

Fact book

2011 Q3



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This is Handelsbanken

Founded in 1871, Handelsbanken is one of the leading banks in the Nordic region, with over 740 branches in 22 countries. The Bank regards Sweden, Denmark, Finland, Norway and Great Britain as its domestic markets.

HANDELSBANKEN'S GOAL

Handelsbanken's financial goal is to have higher profitability than the average of its competitors through having more satisfied customers and lower costs (including loan losses) than its competitors. This goal has been reached for 39 consecutive years.

BUSINESS PHILOSOPHY

Decentralisation – the branch is the bank

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

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

Focus on customers, not on products

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

Not a mass market bank

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

No sales targets

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

No bonuses

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

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

No budgets

The bank abolished budgets in 1972. In a risk-taking organisation the focus on budgets or other longer term plans risks creating unwanted incentives and behaviour. Instead, the bank's decentralised organisation is focused on being flexible and quick in adapting to changes in the business environment.

Credit policy

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

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

Low risk tolerance

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

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

Follow-up and business control

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

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

Income statement

Income statement - Svenska Handelsbanken Group

SEK m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Interest income	15,936	14,662	14,344	11,951	11,006	10,265	10,167	10,548
Interest expense	-9,870	-8,979	-8,837	-6,339	-5,679	-5,183	-4,851	-5,189
Net interest income	6,066	5,683	5,507	5,612	5,327	5,082	5,316	5,359
Net fee and commission income	1,903	1,949	1,944	2,127	1,924	1,988	1,983	1,995
Net gains/losses on financial items at fair value	284	308	361	276	177	424	500	497
Risk result - insurance	52	38	81	67	42	59	37	31
Other dividend income	4	141	1	1	3	55	131	4
Share of profit of associated companies	-8	18	2	-4	1	7	7	18
Other income	27	32	42	49	32	38	35	63
Total income	8,328	8,169	7,938	8,128	7,506	7,653	8,009	7,967
Staff costs	-2,498	-2,477	-2,457	-2,466	-2,330	-2,352	-2,356	-2,586
Other administrative expenses	-1,206	-1,273	-1,189	-1,425	-1,166	-1,276	-1,195	-1,373
Depreciation, amortisation and impairments of property, equipment and intangible assets	-112	-112	-118	-106	-114	-117	-115	-99
Total expenses	-3,816	-3,862	-3,764	-3,997	-3,610	-3,745	-3,666	-4,058
Profit before loan losses	4,512	4,307	4,174	4,131	3,896	3,908	4,343	3,909
Net loan losses	-157	-172	-244	-293	-294	-369	-551	-691
Gains/losses on disposal of property, equipment and intangible assets	5	1	0	-5	4	0	0	3
Operating profit	4,360	4,136	3,930	3,833	3,606	3,539	3,792	3,221
Taxes	-1,181	-1,048	-1,047	-1,030	-945	-1,019	-968	-722
Profit for the period from continuing operations	3,179	3,088	2,883	2,803	2,661	2,520	2,824	2,499
Profit for the period from discontinued operations, after tax	30	48	49	89	46	53	29	17
Profit for the period	3,209	3,136	2,932	2,892	2,707	2,573	2,853	2,516
Attributable to								
Holders of ordinary shares	3,209	3,136	2,932	2,892	2,707	2,573	2,853	2,516
Minority interest	0	0	0	0	0	0	0	0

Earnings per share

	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Earnings per share, continuing operations, SEK	5.10	4.96	4.63	4.50	4.27	4.05	4.54	4.02
- after dilution	4.96	4.88	4.56	4.46	4.19	3.98	4.46	3.94
Earnings per share, discontinued operations, SEK	0.05	0.08	0.08	0.15	0.08	0.09	0.05	0.02
- after dilution	0.04	0.07	0.07	0.14	0.08	0.09	0.05	0.02
Earnings per share, total operations, SEK	5.15	5.04	4.71	4.65	4.35	4.14	4.59	4.04
- after dilution	5.00	4.95	4.63	4.60	4.27	4.07	4.51	3.96

Handelsbanken Group - Key figures

SEK m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Return on equity, total operations *	14.1%	14.0%	13.2%	13.4%	12.7%	12.0%	13.5%	12.2%
Return on equity, continuing operations *	14.0%	13.8%	12.9%	13.0%	12.5%	11.8%	13.3%	12.1%
C/I ratio, continuing operations	45.8%	47.3%	47.4%	49.2%	48.1%	48.9%	45.8%	50.9%
C/I ratio, continuing operations, incl. loan losses	47.7%	49.4%	50.5%	52.8%	52.0%	53.8%	52.7%	59.6%
Adjusted equity per share, SEK	147.84	144.21	137.98	143.14	137.63	134.18	138.23	134.40
Capital ratio according to Basel II	19.0%	19.7%	20.4%	20.9%	20.7%	19.9%	19.6%	20.2%
Tier 1 ratio according to Basel II	17.4%	17.4%	17.2%	16.5%	15.7%	14.8%	14.6%	14.2%
Average number of employees, continuing operations	11,434	11,091	11,066	10,947	11,100	10,719	10,636	10,638
Number of branches in Sweden	461	461	461	461	461	460	461	461
Number of branches in Great Britain	101	95	90	83	77	72	66	62
Number of branches in Denmark	54	54	54	53	53	53	53	53
Number of branches in Finland	45	45	45	45	45	45	45	45
Number of branches in Norway	50	50	50	49	48	48	48	48
Number of branches in Netherlands	10	10	9	7	5	5	5	5
Number of branches in Germany	7	7	7	7	7	7	7	7
Number of branches in other countries	16	18	18	18	20	20	20	23
Total number of branches	744	740	734	723	716	710	705	704

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

Consolidated statement of comprehensive income

SEK m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Profit for the period	3,209	3,136	2,932	2,892	2,707	2,573	2,853	2,516
Other comprehensive income								
Cash flow hedges	-391	-149	284	257	2	-309	-275	115
Available-for-sale instruments	-1,364	-191	-176	905	557	169	555	572
Translation differences for the period	494	412	-442	-48	-1,287	99	-779	293
Tax related to other comprehensive income	475	120	-40	-318	-190	5	-109	-160
Total other comprehensive income	-786	192	-374	796	-918	-36	-608	820
Total comprehensive income for the period	2,423	3,328	2,558	3,688	1,789	2,537	2,245	3,336
Total comprehensive income for the period to								
Holders of ordinary shares	2,423	3,328	2,558	3,688	1,789	2,537	2,245	3,336
Minority interest	0	0	0	0	0	0	0	0

One-offs and special items

SEK m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Benchmark effect in Stadshypotek	9	-7	-10	32	-36	2	97	-89
Oktogonen (The Bank's profit-sharing system)	-210	-210	-210	-281	-187	-187	-187	-259
Performance-related remuneration	-48	-64	-66	-61	-41	-41	-91	-148
Dividend, VISA Inc.							130	
Total	-249	-281	-286	-310	-264	-226	-51	-496

Fees for the Stabilisation Fund etc.

SEK m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Swedish Stabilisation Fund								
Branch office operations in Sweden (net interest income)	-123	-112	-104	-42	-49	-57	-51	-54
Branch office operations outside Sweden (net interest income)	-80	-71	-68	-28	-32	-39	-35	-34
of which Great Britain	-13	-12	-12	-5	-4	-6	-5	-5
of which Denmark	-11	-9	-8	-3	-4	-4	-4	-4
of which Finland	-13	-11	-10	-5	-6	-7	-6	-6
of which Norway	-31	-28	-26	-10	-11	-14	-12	-11
of which Handelsbanken International	-12	-12	-12	-5	-7	-8	-8	-8
Other (net interest income)	-35	-10	-8	-2	-4	-3	-3	-3
Total fees for the Swedish Stabilisation Fund	-238	-193	-180	-72	-85	-99	-89	-91
Swedish deposit guarantee								
Branch office operations in Sweden (net interest income)	-56	-51	-51	-41	-41	-37	-44	-41
Branch office operations outside Sweden (net interest income)	-12	-12	-12	-12	-9	-8	-10	-8
Total fees for Swedish deposit guarantee	-68	-63	-63	-53	-50	-45	-54	-49
Det svenska investerarskyddet								
Other (expenses)	-	-32	-	-	-	-	-	-
Danish government guarantee								
Branch office operations in Denmark (net interest income)	-	-	-	-	-14	-15	-15	-15
Branch office operations in Denmark (expenses)	-	-	-1	-15	-15	-2	-	-6
Total fees to Danish government guarantee	-	-	-1	-15	-29	-17	-15	-21
Danish deposit guarantee								
Branch office operations in Denmark (expenses)	-	-22	-	-	-	-	-	-
Norwegian deposit guarantee								
Branch office operations in Norway (net interest income)	-	-	-	-1	-2	-2	-2	-2
British deposit guarantee								
Branch office operations in Great Britain (expenses)	-3	-	-	-	-	-	-	-
Total	-309	-310	-244	-141	-166	-163	-160	-163

Exchange rates

SEK, End of period (Balance sheet)	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	Change y/y	Change q/q
DKK	1.2420	1.2260	1.1989	1.2092	1.2277	1%	1%
EUR	9.2413	9.1441	8.9386	9.0129	9.1468	1%	1%
GBP	10.7025	10.1157	10.1141	10.5104	10.5541	1%	6%
NOK	1.1731	1.1762	1.1403	1.1531	1.1468	2%	0%
USD	6.8709	6.3201	6.3023	6.8033	6.7064	2%	9%

SEK, Average as from 1 Jan (Income statement)	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	Change y/y	Change q/q
DKK	1.2087	1.1986	1.1890	1.2822	1.2973	-7%	1%
EUR	9.0096	8.9369	8.8633	9.5487	9.6578	-7%	1%
GBP	10.3408	10.2960	10.3821	11.1298	11.2642	-8%	0%
NOK	1.1539	1.1414	1.1320	1.1921	1.2080	-4%	1%
USD	6.4085	6.3715	6.4811	7.2088	7.3489	-13%	1%

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

Jan - Sep 2011 vs. Same period last year

SEK m	GB	DK	FIN	N	HI	Total
Net interest income	-77	-59	-44	-78	-41	-299
Net fee and commission income	-5	-15	-15	-8	-29	-72
Net gains/losses on financial items at fair value	-3	-3	-1	-2	-2	-11
Other income	0	-1	0	-1	-6	-8
Total income	-85	-78	-60	-89	-78	-390
Staff costs	35	32	21	22	31	141
Other administrative expenses	11	18	15	13	18	75
Depreciation and amortisation	1	1	1	0	1	4
Total expenses	47	51	37	35	50	220
Net loan losses	15	5	19	6	42	87
Operating profit	-23	-22	-4	-48	14	-83

Q3 2011 vs. previous quarter

SEK m	GB	DK	FIN	N	HI	Total
Net interest income	7	4	3	11	2	27
Net fee and commission income	0	1	1	2	2	6
Net gains/losses on financial items at fair value	1	0	0	0	0	1
Other income	0	0	0	0	1	1
Total income	8	5	4	13	5	35
Staff costs	-3	-2	-1	-4	-2	-12
Other administrative expenses	-1	-2	-1	-3	-2	-9
Depreciation and amortisation	0	0	0	0	0	0
Total expenses	-4	-4	-2	-7	-4	-21
Net loan losses	0	-3	0	-3	0	-6
Operating profit	4	-2	2	3	1	8

Net fee and commission income

SEK m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Brokerage and other securities commissions	310	362	413	522	426	452	467	491
Mutual funds	402	415	452	440	393	391	366	361
Custody	89	96	101	96	53	108	117	101
Advisory services	62	55	44	73	51	60	39	74
Insurance	203	168	152	106	157	169	173	138
Payments	650	651	590	648	630	607	570	600
Lending and deposits	315	291	283	313	299	289	330	293
Guarantees	112	123	115	126	134	132	129	124
Other	99	117	91	126	104	113	85	129
Commission income	2,242	2,278	2,241	2,450	2,247	2,321	2,276	2,311
Securities commissions	-59	-45	-52	-54	-50	-58	-57	-62
Payment commissions	-239	-251	-214	-238	-255	-246	-224	-247
Other commission expenses	-41	-33	-31	-31	-18	-29	-12	-7
Commission expense	-339	-329	-297	-323	-323	-333	-293	-316
Net fee and commission income	1,903	1,949	1,944	2,127	1,924	1,988	1,983	1,995

Net gains/losses on financial items at fair value

SEK m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Available for sale, realised	-73	65	109	9	2	-23	32	5
Hedge accounting								
Fair value hedges	44	-34	-32	84	92	82	81	17
Hedge ineffectiveness	-	-1	0	1	25	-22	-6	19
Instruments at fair value	2,149	631	-399	-1,135	196	552	227	12
Loans at amortised cost	96	68	51	100	96	113	92	139
Financial liabilities at amortised cost	-15	7	-22	-62	-58	-123	-114	-120
Gains/losses on unbundled insurance contracts	6	41	-51	-48	-23	2	-1	-24
Trading / Other	-1,923	-469	705	1,327	-153	-157	189	449
Net gains/losses on financial items at fair value	284	308	361	276	177	424	500	497

Other administrative expenses

SEK m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Property and premises	-267	-273	-263	-300	-247	-273	-262	-300
External IT costs	-388	-354	-385	-439	-368	-394	-384	-384
Communication	-88	-89	-97	-102	-97	-104	-110	-117
Travel and marketing	-86	-112	-92	-140	-83	-100	-82	-130
Purchased services	-203	-271	-240	-258	-215	-239	-199	-248
Supplies	-48	-51	-61	-68	-70	-80	-80	-96
Other expenses	-126	-123	-51	-118	-86	-86	-78	-98
Other administrative expenses	-1,206	-1,273	-1,189	-1,425	-1,166	-1,276	-1,195	-1,373

Loan losses

SEK m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Specific provision for individually valued loan receivables								
Provision for the period	-483	-312	-366	-139	-368	-490	-618	-717
Write-back of previous provisions	158	88	53	161	64	37	98	116
Total	-325	-224	-313	22	-304	-453	-520	-601
Collective provisions								
Net provision for the period for individually valued receivables	-19	18	39	24	27	17	-4	-26
Net provision for the period for homogenous loan receivables	5	21	4	7	-2	5	-5	-12
Net provision for the period for off-balance sheet items	2	0	3	5	3	2	0	-2
Total	-12	39	46	36	28	24	-9	-40
Other provisions								
Allocations for off-balance sheet items	-	-	-	0	0	0	0	-2
Write-back of previous provisions	14	-	-	-	-	-	-	78
Guarantees honoured	-	-	-	-	-	-	-	-
Total	14	-	-	0	0	0	0	76
Write-offs								
Actual loan losses for the period	-1,721	-248	-204	-564	-224	-280	-287	-358
Utilised share of previous provisions	1,844	190	160	167	169	202	222	187
Recoveries	43	71	67	46	36	138	44	46
Total	166	13	23	-351	-19	60	-21	-125
Change in value of repossessed property								
Value change for the period	-	-	-	-	1	0	-1	-1
Net loan losses	-157	-172	-244	-293	-294	-369	-551	-691

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 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009
Impaired loans	6,933	9,338	9,132	9,212	8,509	8,594	7,886	8,615
Specific provision for individually assessed loans	-3,649	-5,097	-5,010	-5,039	-5,200	-5,218	-5,096	-4,731
Provision for collectively assessed homogenous groups of loans with limited value	-121	-124	-152	-157	-166	-168	-175	-175
Collective provisions for individually assessed loans	-359	-340	-355	-396	-420	-453	-472	-474
Impaired loans, net	2,804	3,777	3,615	3,620	2,723	2,755	2,143	3,235
Total impaired loans reserve ratio	59.6%	59.6%	60.4%	60.7%	68.0%	67.9%	72.8%	62.4%
Proportion of impaired loans, %	0.17%	0.23%	0.23%	0.23%	0.17%	0.17%	0.14%	0.21%
Impaired loans reserve ratio excl. collective provisions	54.4%	55.9%	56.5%	56.4%	63.1%	62.7%	66.8%	56.9%
Loan loss ratio as a % of loans, quarterly	0.04%	0.04%	0.06%	0.07%	0.08%	0.12%	0.14%	0.21%
Non-performing loans which are not impaired loans	2,354	2,462	2,006	1,684	1,812	1,828	1,568	1,519

Balance sheet

Balance sheet - Svenska Handelsbanken Group

SEK m	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009
Assets								
Cash and balances with central banks	262,575	167,044	163,333	56,637	75,861	122,544	122,759	49,882
Other lending to central banks	76,142	66,014	62,809	50,989	60,379	110,779	55,674	56,931
Treasury bills and other eligible bills	44,363	48,963	57,817	50,738	48,805	88,443	113,836	105,156
Loans to other credit institutions	116,834	103,653	119,753	123,465	127,926	144,656	100,297	92,730
Loans to the public	1,598,737	1,567,152	1,531,500	1,513,687	1,497,078	1,511,136	1,490,097	1,495,622
Value change of interest hedged item in portfolio hedge	4,622	4,632	4,447	4,744	5,159	5,299	4,044	2,979
Bonds and other interest-bearing securities	74,415	63,450	66,406	68,500	85,044	74,308	77,649	70,846
Shares	27,686	34,819	36,976	38,210	33,672	24,637	30,534	24,883
Participating interests in associated companies	153	147	112	111	99	97	98	93
Assets where the customer bears the value change risk	58,722	65,880	63,777	61,182	55,119	52,987	51,703	51,032
Derivative instruments	166,016	87,610	92,493	102,283	142,023	143,925	110,054	107,155
Reinsurance assets	3	3	3	12	11	17	17	12
Intangible assets	7,087	7,019	6,863	6,905	6,926	7,068	7,144	7,319
Property and equipment	3,297	3,326	3,306	3,307	3,216	3,279	3,243	3,281
Current tax assets	748	519	177	74	223	59	84	108
Deferred tax assets	372	237	236	337	406	435	293	303
Net pension assets	5,152	4,995	4,875	4,670	4,879	4,724	4,579	4,380
Assets held for sale	952	904	899	789	740	858	800	724
Other assets	20,325	17,023	25,548	60,260	33,175	21,963	41,585	42,594
Prepaid expenses and accrued income	7,365	6,433	8,219	6,630	7,291	8,407	7,295	6,813
Total assets	2,475,566	2,249,823	2,249,549	2,153,530	2,188,032	2,325,621	2,221,785	2,122,843
Liabilities and equity								
Due to credit institutions	235,431	219,396	248,111	251,972	212,311	256,911	202,729	225,490
Deposits and borrowing from the public	720,482	645,895	641,709	564,142	589,669	598,210	596,027	564,048
Liabilities where the customer bears the value change	58,758	65,911	63,777	61,214	55,171	53,024	51,770	51,103
Issued securities	1,111,855	1,019,801	984,910	963,501	951,956	1,066,049	1,025,991	966,075
Derivative instruments	143,804	88,081	100,333	101,753	146,657	122,021	100,966	93,101
Short positions	27,644	30,855	34,941	36,026	38,200	37,584	41,308	29,647
Insurance liabilities	705	713	777	723	791	864	1,529	952
Current tax liabilities	823	895	466	882	1,274	833	534	834
Deferred tax liabilities	9,499	9,352	9,244	9,144	8,777	8,658	8,568	8,448
Provisions	33	72	64	77	149	181	178	199
Liabilities held for sale	347	367	370	302	289	320	301	222
Other liabilities	14,957	23,960	22,459	12,604	28,998	26,213	34,963	23,175
Accrued expenses and deferred income	23,670	20,573	19,477	18,851	19,190	19,035	19,536	17,456
Subordinated liabilities	35,862	34,677	37,599	43,948	49,902	53,126	52,069	59,005
Total liabilities	2,383,870	2,160,548	2,164,237	2,065,139	2,103,334	2,243,029	2,136,469	2,039,755
Minority interest	1	1	1	0	0	0	1	1
Share capital	2,902	2,902	2,899	2,899	2,899	2,899	2,899	2,899
Share premium	792	789	184	184	184	184	184	184
Reserves	-1,802	-1,016	-1,208	-834	-1,630	-712	-676	-68
Retained earnings	80,526	80,531	80,504	75,117	75,112	74,795	80,055	69,828
Profit for the period	9,277	6,068	2,932	11,025	8,133	5,426	2,853	10,244
Total equity	91,696	89,275	85,312	88,391	84,698	82,592	85,316	83,088
Total liabilities and equity	2,475,566	2,249,823	2,249,549	2,153,530	2,188,032	2,325,621	2,221,785	2,122,843

Business volumes – Lending to the public

CREDIT POLICY

Credit responsibility

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

Basic guidelines

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

Loans to the public by sector

Loans net	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009
Private individuals	707,212	696,495	673,913	669,069	655,900	648,214	633,590	626,799
<i>of which mortgage loans in Stadshypotek</i>	<i>578,023</i>	<i>549,238</i>	<i>536,132</i>	<i>526,697</i>	<i>509,734</i>	<i>498,772</i>	<i>485,695</i>	<i>476,094</i>
<i>of which other mortgage loans</i>	<i>62,018</i>	<i>80,567</i>	<i>79,243</i>	<i>80,741</i>	<i>83,814</i>	<i>86,886</i>	<i>83,897</i>	<i>82,779</i>
<i>of which other loans to private individuals</i>	<i>67,170</i>	<i>66,690</i>	<i>59,197</i>	<i>61,631</i>	<i>62,352</i>	<i>62,556</i>	<i>63,998</i>	<i>67,926</i>
Housing co-operative associations	122,283	119,333	114,102	111,688	109,166	107,375	104,555	103,416
<i>of which mortgage loans in Stadshypotek</i>	<i>99,092</i>	<i>102,998</i>	<i>99,806</i>	<i>98,028</i>	<i>96,622</i>	<i>95,568</i>	<i>93,623</i>	<i>92,789</i>
Property management, Note 1	388,643	371,327	358,896	355,271	339,209	348,157	341,947	345,986
Manufacturing	54,213	53,580	49,509	53,838	53,835	60,269	60,605	65,550
Retail	36,843	35,000	34,091	32,391	33,024	37,671	38,086	38,250
Hotels and restaurants	6,920	6,747	6,720	6,590	6,816	7,114	7,620	7,643
Shipping, passenger & goods transport by sea	13,396	12,524	12,394	14,354	14,994	15,809	15,911	16,730
Other transport and communication	39,845	39,696	37,456	38,266	36,845	38,270	37,936	39,310
Construction	12,807	12,919	12,967	13,286	13,853	14,169	13,644	13,803
Electricity, gas, water	23,372	22,176	21,038	22,138	21,354	22,675	23,439	22,022
Agriculture, hunting and forestry	7,477	7,335	7,097	6,450	6,696	4,872	4,638	4,629
Other service industry	22,188	21,073	18,605	17,162	17,974	17,917	17,918	18,143
Holding companies, insurance companies, funds etc.	91,180	96,881	88,180	89,464	100,307	105,158	107,998	109,655
State & municipalities	17,629	23,312	23,326	16,995	18,204	16,342	18,828	21,248
Other corporate lending	55,088	49,094	73,561	67,121	69,321	67,577	63,854	62,912
Total loans to the public, before taking into account collective provisions	1,599,096	1,567,492	1,531,855	1,514,083	1,497,498	1,511,589	1,490,569	1,496,096
Collective provisions	-359	-340	-355	-396	-420	-453	-472	-474
Total loans to the public	1,598,737	1,567,152	1,531,500	1,513,687	1,497,078	1,511,136	1,490,097	1,495,622

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

SEK m, end of period	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009
Lending in Sweden								
State-owned property companies	12,283	12,287	12,240	12,269	6,562	6,971	6,849	6,855
Municipal-owned property companies	17,775	17,619	16,583	18,797	18,789	18,887	18,632	18,152
Residential property companies	67,665	67,117	67,079	66,983	65,112	57,866	57,757	58,547
<i>of which mortgage loans in Stadshypotek</i>	<i>47,872</i>	<i>46,239</i>	<i>47,219</i>	<i>47,205</i>	<i>45,945</i>	<i>39,124</i>	<i>38,423</i>	<i>37,177</i>
Other property companies	125,217	121,101	116,849	114,069	112,885	121,826	119,120	119,257
<i>of which mortgage loans in Stadshypotek</i>	<i>55,947</i>	<i>56,414</i>	<i>54,061</i>	<i>50,807</i>	<i>48,958</i>	<i>54,866</i>	<i>50,476</i>	<i>49,566</i>
Total lending in Sweden	222,940	218,124	212,751	212,118	203,348	205,550	202,358	202,811
Lending outside Sweden								
Denmark	7,417	6,826	6,022	5,591	5,379	5,418	5,585	5,766
Finland	19,100	18,628	17,873	16,961	17,834	18,566	20,129	21,516
Norway	71,862	67,893	64,804	64,477	61,678	63,309	64,046	65,061
Great Britain	53,906	47,001	44,833	43,355	41,900	44,751	40,821	41,294
Other countries	13,418	12,855	12,613	12,769	9,070	10,563	9,008	9,538
Total lending outside Sweden	165,703	153,203	146,145	143,153	135,861	142,607	139,589	143,175
Total lending - Property management	388,643	371,327	358,896	355,271	339,209	348,157	341,947	345,986

Credit risk exposure

SEK m	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009
Loans to the public	1,598,737	1,567,152	1,531,500	1,513,687	1,497,078	1,511,136	1,490,097	1,495,622
of which reverse repos	21,186	19,192	22,993	27,023	25,095	19,904	21,099	20,335
Loans to credit institutions	192,976	169,667	182,562	174,454	188,305	255,435	155,971	149,661
of which reverse repos	65,213	67,318	73,849	72,294	83,264	89,068	60,295	55,910
Unutilised part of granted overdraft facilities	152,476	149,093	146,018	164,385	182,939	166,028	162,474	163,259
Committed loan offers	260,133	251,318	242,513	240,286	229,420	225,146	213,728	218,826
Other commitments	3,086	2,948	2,739	2,802	3,163	2,702	2,571	1,971
Guarantees, credits	17,486	18,072	16,310	17,751	17,895	22,095	20,781	20,178
Guarantees, other	38,118	39,130	39,859	40,210	41,751	46,283	46,232	48,038
Documentary credits	35,996	35,135	36,911	37,055	47,330	46,961	42,150	42,474
Derivatives *	166,016	87,610	92,493	102,283	142,023	143,925	110,054	107,155
Treasury bills and other eligible bills	44,363	48,963	57,817	50,738	48,805	88,443	113,836	105,156
Bonds and other interest-bearing securities	74,415	63,450	66,406	68,500	85,044	74,308	77,649	70,846
Total	2,583,802	2,432,538	2,415,128	2,412,151	2,483,753	2,582,462	2,435,543	2,423,186

* Refers to the total of positive market values

Credit risk exposure - by country

SEK m	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009
Sweden	1,812,888	1,700,269	1,716,343	1,709,942	1,797,726	1,842,968	1,768,094	1,730,649
Great Britain	112,262	97,439	93,008	91,491	85,097	90,819	81,118	83,222
Denmark	91,822	91,415	73,987	69,962	61,121	63,957	64,691	69,476
Finland	173,914	158,517	152,738	148,605	146,401	156,761	115,747	123,472
Norway	216,360	216,345	203,504	205,753	205,365	213,928	217,049	216,556
Germany	21,754	22,247	23,385	24,443	20,088	23,662	24,737	26,775
The Netherlands	15,421	14,005	13,552	13,140	11,940	11,927	10,850	8,316
Poland	3,007	3,432	3,410	3,490	3,927	5,648	6,052	6,259
Other	136,374	128,869	135,201	145,325	152,088	172,792	147,205	158,461
Total	2,583,802	2,432,538	2,415,128	2,412,151	2,483,753	2,582,462	2,435,543	2,423,186

Loans to the public - by country *

SEK bn, end of period	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009
Branch office operations in Sweden	1,069	1,060	1,030	1,012	1,000	997	982	974
Branch office operations outside Sweden	489	466	448	450	445	470	464	479
in Great Britain	89	77	71	70	67	71	64	64
in Denmark	57	52	51	53	51	54	55	59
in Finland	93	91	88	87	90	94	95	102
in Norway	195	193	184	184	181	189	187	190
in Germany	8	8	8	8	8	11	11	13
in the Netherlands	11	10	10	9	7	7	6	7
in Poland	2	2	2	2	2	3	3	3
in other countries	33	33	33	36	38	43	42	42
Other	36	35	45	45	49	40	41	31
Total	1,595	1,561	1,522	1,507	1,494	1,508	1,487	1,484

* Excluding loans to the National Debt Office

Loans to households - by country

SEK bn, end of period	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009
Branch office operations in Sweden	578	572	561	555	547	534	521	511
Branch office operations outside Sweden	166	159	150	148	141	143	142	145
in Great Britain	23	20	18	17	15	15	13	13
in Denmark	28	28	26	26	25	26	25	26
in Finland	32	31	30	31	31	32	31	32
in Norway	77	75	71	70	65	67	66	66
in Germany	1	1	0	0	1	1	1	1
in the Netherlands	1	1	1	0	0	0	0	0
in Poland	1	1	1	1	1	1	1	1
in other countries	3	3	2	2	2	2	6	6
Other	0	0	0	-1	-3	-3	-2	0
Total	743	731	711	702	685	674	660	656

Corporate lending - by country *

SEK bn, end of period	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009
Branch office operations in Sweden	491	488	468	457	453	464	462	463
Branch office operations outside Sweden	324	307	298	302	305	327	322	335
in Great Britain	66	57	53	53	52	56	51	51
in Denmark	29	24	25	26	26	28	30	32
in Finland	61	60	57	57	59	62	62	68
in Norway	118	117	114	115	116	122	121	123
in Germany	8	8	8	7	7	10	11	13
in the Netherlands	10	9	9	9	7	7	6	6
in Poland	1	1	1	1	1	2	2	2
in other countries	30	30	30	34	36	40	39	39
Other	37	35	45	47	52	43	43	31
Total	851	830	811	805	809	834	827	829

Business volumes, Branch office operations in Sweden

Average volumes, SEK bn	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Deposits and borrowing from the public								
Household	198	194	191	190	185	178	173	173
Corporate	157	155	156	148	149	149	155	156
Total	355	349	347	338	334	327	328	329
Loans to the public*								
Household	575	566	557	552	541	527	515	505
of which mortgage loans	522	514	505	495	484	472	460	449
Corporate	487	479	460	457	463	470	466	472
of which mortgage loans	219	211	206	198	192	187	181	176
Total	1,062	1,045	1,017	1,009	1,004	997	981	977

* excl. loans to the National Debt Office

Business volumes, Branch office operations outside Sweden

Average volumes, SEK bn	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Deposits and borrowing from the public								
Household	43	41	39	40	41	42	42	42
Corporate	109	103	103	102	99	100	111	144
Total	152	144	142	142	140	142	153	186
Loans to the public								
Household	161	153	146	143	142	142	142	142
Corporate	317	304	296	306	315	326	326	338
Total	478	457	442	449	457	468	468	480

Business volumes, Handelsbanken International

Average volumes, SEK bn	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Deposits and borrowing from the public								
Household	3.0	2.9	2.7	3.0	3.2	3.4	3.4	3.4
Corporate	20.2	16.0	13.0	14.1	12.8	12.9	14.0	42.4
Total	23.2	18.9	15.7	17.1	16.0	16.3	17.4	45.8
Loans to the public								
Household	4.8	4.2	4.0	4.0	3.9	3.9	4.0	3.7
Corporate	48.5	48.7	48.8	51.7	55.6	59.8	59.6	64.8
Total	53.3	52.9	52.8	55.7	59.5	63.7	63.6	68.5

Business volumes – Savings and deposits

Assets under management, Handelsbanken Group

SEK bn, end of period	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009
Mutual funds, excl. PPM	111	124	121	121	112	107	108	101
PPM	7	11	11	11	9	7	8	7
Unit-linked insurance	39	43	41	40	34	33	32	31
XACT (Exchange-traded funds)	20	21	20	21	19	19	19	18
Total mutual funds	177	199	193	193	174	166	167	157
Portfolio bond insurance	14	17	17	16	15	14	13	11
Traditional insurance	14	15	17	19	22	23	25	25
Discretionary management, Handelsbanken Group	81	96	95	91	91	85	86	85
<i>of which in Handelsbanken mutual funds</i>	30	32	29	29	26	24	23	22
Structured products	39	40	41	40	41	39	40	36
Directly owned shares in custody	139	171	178	176	167	152	161	150
Other securities in custody	42	41	39	43	32	34	37	45
Handelsbanken's foundations	38	47	49	50	47	43	45	43
<i>of which in Handelsbanken mutual funds</i>	4	4	4	3	3	3	3	3
Total assets under management, Handelsbanke	510	590	596	596	560	529	548	527

Deposits from the public -by country

SEK bn, end of period	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009
Branch office operations in Sweden	363	355	352	347	331	336	326	331
Branch office operations outside Sweden	154	145	140	138	137	135	147	151
in Great Britain	22	19	15	16	16	16	14	15
in Denmark	24	22	21	23	23	24	25	25
in Finland	30	25	30	31	30	32	38	38
in Norway	54	60	57	52	53	46	53	54
Handelsbanken International	24	19	18	16	15	16	17	19
Other	203	145	150	79	122	127	124	82
Total	720	646	642	564	590	598	596	564

Deposits from households -by country

SEK bn, end of period	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009
Branch office operations in Sweden	203	200	195	194	189	186	177	175
Branch office operations outside Sweden	44	42	40	41	40	43	42	43
in Great Britain	4	4	4	4	4	4	4	4
in Denmark	11	11	10	10	11	11	11	11
in Finland	12	11	11	11	11	12	12	13
in Norway	14	14	12	12	11	12	11	11
Handelsbanken International	3	3	3	3	3	3	3	4
Other	6	7	9	0	11	12	13	13
Total	253	249	243	244	241	241	231	231

Deposits from corporates -by country

SEK bn, end of period	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009
Branch office operations in Sweden	161	155	157	153	142	150	149	156
Branch office operations outside Sweden	110	103	101	98	96	92	105	108
in Great Britain	18	15	12	12	12	12	10	12
in Denmark	13	12	11	13	12	12	14	14
in Finland	18	14	19	20	18	20	25	24
in Norway	40	45	44	40	41	35	42	43
Handelsbanken International	21	16	15	13	12	13	13	15
Other	197	138	141	70	111	115	111	68
Total	467	397	399	320	349	357	365	333

Capital base and capital requirement

Capital base

SEK m	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009
TIER 1 CAPITAL								
Equity, group	91,696	89,275	85,312	88,391	84,698	82,592	85,316	83,088
Accrued dividend, current year	-4,212	-2,808	-1,403	-5,611	-3,741	-2,494	-1,247	-4,988
Dividend for previous year (unpaid)							-4,988	
Equity outside the financial group of companies, excl profit	-579	-548	-669	-243	-249	-268	-68	-41
Deduction of earnings outside the banking group	-348	-132	-99	-440	-354	-271	-135	-55
Minority interests, group	-1	-1	-1	-1	0	0	-1	-1
Equity, capital base	86,556	85,786	83,140	82,096	80,354	79,559	78,877	78,003
Tier 1 capital contribution	14,322	14,047	14,014	14,199	14,219	14,612	14,501	14,845
Minority interests, banking group	431	352	350	347	295	290	296	282
Deducted items								
Goodwill and other intangible assets	-7,234	-7,157	-6,795	-6,838	-6,859	-7,001	-7,077	-7,252
Revaluation reserve	-117	-119	-121	-122	-124	-126	-128	-130
Deferred tax assets	-383	-248	-236	-337	-406	-435	-293	-303
Special deduction for IRB institutions	-1,042	-608	-631	-715	-605	-691	-334	-443
Capital contribution in insurance companies	-234	-234	-234	-234	-234	-234	-233	-233
Positions in securitisation	-285	-204	-203	-219	-216	-249	-333	-165
Adjustments in accordance with stability filter								
Cash flow hedges	646	358	247	457	646	648	420	217
Unrealised accumulated gains, shares		-861	-1,030	-1,241	-648	-388	-304	-56
Unrealised accumulated gains/losses, fixed income instruments	287	281	318	403	468	602	651	810
Total Tier 1 capital	92,947	91,393	88,819	87,796	86,890	86,587	86,043	85,575
TIER 2 CAPITAL								
Perpetual subordinated loans	11,920	11,511	11,385	11,664	17,021	18,399	17,753	18,650
Dated subordinated loans	6,533	6,463	11,669	17,248	17,344	18,658	18,522	24,424
Additional items								
Unrealised accumulated gains, shares		861	1,030	1,241	648	388	304	56
Revaluation reserve	117	119	121	122	124	126	128	130
Deducted items								
Special deduction for IRB institutions	-1,042	-608	-631	-715	-605	-691	-334	-443
Capital contribution in insurance companies	-234	-234	-234	-234	-234	-234	-233	-233
Positions in securitisation	-285	-204	-203	-219	-216	-249	-333	-165
Total Tier 2 capital	17,009	17,908	23,137	29,107	34,082	36,397	35,807	42,419
Total Tier 1 and Tier 2 capital	109,956	109,301	111,956	116,903	120,972	122,984	121,850	127,994
Deductible items from total capital base								
Capital contribution in insurance companies	-4,417	-4,417	-4,567	-4,567	-4,717	-4,717	-4,717	-4,717
Surplus value pension assets	-3,777	-1,859	-2,095	-1,367	-1,489	-1,682	-1,872	-1,524
Total capital base for capital adequacy purposes	101,762	103,025	105,294	110,969	114,766	116,585	115,261	121,753

Capital requirement

SEK m	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009
Credit risk according to standardised approach	3,876	4,038	3,902	4,051	4,210	4,489	4,558	4,290
Credit risk according to IRB approach	33,174	32,058	31,794	33,269	34,648	37,017	37,430	39,033
Interest rate risk	1,625	1,644	1,371	1,346	1,570	1,517	1,234	1,308
Equity price risk	28	33	18	27	27	31	22	30
Exchange rate risk	-	-	-	-	-	-	-	-
Commodities risk	31	17	42	28	43	49	36	41
Settlement risk	-	-	-	-	-	-	-	-
Operational risk	4,117	4,117	4,117	3,849	3,849	3,849	3,849	3,484
Total capital requirement according to Basel II	42,851	41,907	41,244	42,570	44,347	46,952	47,129	48,186
Adjustment according to transitional rules	35,587	36,799	35,571	33,715	31,119	29,428	28,403	27,102
Capital requirement according to Basel II, transitional rules	78,438	78,706	76,815	76,285	75,466	76,380	75,532	75,288
Risk-weighted assets, transitional rules	980,475	983,824	960,190	953,561	943,324	954,749	944,148	941,105
Risk-weighted assets, Basel II	535,640	523,841	515,550	532,136	554,342	586,893	589,125	602,330

Capital adequacy analysis *

	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009
transitional rules	55%	53%	54%	56%	59%	61%	62%	64%
Capital ratio according to Basel II	19.0%	19.7%	20.4%	20.9%	20.7%	19.9%	19.6%	20.2%
Capital ratio according to transitional rules	10.4%	10.5%	11.0%	11.6%	12.2%	12.2%	12.2%	12.9%
Tier 1 ratio according to Basel II	17.4%	17.4%	17.2%	16.5%	15.7%	14.8%	14.6%	14.2%
Tier 1 ratio according to transitional rules	9.5%	9.3%	9.3%	9.2%	9.2%	9.1%	9.1%	9.1%
Capital base in relation to capital requirement Basel II	237%	246%	255%	261%	259%	248%	245%	253%
Capital base in relation to capital requirement according to transitional rules	130%	131%	137%	145%	152%	153%	153%	162%

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

Credit risks IRB

Exposure after credit risk protection (EAD)

SEK m	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010
Corporates	924,640	891,651	862,075	859,427	875,717	914,305	894,530
of which repos and securities loans	12,026	15,445	13,057	12,317	19,513	19,503	14,245
of which other loans foundation approach	383,147	359,592	350,183	365,655	856,204	894,802	880,285
of which other loans advanced approach	529,467	516,614	498,835	481,455			
Households	728,654	723,301	702,157	691,474	680,633	675,449	659,613
of which property loans	642,116	635,502	619,963	610,234	599,963	591,916	574,826
of which other loans	86,538	87,799	82,194	81,240	80,670	83,533	84,787
Small companies	29,913	29,950	29,849	29,941	30,044	30,552	30,494
Institutions	181,709	167,694	193,213	181,574	210,801	216,229	181,357
of which repos and securities loans	92,241	101,938	127,277	102,593	140,643	134,865	106,865
of which other loans	89,468	65,756	65,936	78,981	70,158	81,364	74,492
Other	8,532	10,157	11,776	13,229	12,183	12,633	13,404
Total IRB	1,873,448	1,822,753	1,799,070	1,775,645	1,809,378	1,849,168	1,779,398
of which repos and securities loans	104,267	117,383	140,334	114,910	160,156	154,368	121,110
of which other loans foundation approach	481,147	435,505	427,895	457,864	938,545	1,694,800	1,658,288
of which other loans advanced approach	1,288,034	1,269,865	1,230,841	1,202,871			

Average risk weight, %

	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010
Corporates	34.2	35.0	35.8	37.7	39.2	40.5	42.0
of which repos	0.5	0.7	1.2	0.5	0.5	0.8	1.1
of which other loans basic method	44.3	45.4	45.1	45.7	40.1	41.4	42.6
of which other loans advanced method	27.7	28.8	30.2	32.6			
Households	7.1	6.9	6.9	7.4	7.7	7.8	8.0
of which property lending	5.4	5.1	5.2	5.7	5.8	5.9	5.8
of which other lending	19.8	19.5	19.7	20.2	21.7	21.4	22.6
Small companies	39.1	38.6	40.6	40.8	42.2	42.6	43.2
Institutions	12.1	10.8	9.4	10.7	8.6	9.3	10.6
of which repos	0.5	1.1	0.7	0.6	0.5	0.4	0.7
of which other lending	24.0	25.7	26.0	23.9	24.9	24.0	24.9
Other	153.5	92.2	82.7	67.9	57.9	54.0	56.2
Total IRB	22.1	22.0	22.1	23.4	23.9	25.0	26.3
of which repos and securities lending	0.5	1.1	0.8	0.6	0.5	0.5	0.7
of which other loans basic method	42.4	43.5	43.2	42.6	39.1	27.3	28.2
of which other loans advanced method	16.3	16.5	17.2	18.3			

Capital requirement

SEK m	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010
Corporates	25,314	24,966	24,705	25,922	27,442	29,619	30,035
of which repos	5	9	12	5	8.0	13.0	13.0
of which other loans basic method	13,570	13,051	12,641	13,363	27,434	29,606	30,022
of which other loans advanced method	11,739	11,907	12,052	12,554			
Households	4,122	3,970	3,892	4,095	4,180	4,205	4,197
of which property lending	2,749	2,603	2,593	2,781	2,783	2,777	2,667
of which other lending	1,374	1,367	1,299	1,314	1,397	1,428	1,530
Small companies	935	925	969	977	1,014	1,041	1,054
Institutions	1,755	1,448	1,449	1,557	1,448.0	1,606.0	1,541.0
of which repos	38	93	76	46	53.0	46.0	56.0
of which other lending	1,718	1,355	1,373	1,511	1,395.0	1,560.0	1,485.0
Other	1,048	749	779	718	564	546	603
Total IRB	33,174	32,058	31,794	33,269	34,648	37,017	37,430
of which repos and securities lending	43	102	89	51	61	59	69
of which other loans basic method	16,335	15,155	14,792	15,592	29,393	36,958	37,361
of which other loans advanced method	16,796	16,802	16,913	17,626			

Segment information

Operating profit per segment

SEK m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Branch office operations in Sweden	3,182	3,180	3,041	2,975	2,520	2,469	2,404	2,013
Branch office operations outside Sweden	924	696	623	665	785	661	673	755
Handelsbanken Capital Markets	381	311	316	220	275	464	560	507
Other	-288	-220	-233	-231	-118	-212	-13	-185
Eliminations	161	169	183	204	144	157	168	131
Operating profit, Group	4,360	4,136	3,930	3,833	3,606	3,539	3,792	3,221

Branch office operations in Sweden

SEK m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Net interest income	4,033	3,872	3,750	3,498	3,204	3,079	3,212	3,058
Net fee and commission income	896	931	915	1,060	920	932	907	900
Net gains/losses on financial items at fair value	98	100	154	250	170	162	122	134
Other income	3	-1	15	8	7	-3	4	26
Total income	5,030	4,902	4,834	4,816	4,301	4,170	4,245	4,118
Staff costs	-780	-773	-795	-762	-748	-740	-762	-774
Other administrative expenses	-329	-319	-256	-294	-238	-243	-235	-302
Internal purchased and sold services	-639	-638	-748	-777	-719	-754	-708	-691
Depreciation and amortisation	-24	-21	-23	-22	-20	-22	-21	-20
Total expenses	-1,772	-1,751	-1,822	-1,855	-1,725	-1,759	-1,726	-1,787
Profit before loan losses	3,258	3,151	3,012	2,961	2,576	2,411	2,519	2,331
Net loan losses	-76	29	29	14	-56	58	-115	-318
Gains/losses on disposal of property, equipment and intangible assets	0	0	0	0	0	0	0	0
Operating profit	3,182	3,180	3,041	2,975	2,520	2,469	2,404	2,013
Profit allocation	127	170	181	263	222	207	119	322
Operating profit after profit allocation	3,309	3,350	3,222	3,238	2,742	2,676	2,523	2,335
Internal income	-723	-667	-552	-571	-568	-374	-491	-584
Cost/income ratio, %	34.4	34.5	36.3	36.5	38.1	40.2	39.6	40.2
Loan loss ratio, %	0.03	-0.01	-0.01	-0.01				
Allocated capital	51,609	48,775	50,634	43,880	41,679	40,609	42,527	38,775
Return on allocated capital, %	18.9	20.3	18.8	21.8	19.4	19.4	17.5	17.8
Average number of employees	4,679	4,449	4,395	4,338	4,552	4,309	4,346	4,362
Number of branches	461	461	461	461	461	460	461	461

Segmented operating profit in Branch office operations outside Sweden

SEK m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Great Britain	165	149	101	130	9	141	131	93
Denmark	161	84	-6	-192	110	143	131	115
Finland	166	173	114	174	131	-237	130	70
Norway	351	218	302	462	434	482	478	385
Handelsbanken International	81	72	112	91	99	131	-200	93
Eliminations & other	0	0	0	0	2	1	3	-1
Operating profit	924	696	623	665	785	661	673	755

Branch office operations outside Sweden

SEK m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Net interest income	1,776	1,590	1,558	1,689	1,742	1,737	1,765	1,883
Net fee and commission income	346	380	350	379	368	390	400	377
Net gains/losses on financial items at fair value	73	136	87	125	38	49	61	97
Other income	14	20	9	14	10	25	17	-3
Total income	2,209	2,126	2,004	2,207	2,158	2,201	2,243	2,354
Staff costs	-702	-676	-646	-636	-652	-644	-658	-688
Other administrative expenses	-229	-243	-233	-306	-236	-264	-248	-278
Internal purchased and sold services	-256	-294	-211	-278	-227	-187	-208	-240
Depreciation and amortisation	-17	-17	-18	-15	-20	-18	-20	-20
Total expenses	-1,204	-1,230	-1,108	-1,235	-1,135	-1,113	-1,134	-1,226
Profit before loan losses	1,005	896	896	972	1,023	1,088	1,109	1,128
Net loan losses	-81	-201	-273	-307	-238	-427	-436	-373
Gains/losses on disposal of property, equipment and intangible assets	0	1	0	0	0	0	0	0
Operating profit	924	696	623	665	785	661	673	755
Profit allocation	32	44	18	64	54	58	26	154
Operating profit after profit allocation	956	740	641	729	839	719	699	909
Internal income	-1,988	-1,884	-1,519	-1,529	-1,570	-1,532	-1,323	-1,237
Cost/income ratio, %	53.7	56.7	54.8	54.4	51.3	49.3	50.0	48.9
Loan loss ratio, %	0.08	0.19	0.26	0.25	0.19	0.35	0.35	0.27
Allocated capital	24,267	23,779	24,992	25,117	25,978	26,802	26,794	27,029
Return on allocated capital, %	11.6	9.2	7.6	8.6	9.5	7.9	7.7	9.9
Average number of employees	3,188	3,121	3,062	3,003	2,940	2,893	2,886	2,920
Number of branches	283	279	273	262	255	250	244	243

Branch office operations in Great Britain

SEK m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Net interest income	402	358	329	339	344	308	279	280
Net fee and commission income	22	21	16	17	18	20	18	20
Net gains/losses on financial items at fair value	18	19	17	22	14	14	11	11
Other income	0	0	0	0	0	0	0	-1
Total income	442	398	362	378	376	342	308	310
Staff costs	-157	-147	-140	-140	-136	-126	-121	-115
Other administrative expenses	-37	-36	-30	-35	-33	-34	-31	-36
Internal purchased and sold services	-38	-38	-33	-35	-27	-23	-23	-20
Depreciation and amortisation	-2	-2	-2	-1	-3	-3	-2	-2
Total expenses	-234	-223	-205	-211	-199	-186	-177	-173
Profit before loan losses	208	175	157	167	177	156	131	137
Net loan losses	-43	-26	-56	-37	-168	-15	-	-44
Operating profit	165	149	101	130	9	141	131	93
Profit allocation	2	5	3	7	5	1	7	3
Operating profit after profit allocation	167	154	104	137	14	142	138	96
Cost/income ratio, %	52.7	55.3	56.2	54.8	52.2	54.2	56.2	55.3
Average number of employees	777	729	689	645	600	563	531	511
Number of branches	101	95	90	83	77	72	66	62

Branch office operations in Great Britain, in local currency

GBP m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Net interest income	38.6	34.9	31.7	31.5	30.5	27.3	24.8	24.2
Net fee and commission income	2.1	2.1	1.6	1.5	1.6	1.8	1.6	1.7
Net gains/losses on financial items at fair value	1.7	1.9	1.6	2.0	1.3	1.2	1.0	1.0
Other income	0.0	-	0.0	0.0	0.0	0.0	0.0	-0.1
Total income	42.4	38.9	34.9	35.0	33.4	30.3	27.4	26.8
Staff costs	-15.1	-14.4	-13.5	-13.0	-12.1	-11.1	-10.8	-10.0
Other administrative expenses	-3.6	-3.5	-2.9	-3.2	-2.9	-3.0	-2.8	-3.2
Internal purchased and sold services	-3.5	-3.7	-3.2	-3.2	-2.3	-2.3	-1.9	-1.7
Depreciation and amortisation	-0.2	-0.2	-0.2	-0.1	-0.3	-0.2	-0.2	-0.2
Total expenses	-22.4	-21.8	-19.8	-19.5	-17.6	-16.6	-15.7	-15.1
Profit before loan losses	20.0	17.1	15.1	15.5	15.8	13.7	11.7	11.7
Net loan losses	-4.1	-2.6	-5.4	-3.6	-14.9	-1.3	-	-3.8
Operating profit	15.9	14.5	9.7	11.9	0.9	12.4	11.7	7.9
Profit allocation	0.2	0.5	0.3	0.7	0.4	0.1	0.6	0.2
Operating profit after profit allocation	16.1	15.0	10.0	12.6	1.3	12.5	12.3	8.1

Business volumes, Great Britain

Average volumes, GBP m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Deposits and borrowing from the public								
Household	353	356	361	347	343	335	315	313
Corporate	1,636	1,335	1,110	1,158	1,076	1,015	1,035	1,021
Total	1,989	1,691	1,471	1,505	1,419	1,350	1,350	1,334
Loans to the public								
Household	2,029	1,851	1,667	1,516	1,366	1,250	1,165	1,093
Corporate	5,900	5,461	5,081	4,972	4,863	4,722	4,519	4,501
Total	7,929	7,312	6,748	6,488	6,229	5,972	5,684	5,594

Branch office operations in Denmark

	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
SEK m								
Net interest income	317	280	272	302	290	299	308	341
Net fee and commission income	56	70	70	67	70	82	71	65
Net gains/losses on financial items at fair value	13	19	8	10	12	17	16	23
Other income	8	8	2	5	3	6	2	2
Total income	394	377	352	384	375	404	397	431
Staff costs	-137	-131	-131	-136	-137	-136	-142	-160
Other administrative expenses	-46	-79	-46	-74	-53	-52	-50	-42
Internal purchased and sold services	-56	-58	-47	-61	-48	-45	-50	-65
Depreciation and amortisation	-4	-4	-4	-3	-4	-5	-5	-5
Total expenses	-243	-272	-228	-274	-242	-238	-247	-272
Profit before loan losses	151	105	124	110	133	166	150	159
Net loan losses	10	-21	-130	-302	-23	-23	-19	-44
Operating profit	161	84	-6	-192	110	143	131	115
Profit allocation	4	5	1	7	3	0	2	8
Operating profit after profit allocation	165	89	-5	-185	113	143	133	123
Cost/income ratio, %	61.1	71.2	64.6	70.1	64.0	58.9	61.9	62.0
Average number of employees	628	625	621	623	624	627	633	663
Number of branches	54	54	54	53	53	53	53	53

Branch office operations in Denmark, in local currency

	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
DKK m								
Net interest income	258	232	229	244	230	231	230	245
Net fee and commission income	45	58	59	54	56	63	53	46
Net gains/losses on financial items at fair value	11	16	7	8	10	13	12	17
Other income	7	6	1	5	2	4	2	2
Total income	321	312	296	311	298	311	297	310
Staff costs	-112	-108	-110	-110	-109	-105	-106	-115
Other administrative expenses	-37	-66	-39	-60	-42	-40	-37	-31
Internal purchased and sold services	-45	-48	-40	-49	-38	-34	-38	-47
Depreciation and amortisation	-3	-3	-3	-2	-3	-4	-4	-4
Total expenses	-197	-225	-192	-221	-192	-183	-185	-197
Profit before loan losses	124	87	104	90	106	128	112	113
Net loan losses	9	-17	-109	-236	-18	-18	-14	-31
Operating profit	133	70	-5	-146	88	110	98	82
Profit allocation	3	4	1	5	2	1	1	6
Operating profit after profit allocation	136	74	-4	-141	90	111	99	88

Business volumes, Branch office operations in Denmark

	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Average volumes, DKK bn								
Deposits and borrowing from the public								
Household	8.7	8.3	8.1	8.4	8.5	8.6	8.4	8.0
Corporate	11.2	10.2	12.2	12.0	12.2	12.9	12.1	12.7
Total	19.9	18.5	20.3	20.4	20.7	21.5	20.5	20.7
Loans to the public								
Household	22.1	21.8	21.2	20.3	19.7	19.2	19.0	18.6
Corporate	21.6	19.7	19.4	20.3	19.6	20.3	20.2	20.6
Total	43.7	41.5	40.6	40.6	39.3	39.5	39.2	39.2

Branch office operations in Finland

SEK m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Net interest income	237	203	205	220	239	253	262	287
Net fee and commission income	87	99	86	105	95	100	92	87
Net gains/losses on financial items at fair value	6	29	9	10	9	7	1	17
Other income	1	2	2	3	0	2	2	-4
Total income	331	333	302	338	343	362	357	387
Staff costs	-79	-79	-81	-90	-84	-83	-97	-97
Other administrative expenses	-33	-17	-44	-57	-47	-55	-53	-62
Internal purchased and sold services	-47	-63	-38	-53	-51	-43	-42	-41
Depreciation and amortisation	-5	-5	-5	-4	-5	-5	-6	-6
Total expenses	-164	-164	-168	-204	-187	-186	-198	-206
Profit before loan losses	167	169	134	134	156	176	159	181
Net loan losses	-1	4	-20	40	-25	-413	-29	-111
Operating profit	166	173	114	174	131	-237	130	70
Profit allocation	11	22	10	23	11	16	5	34
Operating profit after profit allocation	177	195	124	197	142	-221	135	104
Cost/income ratio, %	48.0	46.2	53.8	56.5	52.8	49.2	54.7	48.9
Average number of employees	464	469	477	483	486	484	496	494
Number of branches	45	45	45	45	45	45	45	45

Branch office operations in Finland, in local currency

EUR m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Net interest income	26.0	22.5	23.1	23.9	25.5	26.3	26.3	27.6
Net fee and commission income	9.5	11.0	9.7	11.4	10.1	10.4	9.2	8.4
Net gains/losses on financial items at fair value	0.6	3.3	1.0	1.0	1.0	0.7	0.1	1.6
Other income	0.1	0.2	0.3	0.3	0.0	0.2	0.2	-0.5
Total income	36.2	37.0	34.1	36.6	36.6	37.6	35.8	37.1
Staff costs	-8.6	-8.8	-9.1	-9.8	-8.9	-8.7	-9.7	-9.3
Other administrative expenses	-3.6	-1.9	-5.0	-6.2	-5.0	-5.7	-5.3	-5.9
Internal purchased and sold services	-5.1	-7.0	-4.3	-5.7	-5.4	-4.5	-4.2	-4.0
Depreciation and amortisation	-0.6	-0.5	-0.6	-0.4	-0.6	-0.5	-0.6	-0.6
Total expenses	-17.9	-18.2	-19.0	-22.1	-19.9	-19.4	-19.8	-19.8
Profit before loan losses	18.3	18.8	15.1	14.5	16.7	18.2	16.0	17.3
Net loan losses	-0.1	0.5	-2.2	3.7	-3.3	-42.2	-2.9	-10.5
Operating profit	18.2	19.3	12.9	18.2	13.4	-24.0	13.1	6.8
Profit allocation	1.2	2.4	1.1	2.5	1.2	1.6	0.5	3.3
Operating profit after profit allocation	19.4	21.7	14.0	20.7	14.6	-22.4	13.6	10.1

Business volumes, Branch office operations in Finland

Average volumes, EUR m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Deposits and borrowing from the public								
Household	1,277	1,227	1,214	1,248	1,264	1,272	1,267	1,324
Corporate	1,671	1,706	2,249	2,512	2,498	2,446	2,604	2,709
Total	2,948	2,933	3,463	3,760	3,762	3,718	3,871	4,033
Loans to the public								
Household	3,253	3,231	3,209	3,196	3,170	3,153	3,122	3,089
Corporate	6,855	6,728	6,600	6,684	6,734	6,817	6,747	6,909
Total	10,108	9,959	9,809	9,880	9,904	9,970	9,869	9,998

Branch office operations in Norway

SEK m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Net interest income	607	564	555	614	634	629	687	735
Net fee and commission income	82	86	70	75	71	80	75	62
Net gains/losses on financial items at fair value	30	27	29	55	26	2	26	21
Other income	4	8	4	5	5	16	12	-3
Total income	723	685	658	749	736	727	800	815
Staff costs	-173	-167	-151	-118	-150	-150	-152	-150
Other administrative expenses	-60	-62	-64	-70	-55	-65	-65	-59
Internal purchased and sold services	-74	-83	-56	-66	-55	-42	-53	-51
Depreciation and amortisation	-3	-3	-4	-4	-5	-2	-4	-3
Total expenses	-310	-315	-275	-258	-265	-259	-274	-263
Profit before loan losses	413	370	383	491	471	468	526	552
Net loan losses	-62	-153	-81	-30	-37	14	-48	-167
Operating profit	351	218	302	462	434	482	478	385
Profit allocation	10	5	3	15	18	24	8	43
Operating profit after profit allocation	361	223	305	477	452	506	486	428
Cost/income ratio, %	42.3	45.7	41.6	33.8	35.1	34.5	33.9	30.7
Average number of employees	666	664	647	633	619	616	621	620
Number of branches	50	50	50	49	48	48	48	48

Branch office operations in Norway, in local currency

NOK m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Net interest income	515	490	490	537	538	517	559	597
Net fee and commission income	70	75	62	65	60	66	61	51
Net gains/losses on financial items at fair value	26	23	26	46	22	2	21	17
Other income	3	7	3	5	4	13	10	-3
Total income	614	595	581	653	624	598	651	662
Staff costs	-147	-145	-133	-104	-127	-123	-124	-121
Other administrative expenses	-51	-54	-57	-61	-47	-53	-53	-48
Internal purchased and sold services	-63	-72	-49	-57	-46	-35	-43	-42
Depreciation and amortisation	-2	-3	-4	-4	-4	-2	-3	-3
Total expenses	-263	-274	-243	-226	-224	-213	-223	-214
Profit before loan losses	351	321	338	427	400	385	428	448
Net loan losses	-52	-133	-72	-26	-31	11	-39	-136
Gains/losses on disposal of property, equipment and intangible assets	-	1	-	1	-	-	-	-
Operating profit	299	189	266	402	369	396	389	312
Profit allocation	9	4	3	14	15	19	7	35
Operating profit after profit allocation	308	193	269	416	384	415	396	347

Business volumes, Branch office operations in Norway

Average volumes, NOK bn	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Deposits and borrowing from the public								
Household	12.0	11.3	10.8	10.3	9.9	9.4	9.0	8.7
Corporate	35.9	39.6	38.4	34.5	32.3	30.2	35.7	35.9
Total	47.9	50.9	49.2	44.8	42.2	39.6	44.7	44.6
Loans to the public								
Household	64.6	62.8	60.9	57.5	56.0	54.5	53.3	52.0
Corporate	100.3	100.7	100.9	103.7	101.6	101.8	101.3	101.8
Total	164.9	163.5	161.8	161.2	157.6	156.3	154.6	153.8

Handelsbanken International

SEK m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Net interest income	213	185	197	214	235	248	229	240
Net fee and commission income	99	104	108	115	114	108	144	143
Net gains/losses on financial items at fair value	6	42	24	28	-23	9	7	25
Other income	1	2	1	1	2	1	1	3
Total income	319	333	330	358	328	366	381	411
Staff costs	-156	-152	-143	-152	-145	-149	-146	-166
Other administrative expenses	-53	-49	-49	-70	-48	-58	-49	-79
Internal purchased and sold services	-41	-52	-37	-63	-46	-34	-40	-62
Depreciation and amortisation	-3	-3	-3	-3	-3	-3	-3	-4
Total expenses	-253	-256	-232	-288	-242	-244	-238	-311
Profit before loan losses	66	77	98	70	86	122	143	100
Net loan losses	15	-5	14	22	13	9	-343	-7
Operating profit	81	72	112	91	99	131	-200	93
Profit distribution	5	7	1	12	17	17	4	66
Operating profit after profit allocation	86	79	113	103	116	148	-196	159
Cost/income ratio, %	78	75	70	78	70	64	62	65
Average number of employees	653	634	628	619	611	603	605	632
Number of branches	33	35	34	32	32	32	32	35

Handelsbanken Capital Markets

SEK m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Net interest income	167	174	162	185	170	133	140	130
Net fee and commission income	652	713	621	624	586	662	638	729
Net gains/losses on financial items at fair value	267	177	257	148	199	419	514	469
Risk result - insurance	52	38	81	67	42	59	37	31
Other income	2	7	4	7	4	1	4	1
Total income	1,140	1,109	1,125	1,031	1,001	1,274	1,333	1,360
Staff costs	-548	-541	-561	-519	-493	-517	-525	-610
Other administrative expenses	-185	-226	-214	-253	-209	-259	-206	-249
Internal purchased and sold services	-14	-21	-22	-24	-14	-21	-32	0
Depreciation and amortisation	-12	-10	-12	-11	-10	-13	-10	6
Total expenses	-759	-798	-809	-807	-726	-810	-773	-853
Profit before loan losses	381	311	316	224	275	464	560	507
Net loan losses	-	-	-	-	-	-	-	-
Operating profit	381	311	316	220	275	464	560	507
Profit allocation	-159	-214	-199	-327	-276	-265	-145	-476
Operating profit after profit allocation	222	97	117	-107	-1	199	415	31
Internal income	-106	-365	-278	-375	-315	-388	-302	-319
Cost/income ratio, %	77.4	89.2	87.4	114.6	100.1	80.3	65.1	96.5
Allocated capital	6,723	6,263	6,197	10,214	9,992	10,069	9,353	10,104
Return on allocated capital, %	9.7	4.5	5.6	-	-	3.0	13.1	0.9
Average number of employees	1,652	1,610	1,625	1,619	1,649	1,581	1,568	1,559

Handelsbanken Liv

SEK m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Administration result	20	31	27	19	0	-25	1	54
Risk result	52	38	81	67	42	59	37	31
Financial result	75	63	-45	-86	-28	29	33	-35
<i>of which deferred capital contribution</i>	6	41	-51	-48	-23	2	-1	-24
Other	55	44	19	24	34	28	24	29
Operating profit	202	176	82	24	48	91	95	79
AUM, SEK bn, end of period	67	75	75	75	72	70	70	67
of which unit-linked	39	43	41	40	34	33	32	31
of which portfolio bond	14	17	17	16	15	14	13	11
Solvency ratio, end of period	2.8	3.4	3.3	3.0	2.1	2.1	2.2	2.3

Other

SEK m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Net interest income	99	50	50	253	223	146	210	299
Net fee and commission income	9	-75	58	64	50	4	38	-20
Net gains/losses on financial items at fair value	-154	-105	-137	-259	-233	-200	-200	-237
Share of profit of associated companies	-8	18	2	-4	1	7	7	18
Other income	12	148	14	21	14	70	141	42
Total income	-42	36	-13	75	55	27	196	102
Staff costs	-633	-652	-638	-709	-616	-617	-579	-637
Other administrative expenses	-459	-488	-487	-573	-483	-511	-506	-522
Internal purchased and sold services	900	950	968	1,032	983			
Depreciation and amortisation	-59	-66	-63	-55	-61	-61	-61	-62
Total expenses	-251	-256	-220	-305	-177	-239	-209	-290
Profit before loan losses	-293	-220	-233	-230	-122	-212	-13	-188
Net loan losses	-	-	-	-	-	-	-	-
Gains/losses on disposal of property, equipment and intangible assets	5	0	0	-1	4	0	0	3
Operating profit	-288	-220	-233	-231	-118	-212	-13	-185
Profit allocation	0	0	0	0	0	0	0	-
Operating profit after profit allocation	-288	-220	-233	-231	-118	-212	-13	-185
Internal income	2,817	2,916	2,349	2,475	2,453	2,294	2,116	2,140
Average number of employees	1,915	1,911	1,984	1,987	1,958	1,936	1,836	1,797

Eliminations

SEK m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Net interest income	-9	-3	-13	-13	-12	-13	-11	-11
Net fee and commission income	-	-	-	-	-	-	-	9
Net gains/losses on financial items at fair value	0	0	0	12	3	-6	3	34
Risk result - insurance	-	-	-	-	-	-	-	-
Other income	-	-1	1	-	-	-	-	1
Total income	-9	-4	-12	-1	-9	-19	-8	33
Staff costs	165	165	183	160	179	166	168	123
Other administrative expenses	-4	3	1	1	-	1	-	-22
Depreciation, amortisation and impairments of property, equipment and intangible assets	-	2	-2	-3	-3	-3	-3	-3
Total expenses	170	173	195	205	153	176	176	98
Profit before loan losses	161	169	183	204	144	157	168	131
Net loan losses	-	-	-	-	-	-	-	-
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-
Operating profit	161	169	183	204	144	157	168	131

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.

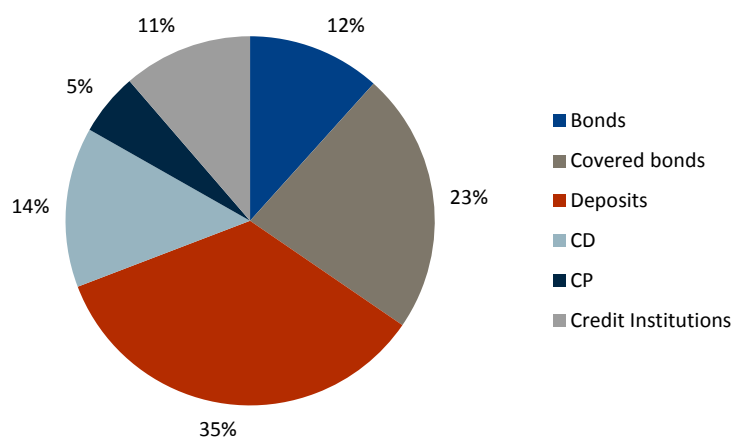
In order to ensure flexibility and efficient access to the various markets, a number of funding programmes have been established. They constitute the framework for the Group's funding operations. The Bank is aiming at having a well-balanced funding mix between covered and senior, unsecured bonds. During the third quarter the Bank issued for the first time, and as the first Nordic issuer, senior bonds in USD under a so called 3(a)(2)-programme. 3(a)(2) means that the bonds are included in different indices and makes it possible to reach a broader investor base than a pure 144A.

Funding programmes as of September 30, 2011 – The Group

Programme (in millions)	Programme size	Currency	Unutilized amount, current programme	Countervalue SEK m
MTN *	100,000	SEK	53,418	53,418
EMTN *	50,000	USD	34,388	236,275
Other funding > 1 y *	15,000	USD	13,040	89,596
USCP	15,000	USD	7,737	53,160
USCP (Stadshypotek)	5,000	USD	5,000	34,354
ECP *	5,000	EUR	1,945	17,974
ECP (Stadshypotek) *	4,000	EUR	2,484	22,955
Swedish Commercial Paper	25,000	SEK	23,770	23,770
Swedish Commercial Paper (Stadshypotek)	90,000	SEK	85,350	85,350
French Certificates of Deposit	5,000	EUR	1,894	17,503
Extendible Notes	15,000	USD	10,310	70,838
EMTCN (Stadshypotek) *	15,000	EUR	5,138	47,482
US 144A / 3(a)(2)	15,000	USD	8,400	57,715
Stadshypotek US 144A	15,000	USD	13,400	92,069
Total				902,460
Total programme amount, SEK m	1,376,208			
Unutilised amount, SEK m	902,460			
Unutilised amount	66%			

* Under these programmes it is possible to issue in other currencies than the original programme currency.

Funding sources



Out of the total funding for the Group, 35% consists of issued bonds, including covered bonds. Covered bonds by themselves, constitute approximately 23% of the funding for the Group (20% of total assets) and almost 85% of these are issued in the Swedish market. The issue volume for bonds in the third quarter amounted to SEK 45 bn (54), comprising SEK 11 bn in senior funding and SEK 34 bn in covered bonds. The Bank had, as at 30 September 2011, prefinanced all bond maturities up to the third quarter of 2012. At the beginning of the fourth quarter, a ten-year bond of EUR 1.25 bn was issued. This issue was the first ten-year senior benchmark issue (i.e. more than EUR 1 bn) issued in Europe since February 2011.

Selection of international issues during last 12 months

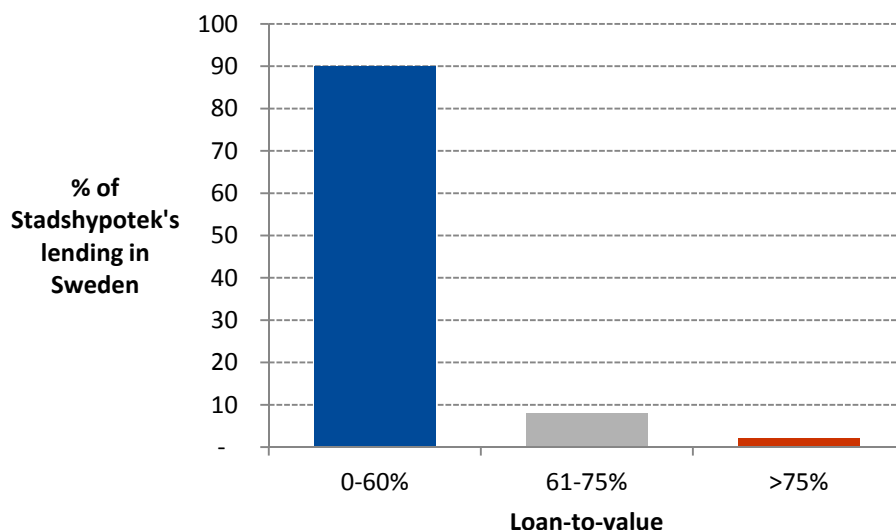
September 2010	USD 1bn 3Y FXD Covered Bond +55bps
September 2010	USD 600m 3Y FRN Covered Bond +55bps
December 2010	JPY 8bn 5Y FXD +70bps
February 2011	USD 2.65bn 6Y Extendible notes
February 2011	EUR 1bn 5Y FXD +75bps
February 2011	CNY 170m 2Y FXD
March 2011	SEK 8bn 18m FRN Covered Bond +20bps
May 2011	EUR 1.5bn 5Y Covered Bond +31bps
June 2011	USD 1.1bn 6Y Extendible notes
July 2011	USD 1.25n bn 5y FXD 144A/3(a)(2) T+145

The greater part of of Stadshypotek's funding consists of covered bonds issued in the Swedish domestic covered bond market. This market is the core funding source for Stadshypotek.

The Swedish market is one of the largest covered bond markets in Europe. Bonds are issued on-tap on a continuous basis in a few benchmarks per issuer. Stadshypotek has ten outstanding benchmark loans, which mature between 2012 and 2022. These loans are arranged by five market makers and are non-callable bullet bonds with a fixed annual coupon. Only a small number of separate bond loans are issued, with respective final maturity dates set at intervals of about nine months. Concentrating large volumes into a small number of loans in this manner achieves good market liquidity.

STADSHYPOTEK

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



Cover Pool Data, Sweden

SEK m	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009
Stadshypotek total public lending in Sweden	745,626	735,512	717,574	703,658	683,446	669,743	648,757	634,849
Assets available for Cover Pool	673,207	661,612	648,640	640,682	614,493	603,358	584,986	566,421
Assets utilized for Cover Pool	548,585	514,663	497,674	488,330	471,157	508,129	423,218	395,327
Total number of loans	937,752	881,121	822,330	792,589	966,278	1,007,929	1,184,202	874,958
WA Max-LTV Cover Pool, as defined by ASCB	49.1%	48.4%	48.4%	48.9%	49.3%	49.2%	49.2%	0.0%
LTV-distribution								
0-10%	31.6%	29.5%	29.2%	29.6%	26.8%	27.1%	0.0%	0.0%
10-20%	19.3%	21.8%	21.7%	21.6%	20.6%	20.9%	0.0%	0.0%
20-30%	17.4%	17.4%	17.5%	17.4%	17.3%	17.6%	0.0%	0.0%
30-40%	13.8%	13.7%	13.9%	13.7%	15.0%	14.4%	0.0%	0.0%
40-50%	10.7%	10.5%	10.7%	10.6%	12.1%	11.6%	0.0%	0.0%
50-60%	7.0%	6.9%	6.9%	6.9%	7.8%	8.0%	0.0%	0.0%
60-70%	0.2%	0.1%	0.0%	0.1%	0.3%	0.3%	0.0%	0.0%
70-75%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%
WA loan size	585,000	584,100	605,200	616,120	466,000	467,800	441,800	451,824
WA seasoning of Cover Pool, months	35	35	35	34	38	37	38	40
Interest index distribution								
Floating (3 months)	49%	51%	52%	57%	59%	60%	60%	54%
Fixed rate (> 3 months)	51%	49%	48%	43%	41%	40%	40%	46%

Liquidity

As at 30 September 2011, total liquidity reserves exceeded SEK 700 billion. Balances with central banks and banks, as well as securities that are eligible as collateral with central banks, totalled SEK 466 billion (see table below). In addition, there was an unutilised issue amount for covered bonds and other liquidity-creating measures. The liquidity reserve covers the Bank's liquidity requirement for over two years, even if access to new funding in the markets were to disappear.

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

SEK m	Market value		Collateral value		
	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010
Cash and balances with and other lending to central banks	338,602	230,436	226,142	107,430	135,972
Balances with banks, overnight (from 30 June 2011, incl. repos)	33,035	21,317	1,259	10,177	3,698
Securities issued by governments and public entities	36,496	37,223	41,229	24,923	27,621
Covered bonds	47,363	28,664	27,899	31,830	38,623
Securities issued by non-financial companies	2,111	7,856	2,170	1,628	1,509
Securities issued by financial companies	8,495	13,485	27,075	18,061	18,794
Total	466,102	338,980	325,774	194,049	226,217
<i>of which in SEK</i>	87,077	63,935	79,044	65,581	77,555
<i>of which in EUR</i>	78,080	70,190	66,090	56,646	53,975
<i>of which in USD</i>	265,345	172,361	155,375	48,169	81,310
<i>of which in other currencies</i>	35,600	32,494	25,265	23,653	13,377

30 September 2011					
Market value, SEK m	SEK	EUR	USD	Other	Total
Cash and balances with and other lending to central banks	6,032	64,947	236,489	31,134	338,602
Balances with other banks, overnight (incl. repos)	10,299	183	19,973	2,580	33,035
Securities issued by governments	26,142	6,384	2,084	1,886	36,496
Securities issued by municipalities and other public entities					
Covered bonds	37,477	3,592	13		41,082
Own covered bonds	6,281				6,281
Securities issued by non-financial companies	72	1,537	502		2,111
Securities issued by financial companies (excl. covered bonds)	774	1,437	6,284		8,495
Other securities					
Total	87,077	78,080	265,345	35,600	466,102

MATURITY ANALYSIS

Maturities for assets and liabilities

30 September 2011 SEK m	Up to 3 mths	3 - 12 mths	1 - 5 yrs	5 yrs -	Unspecified maturity	Total
Cash and balances with central banks	336,684	328	1,169	536	-	338,717
Bonds and other interest-bearing securities	118,778	-	-	-	-	118,778
Loans to credit institutions	108,010	6,195	844	1,785	-	116,834
-of which reverse repos	65,097	-	-	-	-	65,097
Loans to the public	331,992	281,840	172,776	287,958	524,171	1,598,737
-of which reverse repos	21,186	-	-	-	-	21,186
Other, not distributed by maturity	-	-	-	-	302,500	302,500
Total	895,464	288,363	174,789	290,279	826,671	2,475,566
Due to credit institutions	176,297	20,515	333	5,200	33,086	235,431
-of which repos	6,423	-	-	-	-	6,423
Deposits and borrowing from the public	68,760	32,657	9,931	18,761	590,373	720,482
-of which repos	10,477	-	-	-	-	10,477
Issued securities	340,246	209,894	521,136	40,579	-	1,111,855
Other trading liabilities	24,534	-	-	-	-	24,534
Subordinated liabilities	0	8,834	18,565	8,463	-	35,862
Other, not distributed by maturity	-	-	-	-	347,402	347,402
Total	609,837	271,900	549,965	73,003	970,861	2,475,566

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

In other respects, assets and liabilities are reported as maturing in the time intervals that correspond to the contractual due date. Assets and liabilities which do not have a specified due date are reported in the interval "Unspecified maturity". This applies for example to household lending in Stadshypotek Sweden, all avista deposits and other assets and liabilities for which there is no specified due date.

The items under "Other, not distributed by maturity" includes the market values in derivative transactions.

Share & shareholders

The Handelsbanken share

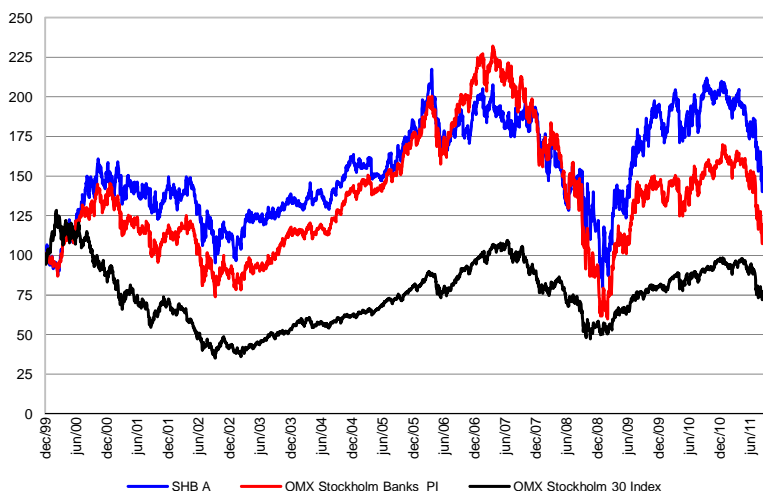
	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009
Share price ordinary class A, SEK	176.10	195.10	207.00	214.90	220.90	192.20	211.60	204.20
Market capitalisation, SEK bn	110	122	129	134	138	120	132	127
Number of repurchased shares, million	-	-	-	-	-	-	-	-
Number of outstanding shares, million	624.0	624.0	623.3	623.5	623.4	621.8	623.2	623.3

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 September 2011

Index



The largest Swedish shareholders

The largest Swedish shareholders

as at 30 September 2011	Number of shares	% of votes	% of capital
Industrivärden	69,810,927	11.4	11.2
Oktogonen Foundation	64,300,000	10.5	10.3
Swedbank Robur funds	18,945,920	3.1	3.0
Lundbergs, etc	15,032,000	2.5	2.4
Alecta	15,015,000	2.4	2.4
AMF Försäkring and funds	11,437,700	1.9	1.8
Handelsbanken funds	10,537,368	1.7	1.7
Folksam / KPA / Förenade Liv	7,319,629	1.2	1.2
SEB Funds	7,168,020	1.2	1.1
AFA Försäkring	6,687,676	1.1	1.1
3rd National Swedish Pension Fund	6,025,951	1.0	1.0
2nd National Swedish Pension Fund	5,462,959	0.9	0.9
4th National Swedish Pension Fund	5,063,971	0.8	0.8
Forskningsstiftelserna	4,100,000	0.7	0.7
Didner & Gerge Fonder	2,900,000	0.5	0.5

Contacts & Financial calendar

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Financial calendar:

2011

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

2012

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

Handelsbanken

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