 5Y FRN 3m \$L +49 bps

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 eight outstanding benchmark loans, which mature between 2015 and 2022. These loans are arranged by six market makers and are non-callable bullet bonds with a fixed annual coupon. Only a small number of separate bond loans are issued, with respective final maturity dates set at intervals of about nine months. Concentrating large volumes into a small number of loans in this manner achieves good market liquidity.

At the end of the quarter, the non-domestic share of the outstanding covered bonds was 25%.

Non-Encumbered Assets (NEA)

30 June 2014		
SEK bn	NEA	Accumulated coverage ratio in % of unsecured funding *
Holdings with central banks and securities in the liquidity portfolio	578	71%
Mortgage loans	377	117%
Other household lending	142	135%
Property company lending lowest risk class (1-3)	208	160%
Other corporate lending lowest risk class (1-3)	164	180%
Loans to credit institutions lowest risk class (1-3)	74	189%
Other corporate lending	216	216%
Other assets	108	229%
Total non-encumbered assets (NEA)	1,867	229%
Encumbered assets without underlying liabilities **	57	
Encumbered assets with underlying liabilities	756	
Total assets, Group	2,680	

31 December 2013		
SEK bn	NEA	Accumulated coverage ratio in % of unsecured funding *
Holdings with central banks and securities in the liquidity portfolio	460	60%
Mortgage loans	340	105%
Other household lending	130	122%
Property company lending lowest risk class (1-3)	203	149%
Other corporate lending lowest risk class (1-3)	168	171%
Loans to credit institutions lowest risk class (1-3)	68	179%
Other corporate lending	224	209%
Other assets	96	221%
Total non-encumbered assets (NEA)	1,689	221%
Encumbered assets without underlying liabilities **	57	
Encumbered assets with underlying liabilities	739	
Total assets, Group	2,485	

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

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

Assets pledged

30 June 2014								
SEK m	Central bank funding	Payment systems/ securities settlement	Repos	Covered bonds	Derivatives	Securities loans	Leases	Insurance agreements
Cash				5,000	7,097			
Government instruments and bonds		44,727	14,028		76	422		
Loans to the public		4,018		619,878			12,510	
Equities						4,062		
Other		0						101,153
Total		48,745	14,028	624,878	7,173	4,484	12,510	101,153

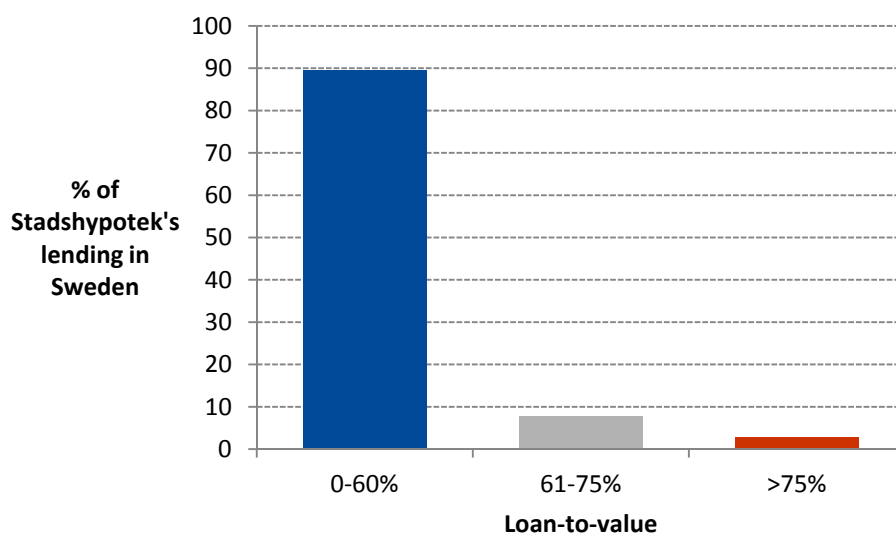
Assets pledged according to CSA agreements for outstanding derivatives since 1 January 2012: Max: 16,951 Min: 5,160 Average: 9,033

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

STADSHYPOTEK

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

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



Cover Pool Data, Sweden

SEK m	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
Stadshypotek total lending to the public in Sweden	862,096	845,804	833,614	819,113	809,115	795,254	780,770	765,520
Assets available for Cover Pool	774,004	765,958	745,954	737,694	729,063	720,142	691,596	685,252
Assets utilized for Cover Pool	599,748	607,192	604,316	603,144	610,110	604,954	596,128	599,245
WA Max-LTV Cover Pool, as defined by ASCB	49.2%	49.5%	49.6%	49.3%	47.0%	47.0%	47.4%	47.4%
LTV-mid	25.0%	25.1%	25.1%	25.0%	23.5%	23.5%	23.7%	23.7%
LTV-distribution								
0-10%	23.9%	23.9%	24.1%	23.9%	26.8%	26.9%	26.6%	29.0%
10-20%	21.0%	20.9%	20.9%	20.9%	22.0%	22.0%	21.9%	21.5%
20-30%	18.2%	18.1%	18.0%	18.0%	17.8%	17.7%	17.7%	17.4%
30-40%	15.2%	15.3%	15.1%	15.2%	14.1%	14.1%	14.1%	13.8%
40-50%	12.4%	12.4%	12.3%	12.3%	10.9%	11.0%	11.0%	10.7%
50-60%	9.4%	9.5%	9.4%	9.5%	8.2%	8.1%	8.3%	7.3%
60-70%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.3%	0.3%
70-75%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
WA loan size, SEK	661,500	649,400	614,400	597,400	567,900	587,600	544,800	546,500
WA seasoning of Cover Pool, months	40	40	39	39	39	38	38	38
Interest index distribution								
Floating	48%	46%	42%	41%	40%	31%	34%	35%
Fixed rate	52%	54%	58%	59%	60%	69%	66%	65%

Liquidity

The total liquidity reserve as at 31 March, 2014 exceeded SEK 800 billion. Balances with central banks and banks, as well as securities that are eligible as collateral with central banks, totaled SEK 578 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 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013
Cash and balances with and other lending to central banks	475,622	408,519	368,351	377,187	245,601
Balances with banks and the National Debt Office, overnight	24,022	11,809	2,182	1,827	2,770
Securities issued by governments and public entities	39,647	51,225	42,746	48,648	40,947
Covered bonds	33,934	43,340	43,318	49,566	54,449
Securities issued by non-financial companies	1,376	1,757	976	929	1,156
Securities issued by financial companies	3,554	1,942	2,505	2,214	2,785
Total	578,155	518,592	460,078	480,371	347,708
<i>of which in SEK</i>	<i>80,252</i>	<i>90,448</i>	<i>56,378</i>	<i>70,608</i>	<i>76,349</i>
<i>of which in EUR</i>	<i>100,032</i>	<i>68,143</i>	<i>59,496</i>	<i>81,996</i>	<i>69,425</i>
<i>of which in USD</i>	<i>285,902</i>	<i>277,388</i>	<i>250,024</i>	<i>247,795</i>	<i>164,579</i>
<i>of which in other currencies</i>	<i>111,969</i>	<i>82,613</i>	<i>94,180</i>	<i>79,972</i>	<i>37,355</i>

30 June 2014

Market value, SEK m	SEK	EUR	USD	Other	Total
Cash and balances with and other lending to central banks	17,341	89,172	269,533	99,576	475,622
Balances with other banks and the National Debt Office, overnight	22,235	228	94	1,465	24,022
Securities issued by governments	15,582	7,270	14,662	2,133	39,647
Securities issued by municipalities and other public entities	-	-	-	-	-
Covered bonds, external issuers	21,285	2,214	-	7,026	30,525
Own covered bonds	1,777	155	-	1,477	3,409
Securities issued by non-financial companies	781	595	-	-	1,376
Securities issued by financial companies	1,251	398	1,613	292	3,554
Total	80,252	100,032	285,902	111,969	578,155

Liquidity Coverage Ratio (LCR)

Liquidity Coverage Ratio (LCR), %	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013
EUR	190	122	110	119	118
USD	127	158	170	163	190
Total *	149	152	128	139	128

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

MATURITY ANALYSIS

Maturities for financial assets and liabilities

30 June 2014 SEK m	Up to 3 mths	3 - 6 mths	6 - 12 mths	1 - 5 yrs	5 yrs -	Unspecified maturity	Total
Cash and balances with central banks	477,086	-	-	-	-	-	477,086
Interest bearing securities eligible as collateral with central banks	56,610	-	-	-	-	-	56,610
Bonds and other interest-bearing securities	53,057	-	-	-	-	-	53,057
Loans to credit institutions	70,455	677	1,084	1,613	2,229	461	76,519
-of which reverse repos	37,497	-	-	-	-	-	37,497
Loans to the public	155,835	79,009	118,181	374,624	1,035,400	2,111	1,765,160
-of which reverse repos	19,418	-	-	-	-	-	19,418
Other	57,653	-	-	-	-	194,206	251,859
-of which shares and participating interests	41,870	-	-	-	-	-	41,870
-of which claims on investment banking settlements	15,783	-	-	-	-	-	15,783
Total	870,696	79,686	119,265	376,237	1,037,629	196,778	2,680,291
Due to credit institutions	174,302	8,947	752	56	5,288	16,304	205,649
-of which repos	4,467	-	-	-	-	-	4,467
-of which deposits from central banks	85,246	1,546	-	-	-	2,061	88,853
Deposits and borrowing from the public	251,729	13,163	12,029	4,516	7,887	653,827	943,151
-of which repos	14,339	-	-	-	-	-	14,339
Issued securities	227,411	106,038	120,427	620,756	99,880	-	1,174,512
Subordinated liabilities	-	-	-	28,609	966	-	29,575
Other	28,961	-	-	-	-	298,443	327,404
-of which short positions	19,644	-	-	-	-	-	19,644
-of which investment banking settlement debts	9,317	-	-	-	-	-	9,317
Total	682,403	128,148	133,208	653,937	114,021	968,574	2,680,291

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

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

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

Maturities for assets and liabilities in USD

30 June 2014 SEK m	Up to 3 mths	3 - 6 mths	6 - 12 mths	1 - 5 yrs	5 yrs -	Unspecified maturity	Total
Cash and balances with central banks	269,546	-	-	-	-	-	269,546
Bonds and other interest-bearing securities	23,633	-	-	-	-	-	23,633
Loans to credit institutions	40,649	428	398	1,246	1,839	28	44,588
Loans to the public	10,112	912	1,393	10,027	2,164	5	24,613
Other, including derivatives	156,474	26,468	5,267	58,857	12,798	-	259,864
Total assets	500,414	27,808	7,058	70,130	16,801	33	622,244
Due to credit institutions	75,612	1,476	292	50	-	472	77,902
Deposits and borrowing from the public	183,117	916	600	72	-	9,912	194,617
Issued securities	141,457	60,662	3,620	121,020	17,280	-	344,039
Subordinated liabilities	-	-	-	139	-	-	139
Other, including derivatives	-	-	-	-	-	5,483	5,483
Total liabilities	400,186	63,054	4,512	121,281	17,280	15,867	622,180

Maturities for assets and liabilities in EUR

30 June 2014 SEK m	Up to 3 mths	3 - 6 mths	6 - 12 mths	1 - 5 yrs	5 yrs -	Unspecified maturity	Total
Cash and balances with central banks	89,249	-	-	-	-	-	89,249
Bonds and other interest-bearing securities	10,096	-	-	-	-	-	10,096
Loans to credit institutions	7,054	131	48	336	337	72	7,978
Loans to the public	21,282	7,400	13,587	68,441	56,690	1	167,401
Other, including derivatives	9,516	3,496	1,210	98,759	37,107	-	150,088
Total assets	137,197	11,027	14,845	167,536	94,134	73	424,812
Due to credit institutions	35,305	164	281	10	33	1,090	36,883
Deposits and borrowing from the public	21,953	2,925	228	497	-	93,951	119,554
Issued securities	28,657	30,821	19,166	113,972	44,443	-	237,059
Subordinated liabilities	-	-	-	18,237	-	-	18,237
Other, including derivatives	12,692	-	-	-	-	404	13,096
Total liabilities	98,607	33,910	19,675	132,716	44,476	95,445	424,829

Maturities for assets and liabilities in SEK

30 June 2014 SEK m	Up to 3 mths	3 - 6 mths	6 - 12 mths	1 - 5 yrs	5 yrs -	Unspecified maturity	Total
Cash and balances with central banks	18,547	-	-	-	-	-	18,547
Bonds and other interest-bearing securities	69,233	-	-	-	-	-	69,233
Loans to credit institutions	20,033	1	664	-	-	-	20,698
Loans to the public	93,398	53,021	72,151	151,721	784,720	1,673	1,156,684
Total assets	201,211	53,022	72,815	151,721	784,720	1,673	1,265,162
Due to credit institutions	14,600	722	-	-	5,023	10,938	31,283
Deposits and borrowing from the public	44,751	6,344	10,383	3,813	7,977	368,589	441,857
Issued securities	2,462	7,485	95,554	331,773	22,798	-	460,072
Subordinated liabilities	-	-	-	10,207	-	-	10,207
Other, including derivatives	118,676	15,840	-	75,453	17,426	94,408	321,803
Total liabilities	180,489	30,391	105,937	421,246	53,224	473,935	1,265,222

Share and shareholders

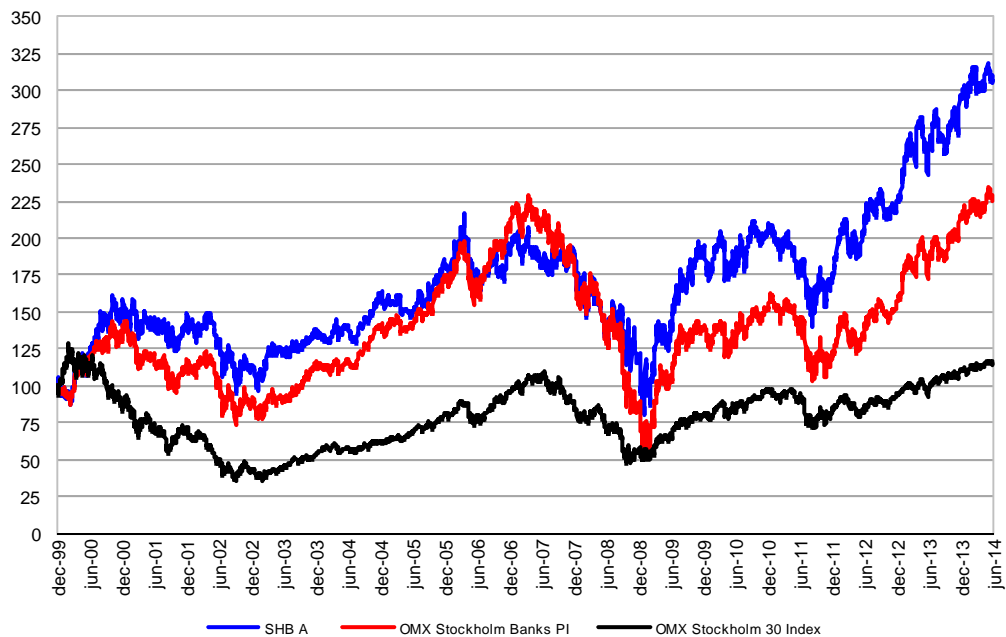
The Handelsbanken share

	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012
Market capitalisation, SEK bn	208	206	201	175	171	177	147	156
Share price ordinary class A, SEK	327.10	324.80	316.00	274.90	269.20	278.50	232.40	246.10
Ordinary dividend, SEK	-	-	11.50	-	-	-	10.75	-
Total dividend	-	-	16.50	-	-	-	10.75	-
Number of converted shares	2,940	18,941	173,428	82,160	792,428	1,790,667	822,942	3,090,412
Number of repurchased shares	-	-	-	-	-	-	-	-
Holding of own shares in trading book, end of period	-	-	-	-	-	-	-	-
Number of outstanding shares after repurchases and deduction for trading book, end of period	635,667,676	635,664,736	635,645,795	635,472,367	635,390,207	634,597,779	632,807,112	631,984,170
Number of outstanding shares after dilution, end of period	657,648,638	647,937,156	647,601,239	647,601,244	647,719,618	647,835,385	648,210,569	648,210,973
Average number of shares converted during the year	20,699	5,873	2,761,416	2,642,647	2,411,947	714,286	8,474,744	6,606,531
Average holdings of own shares (repurchased and holdings in trading book)	124,324	73,587	10,079	-	280,221	374,600	424,194	449,295
Average number of outstanding shares	635,542,170	635,578,081	635,558,449	635,449,759	634,938,838	633,146,798	632,113,192	630,219,878
- after dilution	649,774,633	647,527,652	647,591,165	647,719,618	647,555,164	647,316,445	647,786,779	647,763,077

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 2014
 Index, 1999-12-31=100



The largest Swedish shareholders

The largest Swedish shareholders			
as at 30 June 2014	Number of shares	% of votes	% of capital
Oktogonen Foundation	64,661,679	10.3	10.2
Industrivärden	64,451,572	10.3	10.1
Swedbank Robur funds	16,193,543	2.6	2.5
Lundbergs, etc	14,932,000	2.4	2.3
AMF and funds	13,771,779	2.2	2.2
Alecta	10,125,000	1.6	1.6
Handelsbanken funds	5,848,088	0.9	0.9
SEB funds	5,582,727	0.9	0.9
4th National Swedish Pension Fund	5,236,996	0.8	0.8
AFA Försäkring	4,905,209	0.8	0.8
Didner & Gerge Fonder	4,264,788	0.7	0.7
J. Wallanders & T. Hedelius Stiftelse, T. Browaldhs Stiftelse	4,100,000	0.7	0.6
3rd National Swedish Pension Fund	3,887,606	0.6	0.6
SPP funds	3,634,507	0.6	0.6
AFA Försäkring	3,180,010	0.5	0.5

Contacts and Financial calendar

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Financial calendar:

2014

5 February 2014
26 March 2014
30 April 2014
17 July 2014
22 October 2014

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Annual General Meeting
Interim report January – March 2014
Interim report January – June 2014
Interim report January – September 2014

2015

4 February 2015
25 March 2015
29 April 2015
21 July 2015
21 October 2015

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