

# Handelsbanken's interim report

JANUARY – MARCH 2013

## Summary January – March 2013, compared with January – March 2012

- The period's profit after tax for total operations went up by 6 per cent to SEK 3,466 million (3,265) and earnings per share increased to SEK 5.47 (5.23)
- Operating profit decreased by 3 per cent to SEK 4,336 million (4,458)
- Return on equity for total operations was 13.8 per cent (14.1)
- Income went down to SEK 8,800 million (8,866)
- Net interest income was SEK 6,541 million (6,560)
- The C/I ratio rose to 47.5 per cent (46.4)
- The loan loss ratio was 0.06 per cent (0.07)
- The core tier 1 ratio according to Basel II increased to 18.0 per cent (15.8), while the core tier 1 ratio according to Basel III went up to 17.5 per cent (14.6)
- The Bank extended its prefinancing and all bonds maturing up to the end of June 2014 have been prefinanced
- The Bank's liquidity reserve exceeded SEK 750 billion

## Summary of Q1 2013, compared with Q4 2012

- Adjusted for the reversal of tax in the fourth quarter, the period's profit after tax rose by 25 per cent
- Due to the reversal of previously booked tax in the quarter of comparison, the period's reported profit after tax for total operations decreased by 19 per cent to SEK 3,466 million (4,284)
- Operating profit increased by 10 per cent to SEK 4,336 million (3,948)
- Income declined by 1 per cent to SEK 8,800 million (8,891) and expenses decreased by 8 per cent to SEK -4,182 million (-4,546)
- Adjusted for exchange rate movements and day effects, net interest income grew by 3 per cent
- Earnings per share decreased to SEK 5.47 (6.78) but adjusted for reversed tax in the fourth quarter, earnings per share grew by 22 per cent
- Return on equity for total operations was 13.8 per cent (17.5)
- The loan loss ratio fell to 0.06 per cent (0.09)

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## 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. Further details are given in Note 1 “Accounting policies” and Note 22 “Restating of financial reports due to revised IAS 19 – Group.”

As of 2013, the division of segments has also been changed, with the equivalent restating of comparison figures. The new division of segments is set out on page 8.

## Handelsbanken Group – Overview

SEK m	Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
<b>Summary income statement</b>									
Net interest income	6,541	6,560	0%	6,484	1%	6,541	6,560	0%	26,081
Net fee and commission income	1,877	1,892	-1%	1,910	-2%	1,877	1,892	-1%	7,369
Net gains/losses on financial transactions	259	344	-25%	366	-29%	259	344	-25%	1,120
Risk result - insurance	51	36	42%	88	-42%	51	36	42%	196
Other dividend income	1	1	0%	1	0%	1	1	0%	152
Share of profit of associates	-5	-5	0%	7		-5	-5	0%	8
Other income	76	38	100%	35	117%	76	38	100%	136
<b>Total income</b>	<b>8,800</b>	<b>8,866</b>	<b>-1%</b>	<b>8,891</b>	<b>-1%</b>	<b>8,800</b>	<b>8,866</b>	<b>-1%</b>	<b>35,062</b>
Staff costs	-2,783	-2,781	0%	-2,923	-5%	-2,783	-2,781	0%	-11,167
Other administrative expenses	-1,279	-1,214	5%	-1,511	-15%	-1,279	-1,214	5%	-5,069
Depreciation, amortisation and impairments of property, equipment and intangible assets	-120	-122	-2%	-112	7%	-120	-122	-2%	-464
<b>Total expenses</b>	<b>-4,182</b>	<b>-4,117</b>	<b>2%</b>	<b>-4,546</b>	<b>-8%</b>	<b>-4,182</b>	<b>-4,117</b>	<b>2%</b>	<b>-16,700</b>
<b>Profit before loan losses</b>	<b>4,618</b>	<b>4,749</b>	<b>-3%</b>	<b>4,345</b>	<b>6%</b>	<b>4,618</b>	<b>4,749</b>	<b>-3%</b>	<b>18,362</b>
Net loan losses	-283	-291	-3%	-395	-28%	-283	-291	-3%	-1,251
Gains/losses on disposal of property, equipment and intangible assets	1	0		-2		1	0		-3
<b>Operating profit</b>	<b>4,336</b>	<b>4,458</b>	<b>-3%</b>	<b>3,948</b>	<b>10%</b>	<b>4,336</b>	<b>4,458</b>	<b>-3%</b>	<b>17,108</b>
Taxes	-885	-1,242	-29%	400		-885	-1,242	-29%	-3,092
<b>Profit for the period from continuing operations</b>	<b>3,451</b>	<b>3,216</b>	<b>7%</b>	<b>4,348</b>	<b>-21%</b>	<b>3,451</b>	<b>3,216</b>	<b>7%</b>	<b>14,016</b>
Profit for the period pertaining to discontinued operations, after tax	15	49	-69%	-64		15	49	-69%	22
<b>Profit for the period</b>	<b>3,466</b>	<b>3,265</b>	<b>6%</b>	<b>4,284</b>	<b>-19%</b>	<b>3,466</b>	<b>3,265</b>	<b>6%</b>	<b>14,038</b>
<b>Summary balance sheet</b>									
Loans to the public	1,655,041	1,627,093	2%	1,680,479	-2%	1,655,041	1,627,093	2%	1,680,479
of which mortgage loans	904,669	818,162	11%	891,200	2%	904,669	818,162	11%	891,200
Deposits and borrowing from the public	642,314	683,182	-6%	682,223	-6%	642,314	683,182	-6%	682,223
of which households	268,340	254,327	6%	267,450	0%	268,340	254,327	6%	267,450
Total equity	100,366	89,444	12%	103,850	-3%	100,366	89,444	12%	103,850
Total assets	2,388,880	2,455,478	-3%	2,383,951	0%	2,388,880	2,455,478	-3%	2,383,951
<b>Summary of key figures</b>									
Return on equity, total operations *	13.8%	14.1%		17.5%		13.8%	14.1%		14.9%
Return on equity, continuing operations *	13.7%	13.9%		17.8%		13.7%	13.9%		14.8%
C/I ratio, continuing operations	47.5%	46.4%		51.1%		47.5%	46.4%		47.6%
Earnings per share, total operations, SEK	5.47	5.23		6.78		5.47	5.23		22.34
- after dilution	5.41	5.10		6.67		5.41	5.10		21.85
Tier 1 ratio, Basel II	20.4%	18.5%		20.4%		20.4%	18.5%		20.4%
Core tier 1 ratio, Basel II	18.0%	15.8%		17.9%		18.0%	15.8%		17.9%

\* 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 obligations.

## Group performance

### JANUARY – MARCH 2013 COMPARED WITH JANUARY – MARCH 2012

The period's profit after tax for total operations increased by 6 per cent to SEK 3,466 million (3,265). Earnings per share grew by 5 per cent to SEK 5.47 (5.23) and the return on equity for total operations was 13.8 per cent (14.1).

Group operating profit decreased by 3 per cent to SEK 4,336 million (4,458), chiefly due to lower deposit margins. The C/I ratio increased to 47.5 per cent (46.4). The revised IAS 19 increases both this year's and the period of comparison's C/I ratio by just over one percentage point.

#### Income

SEK m	Jan-Mar 2013	Jan-Mar 2012	Change
Net interest income	6,541	6,560	0%
Net fee and commission income	1,877	1,892	-1%
Net result of financial trans.	259	344	-25%
Other income	123	70	76%
<b>Total income</b>	<b>8,800</b>	<b>8,866</b>	<b>-1%</b>

Income fell by 1 per cent to SEK 8,800 million, primarily due to lower net gains/losses on financial transactions. The strengthening of the Swedish krona resulted in exchange rate effects of SEK -101 million, and adjusted for this, income rose marginally.

Net interest income was more or less unchanged at SEK 6,541 million. Exchange rate effects reduced net interest income by SEK 78 million, and adjusted for this, net interest income grew by 1 per cent.

Lower interest rates in Sweden meant that deposit margins in Swedish branch operations decreased net interest income by SEK 506 million; this was only partly offset by higher lending margins contributing SEK 155 million. Net interest income decreased by 4 per cent in Sweden, but increased in all other home markets. In the UK and the Netherlands, net interest income grew by 24 per cent and 25 per cent respectively. Adjusted for foreign exchange effects, net interest income in branch operations outside Sweden grew by SEK 339 million, or 17 per cent.

The Group's costs for the Stabilisation Fund and various deposit guarantees affected net interest income negatively by SEK -282 million (-278).

The average volume of loans to the public grew by 4 per cent to SEK 1,649 billion (1,590). Exchange rate effects reduced the volume by SEK 17 billion, and in local currency, the increase was 5 per cent.

The average volume of deposits rose slightly to SEK 696 billion (692). Adjusted for exchange rate effects of SEK -11 billion, deposit volumes grew by 2 per cent. Household deposits went up by 5 per cent to SEK 258

billion (246), while the average volume of corporate deposits decreased by 2 per cent to SEK 438 billion (446). Net fee and commission income went down by 1 per cent to SEK 1,877 million (1,892). Rising fund management commissions and higher advisory income partly compensated for falling income from brokerage and insurance, as well as from lending and guarantee commissions. Fund management commissions rose by SEK 70 million, or 18 per cent, to SEK 465 million (395), while advisory commissions increased by SEK 34 million, or 49 per cent, to SEK 104 million (70). At the same time, lower stock market turnover was one factor in the SEK 49 million decrease in brokerage income to a figure of SEK 306 million (355).

Declining market activity during the second half of the quarter contributed to net gains/losses on financial transactions decreasing to SEK 259 million (344).

#### Expenses

SEK m	Jan-Mar 2013	Jan-Mar 2012	Change
Staff costs	-2,783	-2,781	0%
Other administrative expenses	-1,279	-1,214	5%
Depreciation and amortisation	-120	-122	-2%
<b>Total expenses</b>	<b>-4,182</b>	<b>-4,117</b>	<b>2%</b>

Total expenses rose by 2 per cent to SEK -4,182 million. Adjusted for exchange rate movements of SEK 60 million, expenses increased by 3 per cent.

Staff costs remained unchanged, at SEK -2,783 million. The allocation to the Oktogonen Foundation increased to SEK -256 million (-229), while variable compensation, including social security costs and other payroll overheads, decreased to SEK -28 million (-41). Exchange rate movements lowered staff costs by SEK 40 million.

The average number of employees was more or less unchanged at 11,242 (11,135).

Other administrative expenses rose by 5 per cent to SEK -1,279 million (-1,214), chiefly due to an increase in IT costs and purchased services.

#### Loan losses

SEK m	Jan-Mar 2013	Jan-Mar 2012	Change
Net loan losses	-283	-291	8
Loan loss ratio as a % of loans	0.06	0.07	-0.01
Impaired loans, net	3,091	2,744	13%
Proportion of impaired loans, %	0.18	0.16	0.02

Loan losses decreased slightly to SEK -283 million (-291) and credit quality remained stable. The loan loss ratio fell to 0.06 per cent (0.07). Net impaired loans rose to SEK 3,091 million (2,744), equivalent to 0.18 per cent (0.16) of lending.

#### Taxes

From the start of 2013, Swedish corporate tax is payable at 22 per cent. In the first quarter, Group tax expenses totalled SEK -885 million (-1,242).

**Q1 2013 COMPARED WITH Q4 2012**

The period's profit after tax for total operations decreased to SEK 3,466 million (4,284). The decrease was a result of the reversal of previously booked tax in the quarter of comparison due to the changed corporate tax rate in Sweden; adjusted for this, profit increased by 25 per cent.

Operating profit rose by 10 per cent to SEK 4,336 million (3,948) due to lower expenses and reduced loan losses.

As a result of the tax effect in the comparison quarter, earnings per share decreased to SEK 5.47 (6.78), and return on equity fell to 13.8 per cent (17.5).

The cost/income ratio was 47.5 per cent (51.1).

**Income**

SEK m	Q1 2013	Q4 2012	Change
Net interest income	6,541	6,484	1%
Net fee and commission income	1,877	1,910	-2%
Net result of financial trans.	259	366	-29%
Other income	123	131	-6%
<b>Total income</b>	<b>8,800</b>	<b>8,891</b>	<b>-1%</b>

Income fell by 1 per cent, or SEK 91 million, to SEK 8,800 million. Exchange rate effects had a negative impact on income of SEK 90 million.

Net interest income rose by 1 per cent to SEK 6,541 million. Adjusted for exchange rate effects of SEK -72 million and for the smaller number of interest days, underlying net interest income grew by 3 per cent.

Net interest income in Swedish branch operations decreased by SEK 54 million, chiefly due to the SEK -73 million negative effect of lower deposit margins.

In the Bank's other home markets, net interest income went down by a total of SEK 45 million, which was attributable to exchange rate movements of SEK -68 million and the effect of the differing number of days between the two quarters of SEK -36 million. Adjusted for this, underlying net interest income rose by 3 per cent, and in local currencies, net interest income grew in all home markets outside Sweden.

The Group's costs for the Stabilisation Fund and various deposit guarantees increased by SEK 27 million to SEK -282 million (-255) and the benchmark effect in Stadshypotek rose by SEK 40 million to SEK 24 million (-16).

The average volume of loans to the public grew to SEK 1,649 billion (1,641), with the entire increase deriving from the household sector. Exchange rate effects reduced lending volumes by SEK 15 billion.

Average deposits rose by 1 per cent to SEK 696 billion (691). Excluding exchange rate effects of SEK -8 billion, the increase was 2 per cent.

Net fee and commission income fell by 2 per cent to SEK 1,877 million (1,910). A doubling of advisory income and an increase in brokerage income offset a seasonal fall in payment commissions and a decrease in other commissions. Advisory commissions grew by 104

per cent to SEK 104 million (51), while brokerage income increased by 12 per cent to SEK 306 million (273). Net payment commissions went down by 12 per cent to SEK 366 million (418), while other commission income fell by 36 per cent to SEK 101 million (157).

Net gains/losses on financial transactions decreased to SEK 259 million (366), partly due to a lower volume of currency exchange transactions.

Other income decreased to SEK 123 million (131), chiefly due to a lower risk result in insurance operations.

**Expenses**

SEK m	Q1 2013	Q4 2012	Change
Staff costs	-2,783	-2,923	-5%
Other administrative expenses	-1,279	-1,511	-15%
Depreciation and amortisation	-120	-112	7%
<b>Total expenses</b>	<b>-4,182</b>	<b>-4,546</b>	<b>-8%</b>

The Bank's expenses are seasonally higher in the fourth quarter and total expenses decreased in the first quarter by SEK 364 million, or 8 per cent, to SEK -4,182 million. Exchange rate effects had a positive effect and reduced expenses by SEK 55 million.

Staff costs fell by 5 per cent to SEK -2,783 million. The allocation to the Oktogonen profit-sharing foundation decreased by SEK 77 million to SEK -256 million (-333), and the period's provision for variable compensation fell to SEK -28 million (-41). Exchange rate movements lowered staff costs by SEK 36 million. Adjusted for this and for non-recurring costs in the period of comparison, staff costs rose by 2 per cent. The underlying increase was chiefly attributable to agreed salary rises for 2013, as well as the higher number of employees in the UK.

The average number of employees rose to 11,242 (11,156), mainly as a result of continued expansion in the UK.

Other administrative expenses decreased by 15 per cent to SEK -1,279 million. Six percentage points of this decrease was attributable to non-recurring expenses in the comparison quarter. The remaining decrease in expenses was a general one, spread over most categories of expenses, and deriving mainly from normal seasonal effects.

**Loan losses**

SEK m	Q1 2013	Q4 2012	Change
Net loan losses	-283	-395	112
Loan loss ratio as a % of loans	0.06	0.09	-0.03
Impaired loans, net	3,091	3,197	-3%
Proportion of impaired loans, %	0.18	0.18	0.00

Loan losses decreased by SEK 112 million to SEK -283 million, and the loan loss ratio was 0.06 per cent (0.09). Net impaired loans fell to SEK 3,091 million (3,197), equivalent to 0.18 per cent (0.18) of lending.

## PERFORMANCE IN THE BUSINESS SEGMENTS

(Q1 2013 compared with Q4 2012)

In Branch office operations in Sweden operating profit went down by 2 per cent to SEK 3,018 million (3,067), mainly due to reduced deposit margins, which were partly offset by lower loan losses. The loan loss ratio fell to 0.04 per cent (0.06).

Branch office operations in the UK increased their operating profit by 1 per cent to SEK 233 million (230). Operating profit, adjusted for the effects of exchange rate movements, went up by 9 per cent. The loan loss ratio fell to 0.19 per cent (0.43).

Branch office operations in Denmark increased their operating profit by 54 per cent to SEK 177 million (115) due to lower expenses and loan losses. The loan loss ratio fell to 0.19 per cent (0.58).

Operating profit at Branch office operations in Finland rose by 25 per cent to SEK 168 million (134). Decreased loan losses and seasonally lower expenses contributed to the improvement. The loan loss ratio fell to 0.26 per cent (0.43).

Operating profit at Branch office operations in Norway was more or less unchanged at SEK 575 million (571). Operating profit, adjusted for the effects of exchange rate movements, went up by 3 per cent, due to lower expenses. The operating profit figure was the highest ever. The loan loss ratio was 0.12 per cent (0.13).

At Branch office operations in the Netherlands, operating profit rose to SEK 18 million (10), as a result of an increase in net interest income and lower expenses. No loan losses were recorded during the quarter (-).

Handelsbanken International's operating profit decreased by SEK 59 million to SEK 51 million (110). The decline was mainly attributable to substantial recoveries in the comparison period. Income increased by 4 per cent and expenses by 6 per cent. In the first quarter, too, recoveries exceeded new provisions for losses, and the loan loss ratio was -0.05 per cent (-0.70).

Handelsbanken Capital Markets increased its operating profit to SEK 268 million (197), due to improved net fee and commission income and lower expenses. Income fell by 4 per cent while expenses went down by 14 per cent. The total mutual fund volume increased by SEK 15 billion to SEK 239 billion, the highest volume ever.

## FUNDING AND LIQUIDITY

The stabilisation of the funding market, which began in late 2012, essentially continued in the first quarter.

During the quarter, Handelsbanken was active on several funding markets. Bonds with a total value of SEK 65 billion were issued, of which SEK 44 billion were in covered bonds and SEK 21 billion in senior,

non-covered bonds. The average maturity was 4.25 years. Among other things, the Bank carried out its second issue in China – this time a three-year bond with a 400 million yuan volume. This issue attracted a great deal of interest, and was implemented so that the Bank can provide further support to home market customers with operations in the region.

In addition, Handelsbanken was the first Swedish bank to carry out an issue of covered bonds in GBP, thereby giving access to the UK covered bond market.

The first-quarter bond issues mean that all the Bank's bond maturities up to the end of June 2014 have been prefinanced. Total remaining maturities amount to SEK 137 billion for 2013 and SEK 151 billion for 2014.

In addition, the Bank carried out an issue of extendible notes on the US market. The loan has a maturity of three years, with an option for investors to terminate it with a six-month period of notice. The total loan volume was SEK 26 billion.

The bank's liquidity reserve still exceeded SEK 750 billion.

According to the current Swedish definition from 1 January 2013, the Handelsbanken Group's liquidity coverage ratio (LCR) at the end of the period was 135 per cent. In USD, the LCR was 229 per cent and in EUR it was 132 per cent. Calculated according to the Basel Committee's revised definition of LCR, the Group's LCR is estimated to be 155 per cent.

## CAPITAL

SEK m	31 Mar 2013	31 Dec 2012	Change
Core tier 1 ratio, Basel II	18.0%	17.9%	0.1
Tier 1 ratio, Basel II	20.4%	20.4%	0.0
Capital ratio, Basel II	21.1%	20.7%	0.4
Equity	100,366	103,850	-3%
Tier 1 capital	97,961	99,433	-1%
Core tier 1 capital	86,344	87,207	-1%

31 March 2013 compared with 31 March 2012

The capital base grew to SEK 101 billion (98). During the period, the Bank redeemed subordinated loans for a net amount of SEK 3.8 billion. At the end of the period, 85 per cent of the capital base was core tier 1 capital.

Core tier 1 capital increased to SEK 86.3 billion (78.8) and the core tier 1 ratio according to Basel II went up by 2.2 percentage points to 18.0 per cent (15.8). The period's profit increased the core tier 1 ratio by 2.0 percentage points, and the conversion of staff convertible bonds increased it by 0.3 percentage points. At the same time, the removed transitional rules regarding investments in insurance holdings made a 0.5 percentage point negative contribution, and capital contribution in Handelsbanken Liv during 2012 had a further effect of -0.2 percentage points. The core tier 1 ratio was reduced by higher lending volumes by 0.7 percentage points and by credit risk migration in the

loan portfolio by 0.3 percentage points. Exchange rate effects had a positive effect of 0.1 percentage points. The credit quality improved, and the mix effect of the fact that new lending volumes are of higher credit quality than the portfolio average had a 1.2 percentage point positive impact. Other effects increased the core tier 1 ratio by 0.3 percentage points.

#### 31 March 2013 compared with 31 March 2012

In the first quarter, the core tier 1 ratio increased by 0.1 percentage points to 18.0 per cent (17.9). The period's profit made a 0.3 percentage point contribution to this increase, while conversion of staff convertible bonds contributed a further 0.1 percentage point. At the same time, the removed transitional rules regarding insurance holdings reduced the core tier 1 ratio by 0.5 percentage points. Increased lending volumes had a -0.3 percentage point effect, which was offset by positive mix effects in the loan portfolio of 0.3 percentage points. The effects of credit risk migration and exchange rate movements during the quarter were marginal. Other effects made a total positive contribution of 0.2 percentage points.

#### CRD 4

March 2013 saw the arrival of a revised version of CRD 4, which was adopted by the European Parliament on 16 April and is expected to apply from 1 January 2014. The Bank estimates that, according to this revised version, its core tier 1 ratio according to CRD 4 was 17.5 per cent at the end of the first quarter. This corresponds to an increase of 1.1 percentage points compared with the calculated core tier 1 ratio of 16.4 per cent according to the previous CDR 4 proposal at the end of Q4 2012.

0.6 percentage points of the increase is attributable to the changes in CRD 4, partly because, according to the revised version, risk-weighted assets relating to CVA risk (credit value adjustment) will only be calculated for financial counterparties, and partly due to the reduction of risk weights for small companies. The remainder of the increase (0.5 percentage points) is attributable to the performance of business operations in the first quarter.

#### RATING

During the period, Handelsbanken's short-term and long-term ratings with the rating agencies which monitor the Bank were unchanged.

	Long-term	Short-term	Financial strength
Standard & Poor's	AA-	A-1+	
Fitch	AA-	F1+	
Moody's	Aa3	P-1	C
DBRS	AA (low)		

## Handelsbanken Group – Business segments

January - March 2013	Home markets										Group Jan-Mar 2013
	Sweden	UK	Denmark	Finland	Norway	Nether- lands	Inter- national	Capital Markets	Other	Adj. & elim.	
SEK m											
Net interest income	4,094	592	356	273	849	50	153	43	142	-11	6,541
Net fee and commission income	826	25	81	99	86	6	81	660	13		1,877
Net result of financial transactions	116	23	8	9	19	0	16	211	-143		259
Risk result - insurance								51			51
Share of profit of associates									-5		-5
Other income	7	3	5	2	3		3	4	50		77
<b>Total income</b>	<b>5,043</b>	<b>643</b>	<b>450</b>	<b>383</b>	<b>957</b>	<b>56</b>	<b>253</b>	<b>969</b>	<b>57</b>	<b>-11</b>	<b>8,800</b>
Staff costs	-833	-220	-130	-83	-171	-22	-130	-507	-676	-11	-2,783
Other administrative expenses	-302	-56	-46	-34	-59	-5	-38	-185	-554		-1,279
Internal purchased and sold services	-768	-72	-63	-58	-86	-11	-35	5	1,077	11	
Depreciation and amortisation	-20	-7	-4	-4	-3	0	-3	-14	-65		-120
<b>Total expenses</b>	<b>-1,923</b>	<b>-355</b>	<b>-243</b>	<b>-179</b>	<b>-319</b>	<b>-38</b>	<b>-206</b>	<b>-701</b>	<b>-218</b>		<b>-4,182</b>
<b>Profit before loan losses</b>	<b>3,120</b>	<b>288</b>	<b>207</b>	<b>204</b>	<b>638</b>	<b>18</b>	<b>47</b>	<b>268</b>	<b>-161</b>	<b>-11</b>	<b>4,618</b>
Net loan losses	-103	-55	-30	-36	-63		4				-283
Gains/losses on disposal of property, equipment and intangible assets	1	0			0		0	0	0		1
<b>Operating profit</b>	<b>3,018</b>	<b>233</b>	<b>177</b>	<b>168</b>	<b>575</b>	<b>18</b>	<b>51</b>	<b>268</b>	<b>-161</b>	<b>-11</b>	<b>4,336</b>
Profit allocation	162	4	8	11	6	2	8	-201	0		
<b>Operating profit after profit allocation</b>	<b>3,180</b>	<b>237</b>	<b>185</b>	<b>179</b>	<b>581</b>	<b>20</b>	<b>59</b>	<b>67</b>	<b>-161</b>	<b>-11</b>	<b>4,336</b>
Internal income *	-529	-291	-106	33	-878	-35	-28	-372	2,206	-	

January - March 2012	Home markets										Group Jan-Mar 2012
	Sweden	UK	Denmark	Finland	Norway	Nether- lands	Inter- national	Capital Markets	Other	Adj. & elim.	
SEK m											
Net interest income	4,281	477	339	255	693	40	201	180	103	-9	6,560
Net fee and commission income	849	23	75	92	64	7	93	655	34		1,892
Net result of financial transactions	156	22	10	10	24	0	26	129	-33		344
Risk result - insurance								36			36
Share of profit of associates									-5		-5
Other income	7	4	4	3	8		1	4	8		39
<b>Total income</b>	<b>5,293</b>	<b>526</b>	<b>428</b>	<b>360</b>	<b>789</b>	<b>47</b>	<b>321</b>	<b>1,004</b>	<b>107</b>	<b>-9</b>	<b>8,866</b>
Staff costs	-801	-183	-135	-81	-173	-18	-132	-583	-679	4	-2,781
Other administrative expenses	-267	-42	-41	-36	-58	-3	-48	-217	-502		-1,214
Internal purchased and sold services	-700	-49	-57	-47	-78	-7	-32	-31	992	9	
Depreciation and amortisation	-22	-4	-4	-6	-3	-1	-2	-15	-65		-122
<b>Total expenses</b>	<b>-1,790</b>	<b>-278</b>	<b>-237</b>	<b>-170</b>	<b>-312</b>	<b>-29</b>	<b>-214</b>	<b>-846</b>	<b>-254</b>	<b>13</b>	<b>-4,117</b>
<b>Profit before loan losses</b>	<b>3,503</b>	<b>248</b>	<b>191</b>	<b>190</b>	<b>477</b>	<b>18</b>	<b>107</b>	<b>158</b>	<b>-147</b>	<b>4</b>	<b>4,749</b>
Net loan losses	-75	0	-144	-35	-37		0				-291
Gains/losses on disposal of property, equipment and intangible assets	0	0		0	0		0	0	0		0
<b>Operating profit</b>	<b>3,428</b>	<b>248</b>	<b>47</b>	<b>155</b>	<b>440</b>	<b>18</b>	<b>107</b>	<b>158</b>	<b>-147</b>	<b>4</b>	<b>4,458</b>
Profit allocation	137	3	6	8	7	0	4	-165	0		
<b>Operating profit after profit allocation</b>	<b>3,565</b>	<b>251</b>	<b>53</b>	<b>163</b>	<b>447</b>	<b>18</b>	<b>111</b>	<b>-7</b>	<b>-147</b>	<b>4</b>	<b>4,458</b>
Internal income *	-921	-325	-163	-27	-1,141	-64	-17	-297	2,955		

\* Internal income which is included in total income comprises income from transactions with other operating segments. Since interest income and interest expense are reported net as income, this means that internal income includes the net amount of the internal funding cost among segments.

The business segments consist of branch office operations in Sweden, the UK, Denmark, Finland, Norway and the Netherlands, as well as Handelsbanken International and Capital Markets. The income statements by segment include internal items such as internal

interest, commissions and payment for internal services rendered, primarily according to the cost price principle. The part of Capital Markets' operating profit that does not involve risk-taking is distributed to the branches that are responsible for the customers.

## Branch office operations in Sweden

Branch office operations in Sweden comprise six regional banks, as well as Handelsbanken Finans's and Stadshypotek's operations in Sweden. At Handelsbanken, the branches are the base of all operations, with responsibility for all customers of the Bank. The regional banks offer a full range of banking services at 461 branches throughout Sweden. Handelsbanken Finans offers a full range of finance company services and works through the Bank's branches. Stadshypotek is the Bank's mortgage company, and is completely integrated with the branch operations.

### INCOME STATEMENT

SEK m	Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
Net interest income	4,094	4,281	-4%	4,148	-1%	4,094	4,281	-4%	16,781
Net fee and commission income	826	849	-3%	847	-2%	826	849	-3%	3,375
Net result of financial transactions	116	156	-26%	151	-23%	116	156	-26%	579
Other income	7	7	0%	7	0%	7	7	0%	18
<b>Total income</b>	<b>5,043</b>	<b>5,293</b>	<b>-5%</b>	<b>5,153</b>	<b>-2%</b>	<b>5,043</b>	<b>5,293</b>	<b>-5%</b>	<b>20,753</b>
Staff costs	-833	-801	4%	-782	7%	-833	-801	4%	-3,157
Other administrative expenses	-302	-267	13%	-358	-16%	-302	-267	13%	-1,218
Internal purchased and sold services	-768	-700	10%	-766	0%	-768	-700	10%	-2,828
Depreciation and amortisation	-20	-22	-9%	-25	-20%	-20	-22	-9%	-90
<b>Total expenses</b>	<b>-1,923</b>	<b>-1,790</b>	<b>7%</b>	<b>-1,931</b>	<b>0%</b>	<b>-1,923</b>	<b>-1,790</b>	<b>7%</b>	<b>-7,293</b>
<b>Profit before loan losses</b>	<b>3,120</b>	<b>3,503</b>	<b>-11%</b>	<b>3,222</b>	<b>-3%</b>	<b>3,120</b>	<b>3,503</b>	<b>-11%</b>	<b>13,460</b>
Net loan losses	-103	-75	37%	-155	-34%	-103	-75	37%	-420
Gains/losses on disposal of property, equipment and intangible assets	1	0		0		1	0		0
<b>Operating profit</b>	<b>3,018</b>	<b>3,428</b>	<b>-12%</b>	<b>3,067</b>	<b>-2%</b>	<b>3,018</b>	<b>3,428</b>	<b>-12%</b>	<b>13,040</b>
Profit allocation	162	137	18%	197	-18%	162	137	18%	641
<b>Operating profit after profit allocation</b>	<b>3,180</b>	<b>3,565</b>	<b>-11%</b>	<b>3,264</b>	<b>-3%</b>	<b>3,180</b>	<b>3,565</b>	<b>-11%</b>	<b>13,681</b>
Internal income	-529	-921	43%	-462	-15%	-529	-921	43%	-2,828
Cost/income ratio, %	36.9	33.0		36.1		36.9	33.0		34.1
Loan loss ratio, %	0.04	0.03		0.06		0.04	0.03		0.04
Allocated capital	60,084	54,849	10%	57,244	5%	60,084	54,849	10%	57,244
Return on allocated capital, %	16.5	19.2		16.8		16.5	19.2		18.5
Average number of employees	4,347	4,361	0%	4,332	0%	4,347	4,361	0%	4,378
Number of branches	461	461	0%	461	0%	461	461	0%	461

### BUSINESS VOLUMES

Average volumes, SEK bn	Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
Loans to the public*									
Household	602	582	3%	595	1%	602	582	3%	587
of which mortgage loans	548	528	4%	542	1%	548	528	4%	534
Corporate	482	480	0%	480	0%	482	480	0%	481
of which mortgage loans	239	224	7%	232	3%	239	224	7%	226
<b>Total</b>	<b>1,084</b>	<b>1,062</b>	<b>2%</b>	<b>1,075</b>	<b>1%</b>	<b>1,084</b>	<b>1,062</b>	<b>2%</b>	<b>1,068</b>
Deposits and borrowing from the public									
Household	213	203	5%	212	0%	213	203	5%	207
Corporate	168	166	1%	165	2%	168	166	1%	164
<b>Total</b>	<b>381</b>	<b>369</b>	<b>3%</b>	<b>377</b>	<b>1%</b>	<b>381</b>	<b>369</b>	<b>3%</b>	<b>371</b>

\* Excluding loans to the National Debt Office.

## JANUARY– MARCH 2013 COMPARED WITH JANUARY – MARCH 2012

### Financial performance

Operating profit fell by 12 per cent to SEK 3,018 million (3,428), due to lower net interest income and higher expenses.

Net interest income decreased by SEK 187 million, or 4 per cent, to SEK 4,094 million (4,281), as a result of falling deposit margins reducing net interest income by SEK 506 million. Greater deposit and lending volumes increased net interest income by SEK 83 million, while improved lending margins made a SEK 155 million contribution. The fees to the Stabilisation Fund and the deposit guarantee fell by SEK 33 million and burdened net interest income by SEK -159 million (-192). The benchmark effect in Stadshypotek was SEK 24 million (-11).

Net fee and commission income fell by 3 per cent to SEK 826 million (849), mainly due to lower lending commissions and lower brokerage. Mutual fund commissions increased.

Lower foreign exchange-related earnings contributed to net gains/losses on financial transactions decreasing by 40 per cent to SEK 116 million (156).

Total expenses rose by 7 per cent to SEK -1,923 million (-1,790), chiefly due to annual salary adjustments, as well as to increasing costs for IT development and premises. The cost/income ratio was 36.9 per cent (33.0).

Loan losses were SEK -103 million (-75), and the loan loss ratio was 0.04 per cent (0.03).

### Business development

The average volume of deposits from households continued to increase, amounting to SEK 213 billion (203), a rise of 5 per cent from the previous year. At the same time, figures from Svensk Fondstatistik showed that Handelsbanken's share of the mutual fund market continued to grow. During the first quarter of the year, net new savings in the Bank's mutual funds in Sweden amounted to SEK 4.3 billion, corresponding to a market share of 16.4 per cent.

The average volume of mortgage loans to private individuals increased by 4 per cent to SEK 548 billion (528), while the average volume of corporate lending grew by SEK 2 billion to SEK 482 billion (480).

According to the SIFO Reputation Index published in April, Handelsbanken is one of the ten companies in Sweden with the best reputation. The Bank's index score of 60 can be compared with those of the other three major Swedish banks, which are between 25 and 41. Fifty-nine per cent of Handelsbanken's customers

have a high degree of confidence in the Bank, which is a higher percentage than for major competitors. The Bank's customers also think that Handelsbanken's services are of high quality. This positive picture is corroborated by a survey conducted by Straylight in which decision-makers were asked to what extent they would recommend various brands to their employers. No fewer than 40 per cent of the decision-makers would recommend Handelsbanken to their employers. This is a significantly higher proportion than for any other bank.

### Q1 2013 COMPARED WITH Q4 2012

Operating profit decreased by 2 per cent to SEK 3,018 million (3,067) due to lower income.

Net interest income declined by 1 per cent compared with the previous quarter to SEK 4,094 million (4,148). Income from deposit margins declined by SEK 73 million as a result of falling short-term interest rates. The negative effect was offset slightly by increasing deposit and lending volumes and a SEK 8 million improvement in lending margins. Fees for the Swedish Stabilisation Fund and the deposit guarantee increased to SEK -159 million (-149), and the benchmark effect in Stadshypotek rose to SEK 24 million (-16).

Lending to households continued to grow and the average volume of mortgage loans to private customers increased to SEK 548 billion (542). The gross margin on the mortgage portfolio – before advisory, administration and other expenses – was stable, amounting to 0.88 per cent (0.89) during the first quarter. The average volume of corporate lending increased to SEK 482 billion (480).

Net fee and commission income declined by SEK 21 million, or 2 per cent, to SEK 826 million (847), primarily because payment commissions (mainly card commissions) are seasonally higher in the quarter of comparison. Securities commissions rose by SEK 34 million.

Net gains/losses on financial transactions decreased to SEK 116 million (151), chiefly as a result of lower early redemption charges.

Total expenses decreased to SEK -1,923 million (-1,931), since other administrative expenses are seasonally higher in the fourth quarter of the year. Staff costs rose by 7 per cent to SEK -833 million (-782), chiefly as a result of annual salary adjustments and increased pension expenses. The average number of employees rose by 15. Compared with the corresponding quarter of the previous year, the average number of employees fell by 14.

Loan losses went down to SEK -103 million (-155) and the loan loss ratio fell to 0.04 per cent (0.06).

## Branch office operations in the UK

The branch office operations in the UK comprise four regional banks and Handelsbanken Finans's operations in the UK. At Handelsbanken, the branches are the base of all operations, with responsibility for all customers. The regional banks offer banking services at 138 branches throughout the UK.

### INCOME STATEMENT

SEK m	Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
Net interest income	592	477	24%	602	-2%	592	477	24%	2,142
Net fee and commission income	25	23	9%	21	19%	25	23	9%	94
Net result of financial transactions	23	22	5%	24	-4%	23	22	5%	91
Other income	3	4	-25%	3	0%	3	4	-25%	15
<b>Total income</b>	<b>643</b>	<b>526</b>	<b>22%</b>	<b>650</b>	<b>-1%</b>	<b>643</b>	<b>526</b>	<b>22%</b>	<b>2,342</b>
Staff costs	-220	-183	20%	-210	5%	-220	-183	20%	-793
Other administrative expenses	-56	-42	33%	-49	14%	-56	-42	33%	-178
Internal purchased and sold services	-72	-49	47%	-56	29%	-72	-49	47%	-201
Depreciation and amortisation	-7	-4	75%	-3	133%	-7	-4	75%	-12
<b>Total expenses</b>	<b>-355</b>	<b>-278</b>	<b>28%</b>	<b>-318</b>	<b>12%</b>	<b>-355</b>	<b>-278</b>	<b>28%</b>	<b>-1,184</b>
<b>Profit before loan losses</b>	<b>288</b>	<b>248</b>	<b>16%</b>	<b>332</b>	<b>-13%</b>	<b>288</b>	<b>248</b>	<b>16%</b>	<b>1,158</b>
Net loan losses	-55	0		-101	-46%	-55	0		-151
Gains/losses on disposal of property, equipment and intangible assets	0	0	0%	-1		0	0	0%	-1
<b>Operating profit</b>	<b>233</b>	<b>248</b>	<b>-6%</b>	<b>230</b>	<b>1%</b>	<b>233</b>	<b>248</b>	<b>-6%</b>	<b>1,006</b>
Profit allocation	4	3	33%	6	-33%	4	3	33%	15
<b>Operating profit after profit allocation</b>	<b>237</b>	<b>251</b>	<b>-6%</b>	<b>236</b>	<b>0%</b>	<b>237</b>	<b>251</b>	<b>-6%</b>	<b>1,021</b>
Internal income	-291	-325	10%	-302	4%	-291	-325	10%	-1,308
Cost/income ratio, %	54.9	52.6		48.5		54.9	52.6		50.2
Loan loss ratio, %	0.19	0.00		0.43		0.19	0.00		0.16
Allocated capital	6,500	4,674	39%	5,878	11%	6,500	4,674	39%	5,878
Return on allocated capital, %	11.4	15.9		11.8		11.4	15.9		13.9
Average number of employees	1,102	873	26%	1,022	8%	1,102	873	26%	944
Number of branches	138	112	23%	133	4%	138	112	23%	133

### BUSINESS VOLUMES

Average volumes, GBP m	Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
Loans to the public									
Household	2,963	2,318	28%	2,780	7%	2,963	2,318	28%	2,537
Corporate	8,021	6,468	24%	7,703	4%	8,021	6,468	24%	7,119
<b>Total</b>	<b>10,984</b>	<b>8,786</b>	<b>25%</b>	<b>10,483</b>	<b>5%</b>	<b>10,984</b>	<b>8,786</b>	<b>25%</b>	<b>9,656</b>
Deposits and borrowing from the public									
Household	548	415	32%	508	8%	548	415	32%	463
Corporate	2,288	1,926	19%	2,586	-12%	2,288	1,926	19%	2,326
<b>Total</b>	<b>2,836</b>	<b>2,341</b>	<b>21%</b>	<b>3,094</b>	<b>-8%</b>	<b>2,836</b>	<b>2,341</b>	<b>21%</b>	<b>2,789</b>

## JANUARY– MARCH 2013 COMPARED WITH JANUARY – MARCH 2012

### Financial performance

Operating profit declined by 6 per cent to SEK 233 million (248), as a result of the strengthening of the Swedish krona and increased loan losses. Exchange rate movements accounted for SEK -11 million.

The operating profit before loan losses went up by 16 per cent to SEK 288 million (248) as a result of the continued expansion, with increasing business volumes and a larger number of customers. Adjusted for exchange rate effects, profit before loan losses rose by 23 per cent.

Income increased by 22 per cent and net interest income grew by 24 per cent to SEK 592 million (477), mainly due to larger business volumes. Adjusted for exchange rate effects, net interest income in local currency terms rose by 32 per cent.

Net fee and commission income rose by 9 per cent to SEK 25 million (23) due to larger business volumes contributing to increased payment commissions. Net gains/losses on financial transactions also grew as a result of an increase in the number of customer transactions and amounted to SEK 23 million (22).

Expenses rose by 28 per cent to SEK -355 million (-278). Non-recurring expenses in conjunction with the acquisition of the asset management company Heartwood Wealth Group Ltd, as well as the establishment of a fourth regional bank, amounted to just over SEK 20 million and accounted for around seven percentage points of the increase in expenses. The average number of employees increased by 26 per cent to 1,102 (873).

Loan losses amounted to SEK -55 million (0), which corresponds to a loan loss ratio of 0.19 per cent (0.00).

### Business development

Business volumes continued to grow: the average volume of lending rose by 25 per cent, while deposits increased by 21 per cent.

On 1 January 2013, a fourth regional bank was formed, with its head office in Bristol. During the first quarter of the year, five new branches were opened and by the end of the quarter, the Bank had a total of 138 UK branches. In addition, managers have been recruited for another 14 forthcoming branches.

In the first quarter, as previously announced, the Bank agreed to acquire the asset management company Heartwood Wealth Group Ltd, with assets under management of some GBP 1.5 billion. This acquisition will allow the Bank to expand its customer offering and take a major step forward for further growth in its savings business.

### Q1 2013 COMPARED WITH Q4 2012

Operating profit increased by 1 per cent to SEK 233 million (230). Adjusted for exchange rate effects, profit rose by 8 per cent. In local currency, income rose by 6 per cent.

Net interest income decreased by SEK 10 million, or 2 per cent, to SEK 592 million (602), but adjusted for exchange rate effects the increase was 5 per cent. The fact that there were fewer days in the first quarter had a SEK -10 million negative impact on net interest income.

Expenses increased by SEK 37 million to SEK -355 million (-318), chiefly due to the continuing expansion, including the establishment of five new branches and a new regional head office, as well as costs in conjunction with the acquisition of Heartwood, which is expected to be completed during the second quarter. The average number of employees increased by 8 per cent to 1,102 (1,022).

Loan losses went down to SEK -55 million (-101), and the loan loss ratio was 0.19 per cent (0.43).

## Branch office operations in Denmark

Branch office operations in Denmark comprise the regional bank, as well as Handelsbanken Finans's and Stadshypotek's operations in Denmark. At Handelsbanken, the branches are the base of all operations, with responsibility for all customers. The regional bank offers a full range of banking services at 55 branches throughout Denmark. Handelsbanken Finans offers finance company services and works through the Bank's branches. The mortgage operations at Stadshypotek are fully integrated with the branch operations.

### INCOME STATEMENT

SEK m	Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
Net interest income	356	339	5%	360	-1%	356	339	5%	1,397
Net fee and commission income	81	75	8%	73	11%	81	75	8%	290
Net result of financial transactions	8	10	-20%	14	-43%	8	10	-20%	55
Other income	5	4	25%	5	0%	5	4	25%	19
<b>Total income</b>	<b>450</b>	<b>428</b>	<b>5%</b>	<b>452</b>	<b>0%</b>	<b>450</b>	<b>428</b>	<b>5%</b>	<b>1,761</b>
Staff costs	-130	-135	-4%	-137	-5%	-130	-135	-4%	-537
Other administrative expenses	-46	-41	12%	-50	-8%	-46	-41	12%	-173
Internal purchased and sold services	-63	-57	11%	-59	7%	-63	-57	11%	-235
Depreciation and amortisation	-4	-4	0%	-4	0%	-4	-4	0%	-16
<b>Total expenses</b>	<b>-243</b>	<b>-237</b>	<b>3%</b>	<b>-250</b>	<b>-3%</b>	<b>-243</b>	<b>-237</b>	<b>3%</b>	<b>-961</b>
<b>Profit before loan losses</b>	<b>207</b>	<b>191</b>	<b>8%</b>	<b>202</b>	<b>2%</b>	<b>207</b>	<b>191</b>	<b>8%</b>	<b>800</b>
Net loan losses	-30	-144	-79%	-87	-66%	-30	-144	-79%	-368
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>177</b>	<b>47</b>	<b>277%</b>	<b>115</b>	<b>54%</b>	<b>177</b>	<b>47</b>	<b>277%</b>	<b>432</b>
Profit allocation	8	6	33%	10	-20%	8	6	33%	27
<b>Operating profit after profit allocation</b>	<b>185</b>	<b>53</b>	<b>249%</b>	<b>125</b>	<b>48%</b>	<b>185</b>	<b>53</b>	<b>249%</b>	<b>459</b>
Internal income	-106	-163	35%	-97	-9%	-106	-163	35%	-538
Cost/income ratio, %	53.1	54.6		54.1		53.1	54.6		53.7
Loan loss ratio, %	0.19	0.95		0.58		0.19	0.95		0.61
Allocated capital	5,268	3,999	32%	4,926	7%	5,268	3,999	32%	4,926
Return on allocated capital, %	10.9	4.0		7.4		10.9	4.0		7.3
Average number of employees	619	619	0%	618	0%	619	619	0%	617
Number of branches	55	54	2%	54	2%	55	54	2%	54

### BUSINESS VOLUMES

Average volumes, DKK bn	Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
Loans to the public									
Household	27.9	23.9	17%	26.6	5%	27.9	23.9	17%	25.5
Corporate	30.7	26.9	14%	27.7	11%	30.7	26.9	14%	27.4
<b>Total</b>	<b>58.6</b>	<b>50.8</b>	<b>15%</b>	<b>54.3</b>	<b>8%</b>	<b>58.6</b>	<b>50.8</b>	<b>15%</b>	<b>52.9</b>
Deposits and borrowing from the public									
Household	8.9	8.4	6%	8.8	1%	8.9	8.4	6%	8.7
Corporate	14.8	13.2	12%	14.9	-1%	14.8	13.2	12%	13.6
<b>Total</b>	<b>23.7</b>	<b>21.6</b>	<b>10%</b>	<b>23.7</b>	<b>0%</b>	<b>23.7</b>	<b>21.6</b>	<b>10%</b>	<b>22.3</b>

## JANUARY – MARCH 2013 COMPARED WITH JANUARY – MARCH 2012

### Financial performance

Operating profit rose by SEK 130 million to SEK 177 million (47), chiefly due to lower loan losses. Profit before loan losses increased by 8 per cent, or SEK 16 million, to SEK 207 million (191). Income increased by 5 per cent, while expenses rose by 3 per cent. The stronger Swedish krona had a negative impact on profits, and adjusted for exchange rate effects, profit before loan losses improved by 14 per cent.

Net interest income rose by 5 per cent, or SEK 17 million, to SEK 356 million (339). In local currency, the increase was 9 per cent and was due to higher business volumes. Lower deposit margins owing to falling interest rates had a SEK -26 million negative effect on net interest income. Fees for the Swedish Stabilisation Fund and the deposit guarantee, together with the Danish state deposit guarantee, burdened net interest income by SEK -11 million (-13).

Expenses rose by SEK 6 million, or 3 per cent, to SEK -243 million (-237), chiefly as a result of higher IT expenses. The average number of employees was unchanged.

Loan losses decreased to SEK -30 million (-144), which corresponds to a loan loss ratio of 0.19 per cent (0.95).

### Business development

The Bank continued to have a stable inflow of new customers. The average volume of lending increased by 15 per cent to DKK 58.6 billion (50.8). The Bank's lending to households increased by 17 per cent and corporate lending increased by 14 per cent. The average volume of deposits from the public grew by 10 per cent to DKK 23.7 billion (21.6).

During the quarter, a new branch was opened in Charlottenlund, in north Copenhagen. This brings the Bank's total number of branches in Denmark to 55.

### Q1 2013 COMPARED WITH Q4 2012

Operating profit improved by 54 per cent to SEK 177 million (115), chiefly due to lower loan losses. Profit before loan losses increased by 2 per cent.

Income was more or less unchanged, but adjusted for exchange rate effects it grew by just over 1 per cent.

Adjusted for exchange rate effects, net interest income was more or less unchanged. The fact that there were fewer days in the first quarter had a SEK -6 million negative impact on net interest income. Adjusted for both these effects, net interest income grew by 3 per cent. Lending volumes rose during the quarter, whilst deposit volumes remained unchanged. The average volume of lending rose by 11 per cent to companies, and by 5 per cent to households.

Expenses decreased by 3 per cent to SEK -243 million (-250), due to seasonally higher costs in the comparison quarter. Expressed in local currency, the decrease in expenses was 2 per cent.

Loan losses went down to SEK -30 million (-87), and the loan loss ratio was 0.19 per cent (0.58).

## Branch office operations in Finland

Branch office operations in Finland comprise the regional bank, as well as Handelsbanken Finans's and Stadshypotek's operations in Finland. At Handelsbanken, the branches are the base of all operations, with responsibility for all customers. The regional bank offers a full range of banking services at 45 branches throughout Finland. Handelsbanken Finans offers finance company services and works through the Bank's branches. The mortgage operations at Stadshypotek are fully integrated with the branch operations.

### INCOME STATEMENT

SEK m	Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
Net interest income	273	255	7%	277	-1%	273	255	7%	1,032
Net fee and commission income	99	92	8%	107	-7%	99	92	8%	375
Net result of financial transactions	9	10	-10%	7	29%	9	10	-10%	30
Other income	2	3	-33%	0		2	3	-33%	5
<b>Total income</b>	<b>383</b>	<b>360</b>	<b>6%</b>	<b>391</b>	<b>-2%</b>	<b>383</b>	<b>360</b>	<b>6%</b>	<b>1,442</b>
Staff costs	-83	-81	2%	-86	-3%	-83	-81	2%	-326
Other administrative expenses	-34	-36	-6%	-43	-21%	-34	-36	-6%	-143
Internal purchased and sold services	-58	-47	23%	-65	-11%	-58	-47	23%	-208
Depreciation and amortisation	-4	-6	-33%	-5	-20%	-4	-6	-33%	-21
<b>Total expenses</b>	<b>-179</b>	<b>-170</b>	<b>5%</b>	<b>-199</b>	<b>-10%</b>	<b>-179</b>	<b>-170</b>	<b>5%</b>	<b>-698</b>
<b>Profit before loan losses</b>	<b>204</b>	<b>190</b>	<b>7%</b>	<b>192</b>	<b>6%</b>	<b>204</b>	<b>190</b>	<b>7%</b>	<b>744</b>
Net loan losses	-36	-35	3%	-58	-38%	-36	-35	3%	-128
Gains/losses on disposal of property, equipment and intangible assets	-	0		0		-	0		0
<b>Operating profit</b>	<b>168</b>	<b>155</b>	<b>8%</b>	<b>134</b>	<b>25%</b>	<b>168</b>	<b>155</b>	<b>8%</b>	<b>616</b>
Profit allocation	11	8	38%	18	-39%	11	8	38%	44
<b>Operating profit after profit allocation</b>	<b>179</b>	<b>163</b>	<b>10%</b>	<b>152</b>	<b>18%</b>	<b>179</b>	<b>163</b>	<b>10%</b>	<b>660</b>
Internal income	33	-27		48	-31%	33	-27		-39
Cost/income ratio, %	45.4	46.2		48.7		45.4	46.2		47.0
Loan loss ratio, %	0.26	0.26		0.43		0.26	0.26		0.24
Allocated capital	5,854	4,378	34%	5,427	8%	5,854	4,378	34%	5,427
Return on allocated capital, %	9.5	10.9		8.3		9.5	10.9		9.8
Average number of employees	477	465	3%	472	1%	477	465	3%	478
Number of branches	45	45	0%	45	0%	45	45	0%	45

### BUSINESS VOLUMES

Average volumes, EUR m	Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
Loans to the public									
Household	3,598	3,260	10%	3,534	2%	3,598	3,260	10%	3,480
Corporate	7,807	6,823	14%	7,524	4%	7,807	6,823	14%	7,152
<b>Total</b>	<b>11,405</b>	<b>10,083</b>	<b>13%</b>	<b>11,058</b>	<b>3%</b>	<b>11,405</b>	<b>10,083</b>	<b>13%</b>	<b>10,632</b>
Deposits and borrowing from the public									
Household	1,271	1,324	-4%	1,277	0%	1,271	1,324	-4%	1,287
Corporate	1,546	2,318	-33%	1,949	-21%	1,546	2,318	-33%	2,135
<b>Total</b>	<b>2,817</b>	<b>3,642</b>	<b>-23%</b>	<b>3,226</b>	<b>-13%</b>	<b>2,817</b>	<b>3,642</b>	<b>-23%</b>	<b>3,422</b>

## JANUARY – MARCH 2013 COMPARED WITH JANUARY – MARCH 2012

### Financial performance

Operating profit improved by 8 per cent to SEK 168 million (155) as a result of rising net interest income.

Net interest income went up by SEK 18 million, or 7 per cent, as a result of growing volumes and higher lending margins. In local currency, net interest income rose by 12 per cent. The fee to the Stabilisation Fund burdened net interest income by SEK -9 million (-11).

Net fee and commission income increased by 8 per cent to SEK 99 million (92), due to higher commissions from lending and securities. Net gains/losses on financial transactions decreased to SEK 9 million (10).

Total expenses rose by 5 per cent to SEK 179 million (170). Staff costs rose, due partly to contractual salary increases, and partly to a rise of 12 in the average number of employees (3 per cent).

Loan losses were SEK -36 million (-35), and the loan loss ratio was unchanged at 0.26 per cent (0.26).

### Business development

The average volume of lending increased by 13 per cent from the previous year. Corporate lending grew by 14 per cent, while lending to households increased by 10 per cent.

The average volume of deposits from households decreased by 4 per cent, while corporate deposits declined by 33 per cent.

### Q1 2013 COMPARED WITH Q4 2012

Operating profit rose by 25 per cent to SEK 168 million (134), due to lower expenses and lower loan losses.

Profit before loan losses increased by SEK 12 million, or 6 per cent.

Net interest income declined by SEK 4 million, or 1 per cent, to SEK 273 million (277). In local currency, net interest income rose by 1 per cent. The fact that there were fewer days in the first quarter had a SEK -5 million negative impact on net interest income.

Expenses decreased by SEK 20 million to SEK -179 million (-199), mainly because expenses were seasonally higher during the quarter of comparison. Loan losses went down to SEK -36 million (-58) and the loan loss ratio fell to 0.26 per cent (0.43).

## Branch office operations in Norway

Branch office operations in Norway comprise the regional bank, as well as Handelsbanken Finans's and Stadshypotek's operations in Norway. At Handelsbanken, the branches are the base of all operations, with responsibility for all customers. The regional bank offers a full range of banking services at 49 branches throughout Norway. Handelsbanken Finans offers finance company services and works through the Bank's branches. The mortgage operations at Stadshypotek are fully integrated with the branch operations.

### INCOME STATEMENT

SEK m	Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
Net interest income	849	693	23%	865	-2%	849	693	23%	3,098
Net fee and commission income	86	64	34%	95	-9%	86	64	34%	329
Net result of financial transactions	19	24	-21%	21	-10%	19	24	-21%	87
Other income	3	8	-63%	-5		3	8	-63%	15
<b>Total income</b>	<b>957</b>	<b>789</b>	<b>21%</b>	<b>976</b>	<b>-2%</b>	<b>957</b>	<b>789</b>	<b>21%</b>	<b>3,529</b>
Staff costs	-171	-173	-1%	-182	-6%	-171	-173	-1%	-700
Other administrative expenses	-59	-58	2%	-63	-6%	-59	-58	2%	-235
Internal purchased and sold services	-86	-78	10%	-98	-12%	-86	-78	10%	-316
Depreciation and amortisation	-3	-3	0%	-3	0%	-3	-3	0%	-12
<b>Total expenses</b>	<b>-319</b>	<b>-312</b>	<b>2%</b>	<b>-346</b>	<b>-8%</b>	<b>-319</b>	<b>-312</b>	<b>2%</b>	<b>-1,263</b>
<b>Profit before loan losses</b>	<b>638</b>	<b>477</b>	<b>34%</b>	<b>630</b>	<b>1%</b>	<b>638</b>	<b>477</b>	<b>34%</b>	<b>2,266</b>
Net loan losses	-63	-37	70%	-59	7%	-63	-37	70%	-200
Gains/losses on disposal of property, equipment and intangible assets	0	0		0		0	0		0
<b>Operating profit</b>	<b>575</b>	<b>440</b>	<b>31%</b>	<b>571</b>	<b>1%</b>	<b>575</b>	<b>440</b>	<b>31%</b>	<b>2,066</b>
Profit allocation	6	7	-14%	12	-50%	6	7	-14%	31
<b>Operating profit after profit allocation</b>	<b>581</b>	<b>447</b>	<b>30%</b>	<b>583</b>	<b>0%</b>	<b>581</b>	<b>447</b>	<b>30%</b>	<b>2,097</b>
Internal income	-878	-1,141	23%	-947	7%	-878	-1,141	23%	-4,131
Cost/income ratio, %	33.1	39.2		35.0		33.1	39.2		35.5
Loan loss ratio, %	0.12	0.08		0.13		0.12	0.08		0.1
Allocated capital	12,689	10,830	17%	11,873	7%	12,689	10,830	17%	11,873
Return on allocated capital, %	14.3	12.2		14.5		14.3	12.2		13.5
Average number of employees	644	652	-1%	640	1%	644	652	-1%	647
Number of branches	49	50	-2%	49	0%	49	50	-2%	49

### BUSINESS VOLUMES

Average volumes, NOK bn	Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
Loans to the public									
Household	70.3	66.1	6%	69.3	1%	70.3	66.1	6%	67.9
Corporate	109.9	105.4	4%	109.6	0%	109.9	105.4	4%	106.9
<b>Total</b>	<b>180.2</b>	<b>171.5</b>	<b>5%</b>	<b>178.9</b>	<b>1%</b>	<b>180.2</b>	<b>171.5</b>	<b>5%</b>	<b>174.8</b>
Deposits and borrowing from the public									
Household	13.5	12.1	12%	13.2	2%	13.5	12.1	12%	13.3
Corporate	38.7	38.8	0%	38.7	0%	38.7	38.8	0%	36.2
<b>Total</b>	<b>52.2</b>	<b>50.9</b>	<b>3%</b>	<b>51.9</b>	<b>1%</b>	<b>52.2</b>	<b>50.9</b>	<b>3%</b>	<b>49.5</b>

## JANUARY – MARCH 2013 COMPARED WITH JANUARY – MARCH 2012

### Financial performance

Operating profit rose by 31 per cent to SEK 575 million (440), mainly due to higher net interest income. Income grew by 21 per cent while expenses increased by only 2 per cent. Exchange rate effects reduced operating profit by SEK 7 million.

Net interest income increased by 23 per cent, or SEK 156 million, due mainly to higher lending margins but also to increasing business volumes. The fee for the Swedish Stabilisation Fund burdened net interest income by SEK -20 million (-25).

Net fee and commission income increased by 34 per cent to SEK 86 million (64), chiefly due to higher commissions on lending and payments.

Expenses rose by 2 per cent, to SEK -319 million (-312). Expenses, adjusted for the effects of exchange rate movements, went up by 4 per cent. Staff costs decreased by 1 per cent, and the total increase in expenses was attributable to rising costs for internally purchased services.

Loan losses increased to SEK -63 million (-37), and the loan loss ratio was 0.12 per cent (0.08).

### Business development

Business volumes continued to grow. The average volume of lending rose by 5 per cent, with household lending increasing by 6 per cent and corporate lending by 4 per cent.

The average volume of household deposits grew by 12 per cent, whereas deposits from corporate customers were virtually unchanged.

### Q1 2013 COMPARED WITH Q4 2012

Operating profit increased by 1 per cent to SEK 575 million (571). Adjusted for the appreciation of the Swedish krona, operating profit grew by 3 per cent to their highest ever level for a single quarter.

Net interest income decreased by 2 per cent, or SEK 16 million, to SEK 849 million (865). Exchange rate movements had a negative effect, and in local currency, net interest income was unchanged. The fact that there were fewer days in the first quarter had a SEK -14 million negative impact on net interest income.

Net fee and commission income decreased by 9 per cent to SEK 86 million (95), partly due to lower payment commissions.

Expenses decreased by 8 per cent to SEK -319 million (-346). Adjusted for exchange rate effects, the expenses decrease was 6 per cent, chiefly due to seasonally high costs in the comparison quarter.

Loan losses increased to SEK -63 million (-59) and the loan loss ratio was 0.12 per cent (0.13).

## Branch office operations in the Netherlands

Since 1 January 2013, branch operations in the Netherlands are organised as a separate regional bank. At Handelsbanken, the branches are the base of all operations, with responsibility for all customers. The regional bank offers a full range of banking services at 15 branches throughout the Netherlands.

### INCOME STATEMENT

SEK m	Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
Net interest income	50	40	25%	48	4%	50	40	25%	177
Net fee and commission income	6	7	-14%	6	0%	6	7	-14%	26
Net result of financial transactions	0	0	0%	1	-100%	0	0	0%	2
Other income	-	-	-	-	-	-	-	-	-
<b>Total income</b>	<b>56</b>	<b>47</b>	<b>19%</b>	<b>55</b>	<b>2%</b>	<b>56</b>	<b>47</b>	<b>19%</b>	<b>205</b>
Staff costs	-22	-18	22%	-21	5%	-22	-18	22%	-77
Other administrative expenses	-5	-3	67%	-6	-17%	-5	-3	67%	-18
Internal purchased and sold services	-11	-7	57%	-12	-8%	-11	-7	57%	-37
Depreciation and amortisation	0	-1	-	-6	-	0	-1	-	-7
<b>Total expenses</b>	<b>-38</b>	<b>-29</b>	<b>31%</b>	<b>-45</b>	<b>-16%</b>	<b>-38</b>	<b>-29</b>	<b>31%</b>	<b>-139</b>
<b>Profit before loan losses</b>	<b>18</b>	<b>18</b>	<b>0%</b>	<b>10</b>	<b>80%</b>	<b>18</b>	<b>18</b>	<b>0%</b>	<b>66</b>
Net loan losses	-	-	-	-	-	-	-	-	-
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>18</b>	<b>18</b>	<b>0%</b>	<b>10</b>	<b>80%</b>	<b>18</b>	<b>18</b>	<b>0%</b>	<b>66</b>
Profit allocation	2	0	-	0	-	2	0	-	1
<b>Operating profit after profit allocation</b>	<b>20</b>	<b>18</b>	<b>11%</b>	<b>10</b>	<b>100%</b>	<b>20</b>	<b>18</b>	<b>11%</b>	<b>67</b>
Internal income	-35	-64	45%	-57	39%	-35	-64	45%	-235
Cost/income ratio, %	65.5	61.7	-	81.8	-	65.5	61.7	-	67.5
Loan loss ratio, %	-	-	-	-	-	-	-	-	-
Allocated capital	745	350	113%	540	38%	745	350	113%	540
Return on allocated capital, %	8.5	15.5	-	6.5	-	8.5	15.5	-	10.4
Average number of employees	95	76	26%	91	4%	95	76	26%	82
Number of branches	15	11	36%	13	15%	15	11	36%	13

### BUSINESS VOLUMES

Average volumes, EUR m	Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
Loans to the public									
Household	389	175	122%	313	24%	389	175	122%	240
Corporate	1,226	1,404	-13%	1,325	-7%	1,226	1,404	-13%	1,417
<b>Total</b>	<b>1,615</b>	<b>1,579</b>	<b>2%</b>	<b>1,638</b>	<b>-1%</b>	<b>1,615</b>	<b>1,579</b>	<b>2%</b>	<b>1,657</b>
Deposits and borrowing from the public									
Household	24	10	140%	22	9%	24	10	140%	17
Corporate	639	496	29%	499	28%	639	496	29%	633
<b>Total</b>	<b>663</b>	<b>506</b>	<b>31%</b>	<b>521</b>	<b>27%</b>	<b>663</b>	<b>506</b>	<b>31%</b>	<b>650</b>

## JANUARY – MARCH 2013 COMPARED WITH JANUARY – MARCH 2012

### Financial performance

Operating profit was unchanged at SEK 18 million (18). Exchange rate movements had a negative effect of SEK -1 million on profits, and in local currency, operating profit increased by 5 per cent. Income rose by 19 per cent, while expenses went up by 31 per cent.

Net interest income rose by 25 per cent to SEK 50 million (40), due to growing business volumes.

Expenses increased to SEK -38 million (-29), as a result of the branch network expansion.

No loan losses were recorded during the period (-).

### Business development

At the beginning of 2013 the Bank decided to establish a regional bank in the Netherlands, at the same time designating the Dutch market as the Group's sixth home market. At the end of the first quarter, the Bank had 15 branches in the Netherlands, two of which were opened during the quarter.

Average deposit volumes grew by 31 per cent to EUR 663 million (506), while lending volumes increased by 2 per cent to EUR 1,615 million (1,579). Business volumes as regards households more than doubled: household deposits grew by 140 per cent, and the average volume of lending to households increased by 122 per cent.

## Q1 2013 COMPARED WITH Q4 2012

Operating profit increased by SEK 8 million to SEK 18 million (10). This profit improvement was attributable partly to higher net interest income, and partly to the fact that the comparison quarter had been charged with non-recurring expenses.

Net interest income increased by 4 per cent to SEK 50 million (48). No loan losses were recorded during the period. (-).

# Handelsbanken International

Handelsbanken International's main task is to support the Bank's home market customers outside their home markets. The Bank has operations in 28 locations in 18 countries outside its home markets.

## INCOME STATEMENT

SEK m	Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
Net interest income	153	201	-24%	166	-8%	153	201	-24%	766
Net fee and commission income	81	93	-13%	81	0%	81	93	-13%	328
Net result of financial transactions	16	26	-38%	18	-11%	16	26	-38%	86
Other income	3	1	200%	-1		3	1	200%	2
<b>Total income</b>	<b>253</b>	<b>321</b>	<b>-21%</b>	<b>264</b>	<b>-4%</b>	<b>253</b>	<b>321</b>	<b>-21%</b>	<b>1,182</b>
Staff costs	-130	-132	-2%	-140	-7%	-130	-132	-2%	-526
Other administrative expenses	-38	-48	-21%	-50	-24%	-38	-48	-21%	-192
Internal purchased and sold services	-35	-32	9%	-26	35%	-35	-32	9%	-108
Depreciation and amortisation	-3	-2	50%	-2	50%	-3	-2	50%	-13
<b>Total expenses</b>	<b>-206</b>	<b>-214</b>	<b>-4%</b>	<b>-218</b>	<b>-6%</b>	<b>-206</b>	<b>-214</b>	<b>-4%</b>	<b>-839</b>
<b>Profit before loan losses</b>	<b>47</b>	<b>107</b>	<b>-56%</b>	<b>46</b>	<b>2%</b>	<b>47</b>	<b>107</b>	<b>-56%</b>	<b>343</b>
Net loan losses	4	0		65	-94%	4	0		16
Gains/losses on disposal of property, equipment and intangible assets	0	0	0%	-1		0	0	0%	-2
<b>Operating profit</b>	<b>51</b>	<b>107</b>	<b>-52%</b>	<b>110</b>	<b>-54%</b>	<b>51</b>	<b>107</b>	<b>-52%</b>	<b>357</b>
Profit allocation	8	4	100%	9	-11%	8	4	100%	20
<b>Operating profit after profit allocation</b>	<b>59</b>	<b>111</b>	<b>-47%</b>	<b>119</b>	<b>-50%</b>	<b>59</b>	<b>111</b>	<b>-47%</b>	<b>377</b>
Internal income	-28	-17	-65%	-8	-250%	-28	-17	-65%	-44
Cost/income ratio, %	78.9	65.8		79.9		78.9	65.8		69.8
Loan loss ratio, %	-0.05	0.00		-0.70		-0.05	0.00		-0.04
Allocated capital	4,269	4,221	1%	4,001	7%	4,269	4,221	1%	4,001
Return on allocated capital, %	4.3	7.6		8.6		4.3	7.6		6.8
Average number of employees	519	541	-4%	533	-3%	519	541	-4%	536
Number of branches	19	22	-14%	19	0%	19	22	-14%	19

## BUSINESS VOLUMES

Average volumes, SEK bn	Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
Loans to the public									
Household	3.4	3.7	-8%	3.5	-3%	3.4	3.7	-8%	3.6
Corporate	29.9	34.4	-13%	31.4	-5%	29.9	34.4	-13%	33.1
<b>Total</b>	<b>33.3</b>	<b>38.1</b>	<b>-13%</b>	<b>34.9</b>	<b>-5%</b>	<b>33.3</b>	<b>38.1</b>	<b>-13%</b>	<b>36.7</b>
Deposits and borrowing from the public									
Household	2.4	3.2	-25%	2.8	-14%	2.4	3.2	-25%	2.9
Corporate	23.6	25.2	-6%	22.4	5%	23.6	25.2	-6%	23.8
<b>Total</b>	<b>26.0</b>	<b>28.4</b>	<b>-8%</b>	<b>25.2</b>	<b>3%</b>	<b>26.0</b>	<b>28.4</b>	<b>-8%</b>	<b>26.7</b>

## JANUARY – MARCH 2013 COMPARED WITH JANUARY – MARCH 2012

### Financial performance

Operating profit decreased by 52 per cent to SEK 51 million (107), due to a reduction in business volumes.

Net interest income decreased by 24 per cent, or SEK 48 million, due to lower business volumes and lower margins, principally in Luxembourg and the US. In Germany, net interest income improved.

Net fee and commission income fell by 13 per cent to SEK 81 million (93), chiefly due to lower lending and guarantee commissions.

Net gains/losses on financial transactions, which consisted mainly of foreign exchange-related earnings and early redemption charges, decreased to SEK 16 million (26).

Expenses fell by 4 per cent to SEK -206 million (-214), partly as a result of lower staff costs stemming from a smaller number of employees. Other expenses decreased, partly due to lower costs of premises.

Recoveries exceeded loan losses and the net amount was SEK 4 million (0).

### Business development

The average volume of lending decreased by 13 per cent to SEK 33.3 billion (38.1) compared with the corresponding period of the previous year. At the same time, deposits fell by 8 per cent to SEK 26.0 billion (28.4).

### Q1 2013 COMPARED WITH Q4 2012

Operating profit decreased by SEK 59 million to SEK 51 million (110), due entirely to the fact that recoveries were higher in the comparison quarter. Profit before loan losses rose by 2 per cent to SEK 47 million (46).

Income declined by 4 per cent, while expenses fell by 6 per cent.

Recoveries exceeded loan losses and the net amount was SEK 4 million (65).

## Handelsbanken Capital Markets

*Capital Markets comprises Handelsbanken's investment bank and asset management operations, including insurance savings. The unit has a functional and product responsibility throughout the Group for trading in financial instruments, structured products, cash management, corporate finance and debt capital markets, economic and financial research, and for all savings products except bank account savings.*

In the table below, the income figures and comments for Capital Markets' products throughout the Group are presented first, followed by the equivalent figures and comments for the Handelsbanken Capital Markets segment.

### INCOME DISTRIBUTION IN THE GROUP FOR HANDELSBANKEN CAPITAL MARKETS' PRODUCTS

January - March 2013				Total income in the group from Capital Market's products	Change Q1 2013 / Q1 2012
SEK m	Capital Markets	Branch office operations	Other		
Net interest income	43			43	-76%
Commission income	801	377	-1	1,177	3%
of which brokerage income	186	106	14	306	-14%
of which mutual funds and custody	299	259	-9	549	13%
of which insurance	135	12	-6	141	-13%
Net fee and commission income	660	364	7	1,031	1%
Net result of financial trans.	211	126	-1	336	29%
Risk result - insurance	51			51	42%
Other income	4			4	0%
<b>Total income</b>	<b>969</b>	<b>490</b>	<b>6</b>	<b>1,465</b>	<b>-2%</b>

#### JANUARY – MARCH 2013 COMPARED WITH JANUARY – MARCH 2012

The Group's brokerage income fell by 14 per cent to SEK 306 million (355), mainly as a result of low activity on the equity markets.

Asset management commissions increased by 13 per cent to SEK 549 million (484), of which fund commissions increased by 18 per cent to SEK 465 million (395), as a result of higher volumes under management.

Insurance commissions went down to SEK 141 million (162), due to fewer policies with guaranteed rates of return.

Net gains/losses on financial transactions increased by 29 per cent to SEK 336 million (261). Currency transactions related to branch operations, which are included in net gains/losses on financial transactions, resulted in a currency gain of SEK 126 million (132).

#### Q1 2013 COMPARED WITH Q4 2012

Brokerage income increased by 12 per cent to SEK 306 million (273), as a result of higher stock market turnover and customer activity. Asset management commissions rose by 4 per cent to SEK 549 million (530), chiefly due to larger management volumes.

Net gains/losses on financial transactions went down by SEK 47 million to SEK 336 million (383), mainly due to seasonally higher activity during the quarter of comparison. This resulted in lower currency-related income. Currency transactions for customers in branch operations gave a net gain of SEK 126 million (142).

#### Business development

Handelsbanken continues to see significant inflows of funds and the total mutual fund volume, including exchange-traded funds, increased by SEK 15 billion to SEK 239 billion, the highest volume ever. New savings in the Group during the quarter amounted to SEK 5.4 billion, of which SEK 4.3 billion represented new savings on the Swedish mutual fund market. Xact is the largest player on the Nordic market for exchange-traded funds, with a market share of 87 per cent of assets under management.

During the quarter, total capital managed increased by SEK 35 billion from SEK 588 billion to SEK 623 billion.

In its three-year performance reviews, the Morningstar rating agency ranked Handelsbanken's funds as best of the major Swedish banks' mutual funds. Private Banking operations performed well and the Bank continued to strengthen its position.

There was a high level of interest in capital market funding and the Bank made 42 bond issues during the quarter for a value of some EUR 7 billion.

Corporate finance reinforced its position with a number of large industrial transactions. During the quarter, the Bank was the leading adviser in acquisition and sales of companies, in terms of volumes and the number of transactions, in both Sweden and the Nordic region.

## INCOME STATEMENT IN HANDELSBANKEN CAPITAL MARKETS BUSINESS SEGMENT

All results for Handelsbanken Capital Markets products which are attributable to customers in branch office operations are reported in branch office operations. In the Capital Markets segment, only the results of transactions with institutional counterparties and corporate finance are reported, together with the risk result and yield split in the insurance operations.

SEK m	Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
Net interest income	43	180	-76%	44	-2%	43	180	-76%	517
Net fee and commission income	660	655	1%	637	4%	660	655	1%	2,438
Net result of financial transactions	211	129	64%	242	-13%	211	129	64%	658
Risk result - insurance	51	36	42%	88	-42%	51	36	42%	196
Other income	4	4	0%	3	33%	4	4	0%	11
<b>Total income</b>	<b>969</b>	<b>1,004</b>	<b>-3%</b>	<b>1,014</b>	<b>-4%</b>	<b>969</b>	<b>1,004</b>	<b>-3%</b>	<b>3,820</b>
Staff costs	-507	-583	-13%	-583	-13%	-507	-583	-13%	-2,255
Other administrative expenses	-185	-217	-15%	-189	-2%	-185	-217	-15%	-768
Internal purchased and sold services	5	-31		-31		5	-31		-127
Depreciation and amortisation	-14	-15	-7%	-14	0%	-14	-15	-7%	-54
<b>Total expenses</b>	<b>-701</b>	<b>-846</b>	<b>-17%</b>	<b>-817</b>	<b>-14%</b>	<b>-701</b>	<b>-846</b>	<b>-17%</b>	<b>-3,204</b>
<b>Profit before loan losses</b>	<b>268</b>	<b>158</b>	<b>70%</b>	<b>197</b>	<b>36%</b>	<b>268</b>	<b>158</b>	<b>70%</b>	<b>616</b>
Net loan losses									
Gains/losses on disposal of property, equipment and intangible assets	0	-		0	0%	0	-		0
<b>Operating profit</b>	<b>268</b>	<b>158</b>	<b>70%</b>	<b>197</b>	<b>36%</b>	<b>268</b>	<b>158</b>	<b>70%</b>	<b>616</b>
Profit allocation	-201	-165	22%	-252	-20%	-201	-165	22%	-779
<b>Operating profit after profit allocation</b>	<b>67</b>	<b>-7</b>		<b>-55</b>		<b>67</b>	<b>-7</b>		<b>-163</b>
Internal income	-372	-297	-25%	-297	-25%	-372	-297	-25%	-1,167
Cost/income ratio, %	91.3	100.8		107.2		91.3	100.8		105.4
Allocated capital	3,954	6,195	-36%	4,187	-6%	3,954	6,195	-36%	4,187
Return on allocated capital, %	5.3	-		-		5.3	-		-
Average number of employees	1,463	1,605	-9%	1,481	-1%	1,463	1,605	-9%	1,550

## INCOME DISTRIBUTION

SEK m	Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
Asset management *	391	389	1%	448	-13%	391	389	1%	1,684
Investment banking	578	615	-6%	566	2%	578	615	-6%	2,136
<b>Total income</b>	<b>969</b>	<b>1,004</b>	<b>-3%</b>	<b>1,014</b>	<b>-4%</b>	<b>969</b>	<b>1,004</b>	<b>-3%</b>	<b>3,820</b>

\* Including Handelsbanken Liv.

## JANUARY – MARCH 2013 COMPARED WITH JANUARY – MARCH 2012

Operating profit improved by 70 per cent to SEK 268 million (158). Asset management operations reported a profit of 170 million (142), while the profit figure for the investment bank was SEK 98 million (16).

Net interest income decreased to SEK 43 million (180). However, the decrease should be seen together with net gains/losses on financial transactions, which at the same time increased to SEK 211 million (129).

Net fee and commission income increased by 1 per cent to SEK 660 million (655). Lower brokerage was offset by higher fund and advisory commissions.

The risk result in Handelsbanken Liv increased to SEK 51 million (36).

Overall, income decreased by 3 per cent SEK 969 million (1,004). Expenses went down by 17 per cent to SEK -701 million (-846). The decrease is attributable to all expense categories. The average number of employees fell by 9 per cent to 1,463 (1,605).

## Q1 2013 COMPARED WITH Q4 2012

Operating profit rose by 36 per cent to SEK 268 million (197), mainly as a result of cost reductions. Income decreased by 4 per cent, while expenses fell by 14 per cent.

Net fee and commission income increased by 4 per cent to SEK 660 million (637) due to increased customer activity in most of the business areas that generate commission.

Net gains/losses on financial transactions decreased by 13 per cent to SEK 211 million (242) as a result of seasonally higher customer activity in the quarter of comparison.

Expenses decreased by 14 per cent to SEK -701 million (-817). Staff costs decreased by 13 per cent, which was mainly attributable to non-recurring costs having increased staff costs in the previous quarter. The average number of employees fell by 1 per cent to 1,463 (1,481).

## Other units not reported in the business segments

Reported below are the income and expenses related to treasury and the central head office departments and also provisions to the Oktogonen profit-sharing foundation. Capital gains/losses, dividends, and income and expenses that are not attributable to any of the segments are also reported here.

### INCOME STATEMENT

SEK m	Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
Net interest income	142	103	38%	-17		142	103	38%	209
Net fee and commission income	13	34	-62%	43	-70%	13	34	-62%	114
Net result of financial transactions	-143	-33	-333%	-112	-28%	-143	-33	-333%	-468
Share of profit of associates	-5	-5	0%	7		-5	-5	0%	8
Other income	50	8		24	108%	50	8		203
<b>Total income</b>	<b>57</b>	<b>107</b>	<b>-47%</b>	<b>-55</b>		<b>57</b>	<b>107</b>	<b>-47%</b>	<b>66</b>
Staff costs	-676	-679	0%	-759	-11%	-676	-679	0%	-2,745
Other administrative expenses	-554	-502	10%	-703	-21%	-554	-502	10%	-2,144
Internal purchased and sold services	1,077	992	9%	1,104	-2%	1,077	992	9%	4,022
Depreciation and amortisation	-65	-65	0%	-50	30%	-65	-65	0%	-239
<b>Total expenses</b>	<b>-218</b>	<b>-254</b>	<b>-14%</b>	<b>-408</b>	<b>-47%</b>	<b>-218</b>	<b>-254</b>	<b>-14%</b>	<b>-1,106</b>
<b>Profit before loan losses</b>	<b>-161</b>	<b>-147</b>	<b>-10%</b>	<b>-463</b>	<b>65%</b>	<b>-161</b>	<b>-147</b>	<b>-10%</b>	<b>-1,040</b>
Net loan losses									
Gains/losses on disposal of property, equipment and intangible assets	0	0	0%	0	0%	0	0	0%	0
<b>Operating profit</b>	<b>-161</b>	<b>-147</b>	<b>-10%</b>	<b>-463</b>	<b>65%</b>	<b>-161</b>	<b>-147</b>	<b>-10%</b>	<b>-1,040</b>
Profit allocation	0	0	0%	0	0%	0	0	0%	0
<b>Operating profit after profit allocation</b>	<b>-161</b>	<b>-147</b>	<b>-10%</b>	<b>-463</b>	<b>65%</b>	<b>-161</b>	<b>-147</b>	<b>-10%</b>	<b>-1,040</b>
Internal income	2,206	2,955	-25%	2,122	4%	2,206	2,955	-25%	10,290
Average number of employees	1,976	1,943	2%	1,967	0%	1,976	1,943	2%	1,960

### JANUARY – MARCH 2013 COMPARED WITH JANUARY – MARCH 2012

Operating profit was SEK -161 million (-147). The allocation made to the Oktogonen profit-sharing foundation increased to SEK -256 million (-229). Adjusted for this, operating profit was SEK 95 million (82).

Income decreased to SEK 57 million (107), chiefly due to the result from the liquidity portfolio having been higher during the previous year.

Expenses went down by 14 per cent to SEK -218 million (-254).

### Q1 2013 COMPARED WITH Q4 2012

Operating profit improved to SEK -161 million (-463). The increase is mainly because the allocation to the Oktogonen profit-sharing foundation, which is normally higher during the fourth quarter, decreased to SEK -256 million (-333). In addition, net interest income improved as a result of the Bank's good position in the funding markets.

## Condensed set of financial statements – The Group

### KEY FIGURES – THE GROUP

	Q1 2013	Q1 2012	Q4 2012	Jan-Mar 2013	Jan-Mar 2012	Full year 2012
Return on equity, total operations *	13.8%	14.1%	17.5%	13.8%	14.1%	14.9%
Return on equity, continuing operations *	13.7%	13.9%	17.8%	13.7%	13.9%	14.8%
C/I ratio, continuing operations	47.5%	46.4%	51.1%	47.5%	46.4%	47.6%
C/I ratio, continuing operations, incl. loan losses	50.7%	49.7%	55.6%	50.7%	49.7%	51.2%
Earnings per share, total operations, SEK	5.47	5.23	6.78	5.47	5.23	22.34
- after dilution	5.41	5.10	6.67	5.41	5.10	21.85
Dividend, SEK			10.75			10.75
Adjusted equity per share, SEK **	157.20	144.94	162.63	157.20	144.94	162.63
Capital ratio, Basel II	21.1%	19.7%	20.7%	21.1%	19.7%	20.7%
Tier 1 ratio, Basel II	20.4%	18.5%	20.4%	20.4%	18.5%	20.4%
Capital base in relation to capital requirement Basel II	264%	247%	258%	264%	247%	258%
Average number of employees, continuing operations	11,242	11,135	11,156	11,242	11,135	11,192
Number of branches in Sweden	461	461	461	461	461	461
Number of branches outside Sweden	321	294	313	321	294	313

\* 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 obligations.

\*\* When calculating equity per share, equity is adjusted for the impact of cash flow hedges and for dilution.

### THE HANDELSBANKEN SHARE

	Q1 2013	Q1 2012	Q4 2012	Jan-Mar 2013	Jan-Mar 2012	Full year 2012
Number of converted shares	1,790,667	2,642,857	822,942	1,790,667	2,642,857	8,744,470
Number of repurchased shares	-	-	-	-	-	-
Holding of own shares in trading book, end of period	-	11	-	-	11	-
Number of outstanding shares after repurchases and deduction for trading book, end of period	634,597,779	626,705,488	632,807,112	634,597,779	626,705,488	632,807,112
Number of outstanding shares after dilution, end of period	647,835,385	648,705,088	648,210,569	647,835,385	648,705,088	648,210,569
Average holdings of shares converted during the year	714,286	575,649	8,474,744	714,286	575,649	4,879,731
Average holdings of own shares (repurchased and holdings in trading book)	374,600	255,466	424,194	374,600	255,466	444,293
Average number of outstanding shares	633,146,798	624,382,825	632,113,192	633,146,798	624,382,825	628,498,080
- after dilution	647,316,445	650,119,620	647,786,779	647,316,445	650,119,620	649,930,793
Share price ordinary class A, SEK	278.50	210.90	232.40	278.50	210.90	232.40
Market capitalisation, SEK bn	177	132	147	177	132	147

## INCOME STATEMENT – THE GROUP

SEK m		Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
Interest income		13,777	16,832	-18%	14,428	-5%	13,777	16,832	-18%	62,814
Interest expense		-7,236	-10,272	-30%	-7,944	-9%	-7,236	-10,272	-30%	-36,733
<b>Net interest income</b>	Note 2	<b>6,541</b>	<b>6,560</b>	<b>0%</b>	<b>6,484</b>	<b>1%</b>	<b>6,541</b>	<b>6,560</b>	<b>0%</b>	<b>26,081</b>
Net fee and commission income	Note 3	1,877	1,892	-1%	1,910	-2%	1,877	1,892	-1%	7,369
Net gains/losses on financial transactions	Note 4	259	344	-25%	366	-29%	259	344	-25%	1,120
Risk result - insurance		51	36	42%	88	-42%	51	36	42%	196
Other dividend income		1	1	0%	1	0%	1	1	0%	152
Share of profit of associates		-5	-5	0%	7		-5	-5	0%	8
Other income		76	38	100%	35	117%	76	38	100%	136
<b>Total income</b>		<b>8,800</b>	<b>8,866</b>	<b>-1%</b>	<b>8,891</b>	<b>-1%</b>	<b>8,800</b>	<b>8,866</b>	<b>-1%</b>	<b>35,062</b>
Staff costs		-2,783	-2,781	0%	-2,923	-5%	-2,783	-2,781	0%	-11,167
Other administrative expenses	Note 5	-1,279	-1,214	5%	-1,511	-15%	-1,279	-1,214	5%	-5,069
Depreciation, amortisation and impairments of property, equipment and intangible assets		-120	-122	-2%	-112	7%	-120	-122	-2%	-464
<b>Total expenses</b>		<b>-4,182</b>	<b>-4,117</b>	<b>2%</b>	<b>-4,546</b>	<b>-8%</b>	<b>-4,182</b>	<b>-4,117</b>	<b>2%</b>	<b>-16,700</b>
<b>Profit before loan losses</b>		<b>4,618</b>	<b>4,749</b>	<b>-3%</b>	<b>4,345</b>	<b>6%</b>	<b>4,618</b>	<b>4,749</b>	<b>-3%</b>	<b>18,362</b>
Net loan losses	Note 6	-283	-291	-3%	-395	-28%	-283	-291	-3%	-1,251
Gains/losses on disposal of property, equipment and intangible assets		1	0		-2		1	0		-3
<b>Operating profit</b>		<b>4,336</b>	<b>4,458</b>	<b>-3%</b>	<b>3,948</b>	<b>10%</b>	<b>4,336</b>	<b>4,458</b>	<b>-3%</b>	<b>17,108</b>
Taxes		-885	-1,242	-29%	400		-885	-1,242	-29%	-3,092
<b>Profit for the period from continuing operations</b>		<b>3,451</b>	<b>3,216</b>	<b>7%</b>	<b>4,348</b>	<b>-21%</b>	<b>3,451</b>	<b>3,216</b>	<b>7%</b>	<b>14,016</b>
Profit for the period pertaining to discontinued operations, after tax	Note 7	15	49	-69%	-64		15	49	-69%	22
<b>Profit for the period</b>		<b>3,466</b>	<b>3,265</b>	<b>6%</b>	<b>4,284</b>	<b>-19%</b>	<b>3,466</b>	<b>3,265</b>	<b>6%</b>	<b>14,038</b>
Attributable to										
Shareholders in Svenska Handelsbanken AB		3,466	3,265	6%	4,283	-19%	3,466	3,265	6%	14,037
Minority interest		0	0		1		0	0		1

## EARNINGS PER SHARE – THE GROUP

	Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
Profit for the year, attributable to shareholders in Svenska Handelsbanken AB	3,466	3,265	6%	4,283	-19%	3,466	3,265	6%	14,037
of which interest expense on convertible subordinated loan after tax	-35	-48	-27%	-35	0%	-35	-48	-27%	-162
Average number of outstanding shares, millions	633.1	624.4		632.1		633.1	624.4		628.5
Average number of outstanding shares after dilution, millions	647.3	650.1		647.8		647.3	650.1		649.9
Earnings per share, continuing operations, SEK	5.45	5.15	6%	6.88	-21%	5.45	5.15	6%	22.30
- after dilution	5.39	5.03	7%	6.77	-20%	5.39	5.03	7%	21.82
Earnings per share, discontinued operations, SEK	0.02	0.08	-75%	-0.10		0.02	0.08	-75%	0.04
- after dilution	0.02	0.07	-71%	-0.10		0.02	0.07	-71%	0.03
Earnings per share, total operations, SEK	5.47	5.23	5%	6.78	-19%	5.47	5.23	5%	22.34
- after dilution	5.41	5.10	6%	6.67	-19%	5.41	5.10	6%	21.85

Earnings per share after dilution is calculated by taking in account the effects of a conversion of outstanding convertible debt instruments. This means that the average number of shares is adjusted by potential shares and that the period's earnings are adjusted by the period's interest expense on the outstanding convertible debt instruments after tax.

## STATEMENT OF COMPREHENSIVE INCOME – THE GROUP

SEK m	Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
<b>Profit for the period</b>	<b>3,466</b>	<b>3,265</b>	<b>6%</b>	<b>4,284</b>	<b>-19%</b>	<b>3,466</b>	<b>3,265</b>	<b>6%</b>	<b>14,038</b>
<b>Other comprehensive income</b>									
<b>Items that cannot be reclassified into profit or loss</b>									
Defined-benefit plans	1,063	1,835	-42%	1,320	-19%	1,063	1,835	-42%	2,583
Taxes on items that cannot be reclassified into profit or loss	-171	-483	65%	-236	28%	-171	-483	65%	-568
<b>Total items that cannot be reclassified into profit or loss</b>	<b>892</b>	<b>1,352</b>	<b>-34%</b>	<b>1,084</b>	<b>-18%</b>	<b>892</b>	<b>1,352</b>	<b>-34%</b>	<b>2,015</b>
<b>Items that can be reclassified into profit or loss</b>									
Cash flow hedges	-346	-311	-11%	691		-346	-311	-11%	2,390
Available-for-sale instruments	320	709	-55%	370	-14%	320	709	-55%	984
Translation differences for the period	-1,378	261		294		-1,378	261		-126
of which hedging net investment in foreign operations	-109	374		-166	34%	-109	374		486
Taxes on items that can be reclassified into profit or loss	54	-194		-135		54	-194		-913
of which cash flow hedges	76	82	-7%	-118		76	82	-7%	-565
of which available-for-sale instruments	-46	-177	74%	-88	48%	-46	-177	74%	-248
of which hedging net investment in foreign operations	24	-99		71	-66%	24	-99		-100
<b>Total items that can be reclassified into profit or loss</b>	<b>-1,350</b>	<b>465</b>		<b>1,220</b>		<b>-1,350</b>	<b>465</b>		<b>2,335</b>
<b>Total other comprehensive income for the period</b>	<b>-458</b>	<b>1,817</b>		<b>2,304</b>		<b>-458</b>	<b>1,817</b>		<b>4,350</b>
<b>Total comprehensive income for the period</b>	<b>3,008</b>	<b>5,082</b>	<b>-41%</b>	<b>6,588</b>	<b>-54%</b>	<b>3,008</b>	<b>5,082</b>	<b>-41%</b>	<b>18,388</b>
Attributable to									
Shareholders in Svenska Handelsbanken AB	3,008	5,082	-41%	6,587	-54%	3,008	5,082	-41%	18,387
Minority interest	0	0	0%	1	-100%	0	0	0%	1

Discontinued operations only affects Translation differences for the period in Other comprehensive income.

## QUARTELY PERFORMANCE – THE GROUP

SEK m	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Interest income	13,777	14,428	15,448	16,106	16,832
Interest expense	-7,236	-7,944	-8,986	-9,531	-10,272
Net interest income	6,541	6,484	6,462	6,575	6,560
Net fee and commission income	1,877	1,910	1,742	1,825	1,892
Net gains/losses on financial transactions	259	366	191	219	344
Risk result - insurance	51	88	33	39	36
Other dividend income	1	1	8	142	1
Share of profit of associates	-5	7	1	5	-5
Other income	76	35	29	34	38
<b>Total income</b>	<b>8,800</b>	<b>8,891</b>	<b>8,466</b>	<b>8,839</b>	<b>8,866</b>
Staff costs	-2,783	-2,923	-2,678	-2,785	-2,781
Other administrative expenses	-1,279	-1,511	-1,108	-1,236	-1,214
Depreciation, amortisation and impairments of property, equipment and intangible assets	-120	-112	-113	-117	-122
<b>Total expenses</b>	<b>-4,182</b>	<b>-4,546</b>	<b>-3,899</b>	<b>-4,138</b>	<b>-4,117</b>
<b>Profit before loan losses</b>	<b>4,618</b>	<b>4,345</b>	<b>4,567</b>	<b>4,701</b>	<b>4,749</b>
Net loan losses	-283	-395	-277	-288	-291
Gains/losses on disposal of property, equipment and intangible assets	1	-2	-1	0	0
<b>Operating profit</b>	<b>4,336</b>	<b>3,948</b>	<b>4,289</b>	<b>4,413</b>	<b>4,458</b>
Taxes	-885	400	-1,137	-1,113	-1,242
<b>Profit for the period from continuing operations</b>	<b>3,451</b>	<b>4,348</b>	<b>3,152</b>	<b>3,300</b>	<b>3,216</b>
Profit for the period pertaining to discontinued operations, after tax	15	-64	8	29	49
<b>Profit for the period</b>	<b>3,466</b>	<b>4,284</b>	<b>3,160</b>	<b>3,329</b>	<b>3,265</b>
Earnings per share, continuing operations, SEK	5.45	6.88	5.00	5.27	5.15
- after dilution	5.39	6.77	4.93	5.17	5.03
Earnings per share, discontinued operations, SEK	0.02	-0.10	0.01	0.04	0.08
- after dilution	0.02	-0.10	0.01	0.04	0.07
Earnings per share, total operations, SEK	5.47	6.78	5.01	5.31	5.23
- after dilution	5.41	6.67	4.94	5.21	5.10

## BALANCE SHEET – THE GROUP

SEK m		31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012	31 Mar 2012
<b>Assets</b>						
Cash and balances with central banks		219,746	236,545	341,208	272,483	225,695
Other loans to central banks	Note 8	40,312	12,370	35,777	167,300	120,663
Interest-bearing securities eligible as collateral with central banks		56,866	48,906	50,005	49,316	55,657
Loans to other credit institutions	Note 8	87,206	89,511	84,364	90,927	86,399
Loans to the public	Note 8	1,655,041	1,680,479	1,620,505	1,632,464	1,627,093
Value change of interest-hedged item in portfolio hedge		2,702	5,271	5,792	5,042	5,121
Bonds and other interest-bearing securities		72,049	68,354	69,738	62,657	64,185
Shares		35,488	30,146	25,748	24,892	26,022
Investments in associates		219	203	195	195	164
Assets where the customer bears the value change risk		75,098	69,590	68,788	66,424	66,698
Derivative instruments	Note 9	101,865	110,850	135,490	125,903	114,080
Reinsurance assets		1	1	1	1	1
Intangible assets	Note 10	7,162	7,206	7,068	7,145	7,118
Property and equipment		2,156	2,209	2,201	2,243	3,431
Current tax assets		365	129	612	271	264
Deferred tax assets		362	350	63	70	362
Net pension assets		1,964	766	-	-	471
Assets held for sale		985	854	1,019	1,031	958
Other assets		21,043	12,812	50,924	25,342	41,962
Prepaid expenses and accrued income		8,250	7,399	8,691	7,854	9,134
<b>Total assets</b>		<b>2,388,880</b>	<b>2,383,951</b>	<b>2,508,189</b>	<b>2,541,560</b>	<b>2,455,478</b>
<b>Liabilities and equity</b>						
Due to credit institutions	Note 11	213,004	183,945	227,153	265,528	249,783
Deposits and borrowing from the public	Note 11	642,314	682,223	728,572	723,669	683,182
Liabilities where the customer bears the value change risk		75,118	69,638	68,835	66,472	66,755
Issued securities		1,158,140	1,151,426	1,150,503	1,167,523	1,141,561
Derivative instruments	Note 9	92,369	106,044	133,370	116,512	113,160
Short positions		29,040	16,201	19,504	24,626	15,280
Insurance liabilities		679	666	649	693	1,346
Current tax liabilities		1,389	497	1,581	966	1,181
Deferred tax liabilities		8,027	8,713	8,540	8,210	8,418
Provisions		111	120	49	56	29
Net pension liabilities		-	-	124	579	-
Liabilities related to assets held for sale		442	349	351	492	406
Other liabilities		24,724	17,848	23,583	24,778	36,905
Accrued expenses and deferred income		23,184	21,264	23,857	23,041	22,121
Subordinated liabilities		19,973	21,167	24,406	25,530	25,907
<b>Total liabilities</b>		<b>2,288,514</b>	<b>2,280,101</b>	<b>2,411,077</b>	<b>2,448,675</b>	<b>2,366,034</b>
Minority interest		2	2	1	1	1
Share capital		2,951	2,943	2,939	2,924	2,914
Share premium		2,659	2,337	2,191	1,647	1,266
Reserves		1,882	2,340	36	-472	-193
Retained earnings		89,406	82,191	82,191	82,191	82,191
Profit for the period, attributable to shareholders in Svenska Handelsbanken AB		3,466	14,037	9,754	6,594	3,265
<b>Total equity</b>		<b>100,366</b>	<b>103,850</b>	<b>97,112</b>	<b>92,885</b>	<b>89,444</b>
<b>Total liabilities and equity</b>		<b>2,388,880</b>	<b>2,383,951</b>	<b>2,508,189</b>	<b>2,541,560</b>	<b>2,455,478</b>

## STATEMENT OF CHANGES IN EQUITY – THE GROUP

Jan - Mar 2012 SEK m	Share capital	Share premium	Defined benefit plans	Hedge reserve	Fair value reserve	Translation reserve	Retained earnings	Minority	Total
<b>Opening equity</b>	<b>2,902</b>	<b>793</b>		<b>-676</b>	<b>-167</b>	<b>-1,167</b>	<b>92,839</b>	<b>0</b>	<b>94,524</b>
Effects of implementing revised IAS 19							-4,552		-4,552
<b>Opening equity after adjustment</b>	<b>2,902</b>	<b>793</b>		<b>-676</b>	<b>-167</b>	<b>-1,167</b>	<b>88,287</b>	<b>0</b>	<b>89,972</b>
Profit for the period							3,265	0	3,265
Other comprehensive income			1,352	-229	532	162		0	1,817
<b>Total comprehensive income for the period</b>			<b>1,352</b>	<b>-229</b>	<b>532</b>	<b>162</b>	<b>3,265</b>	<b>0</b>	<b>5,082</b>
Dividend							-6,110		-6,110
Conversion of convertible subordinated loan issued in 2008	12	473							485
Change of own shares in trading book							14		14
Change of minority interests								1	1
<b>Closing equity</b>	<b>2,914</b>	<b>1,266</b>	<b>1,352</b>	<b>-905</b>	<b>365</b>	<b>-1,005</b>	<b>85,456</b>	<b>1</b>	<b>89,444</b>

Jan - Mar 2013 SEK m	Share capital	Share premium	Defined benefit plans	Hedge reserve	Fair value reserve	Translation reserve	Retained earnings	Minority	Total
<b>Opening equity</b>	<b>2,943</b>	<b>2,337</b>		<b>1,149</b>	<b>569</b>	<b>-1,393</b>	<b>101,290</b>	<b>2</b>	<b>106,897</b>
Effects of implementing revised IAS 19			2,015				-5,062		-3,047
<b>Opening equity after adjustment</b>	<b>2,943</b>	<b>2,337</b>	<b>2,015</b>	<b>1,149</b>	<b>569</b>	<b>-1,393</b>	<b>96,228</b>	<b>2</b>	<b>103,850</b>
Profit for the period							3,466	0	3,466
Other comprehensive income			892	-270	274	-1,354		0	-458
<b>Total comprehensive income for the period</b>			<b>892</b>	<b>-270</b>	<b>274</b>	<b>-1,354</b>	<b>3,466</b>	<b>0</b>	<b>3,008</b>
Dividend							-6,822		-6,822
Conversion of convertible subordinated loan issued in 2008	8	322							330
Change of minority interests							0	0	0
<b>Closing equity</b>	<b>2,951</b>	<b>2,659</b>	<b>2,907</b>	<b>879</b>	<b>843</b>	<b>-2,747</b>	<b>92,872</b>	<b>2</b>	<b>100,366</b>

During the period January to March 2013, convertibles for a nominal value of SEK 336 million (496) relating to the 2008 subordinated convertible bond were converted into 1,790,667 Class A shares (2,642,857). At the end of the period, the number of Handelsbanken shares in the trading book was 0 (11).

## CONDENSED STATEMENT OF CASH FLOWS – THE GROUP

SEK m	Jan-Mar 2013	Jan-Mar 2012	Full year 2012
Cash flow from operating activities	-8,686	-33	10,324
Cash flow from investing activities	245	46	3,912
Cash flow from financing activities	-6,822	-8,531	-18,010
<b>Cash flow for the period</b>	<b>-15,263</b>	<b>-8,518</b>	<b>-3,774</b>
<b>Liquid funds at beginning of the period</b>	<b>236,545</b>	<b>251,857</b>	<b>251,857</b>
Cash flow for the period	-15,263	-8,518	-3,774
Exchange rate differences on liquid funds	-1,536	-17,644	-11,538
<b>Liquid funds at end of period</b>	<b>219,746</b>	<b>225,695</b>	<b>236,545</b>

## NOTES

## Note 1 Accounting policies

Information relating to the Group has been stated in accordance with IAS 34. For both the Group and the parent company, the contents of the interim report also comply with the applicable provisions of the Swedish Act on Annual Reports in Credit Institutions and Securities Companies, the Swedish Financial Supervisory Authority's regulations and general guidelines FFFS 2008:25 on annual reports in credit institutions and securities companies and recommendations from the Swedish Financial Reporting Board.

On 1 January 2013, the revised IAS 19 Employee benefits came into effect for application within the EU. This impacts how Handelsbanken reports defined-benefit pension plans since the "corridor" method for accounting of actuarial gains and losses has been removed. In addition, the current assumption for the return on plan assets has been replaced by an estimated yield equivalent to the discount rate for the pension liability. This impacts the calculation of the pension cost reported in the income statement. Accumulated actuarial gains and losses are reported in the transition against retained earnings. The subsequent value changes in obligations and assets are reported in other comprehensive income. This change in policy has resulted in a decrease in the Group's opening share capital at the beginning of 2013 by SEK 3,047 million. Comparison figures for 2012 have been adjusted and were communicated in a press release on 15 April. The adjusted comparison figures can also be seen in note 22.

IFRS 13 Fair Value Measurement also came into effect for application in the EU on 1 January 2013. The standard deals with common

principles for fair value measurement of most of the assets and liabilities at fair value in the accounts, or for which information about fair value must be provided. IFRS 13 clarifies some of the principles for fair value measurement which were previously applied in accordance with IAS 39 Financial Instruments: Recognition and Measurement. The application of IFRS 13 has not affected the values reported for financial instruments to any significant degree. However, the new standard contains more extensive requirements for disclosures of fair value measurement, in particular for fair values in level 3 of the valuation hierarchy. Disclosures of fair value measurement are provided in note 16.

As of the 2013 financial year, new disclosures are made about offsetting of financial assets and liabilities, in compliance with IFRS 7, Financial instruments. See note 17 for disclosures which came into effect for application in the EU on 1 January 2013.

The revised IAS 1 Presentation of financial statements, which came into effect for application in the EU on 1 January 2013, has affected the Bank's presentation of other comprehensive income. Items which will later be reclassified to the income statement are now separated from those items which are not reclassified.

In all other respects, the interim report of the Group and the parent company has been prepared in accordance with the same accounting policies and calculation methods that were applied in the annual report for 2012.

## Note 2 Net interest income

SEK m	Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
<b>Interest income</b>									
Credit institutions and central banks	374	644	-42%	502	-25%	374	644	-42%	2,295
General public	13,193	15,613	-15%	13,819	-5%	13,193	15,613	-15%	59,084
Treasury bills and other eligible bills	634	493	29%	114	456%	634	493	29%	1,534
Interest-bearing securities	512	920	-44%	-788		512	920	-44%	1,967
Derivative instruments recognised as hedges	-554	-139	-299%	-584	5%	-554	-139	-299%	-1,198
Other interest income	383	340	13%	483	-21%	383	340	13%	1,498
<b>Total interest income</b>	<b>14,542</b>	<b>17,871</b>	<b>-19%</b>	<b>13,546</b>	<b>7%</b>	<b>14,542</b>	<b>17,871</b>	<b>-19%</b>	<b>65,180</b>
Of which interest income reported in Net gains/losses on financial transactions	765	1,039	-26%	-882		765	1,039	-26%	2,366
<b>Interest income according to income statement</b>	<b>13,777</b>	<b>16,832</b>	<b>-18%</b>	<b>14,428</b>	<b>-5%</b>	<b>13,777</b>	<b>16,832</b>	<b>-18%</b>	<b>62,814</b>
<b>Interest expense</b>									
Credit institutions and central banks	-385	-640	-40%	-418	-8%	-385	-640	-40%	-2,066
General public	-1,232	-2,082	-41%	-1,398	-12%	-1,232	-2,082	-41%	-7,151
Issued securities	-5,687	-6,544	-13%	-6,174	-8%	-5,687	-6,544	-13%	-25,527
Derivative instruments recognised as hedges	1,041	-61		968	8%	1,041	-61		1,529
Subordinated liabilities	-318	-374	-15%	-341	-7%	-318	-374	-15%	-1,359
Other interest expense	-1,358	-1,707	-20%	462		-1,358	-1,707	-20%	-4,481
<b>Total interest expense</b>	<b>-7,939</b>	<b>-11,408</b>	<b>-30%</b>	<b>-6,901</b>	<b>15%</b>	<b>-7,939</b>	<b>-11,408</b>	<b>-30%</b>	<b>-39,055</b>
Of which interest expense reported in Net gains/losses on financial transactions	-703	-1,136	-38%	1,043		-703	-1,136	-38%	-2,322
<b>Interest expense according to income statement</b>	<b>-7,236</b>	<b>-10,272</b>	<b>-30%</b>	<b>-7,944</b>	<b>-9%</b>	<b>-7,236</b>	<b>-10,272</b>	<b>-30%</b>	<b>-36,733</b>
<b>Net interest income</b>	<b>6,541</b>	<b>6,560</b>	<b>0%</b>	<b>6,484</b>	<b>1%</b>	<b>6,541</b>	<b>6,560</b>	<b>0%</b>	<b>26,081</b>

## Note 3 Net fee and commission income

SEK m	Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
Brokerage and other securities commissions	306	355	-14%	273	12%	306	355	-14%	1,137
Mutual funds	465	395	18%	438	6%	465	395	18%	1,680
Custody	84	89	-6%	92	-9%	84	89	-6%	348
Advisory services	104	70	49%	51	104%	104	70	49%	195
Insurance	141	162	-13%	137	3%	141	162	-13%	583
Payments	619	612	1%	709	-13%	619	612	1%	2,676
Loans and deposits	282	298	-5%	305	-8%	282	298	-5%	1,195
Guarantees	108	126	-14%	115	-6%	108	126	-14%	466
Other	101	108	-6%	157	-36%	101	108	-6%	470
<b>Commission income</b>	<b>2,210</b>	<b>2,215</b>	<b>0%</b>	<b>2,277</b>	<b>-3%</b>	<b>2,210</b>	<b>2,215</b>	<b>0%</b>	<b>8,750</b>
Securities commissions	-58	-60	-3%	-54	7%	-58	-60	-3%	-216
Payment commissions	-253	-242	5%	-291	-13%	-253	-242	5%	-1,070
Other commission expenses	-22	-21	5%	-22	0%	-22	-21	5%	-95
<b>Commission expense</b>	<b>-333</b>	<b>-323</b>	<b>3%</b>	<b>-367</b>	<b>-9%</b>	<b>-333</b>	<b>-323</b>	<b>3%</b>	<b>-1,381</b>
<b>Net fee and commission income</b>	<b>1,877</b>	<b>1,892</b>	<b>-1%</b>	<b>1,910</b>	<b>-2%</b>	<b>1,877</b>	<b>1,892</b>	<b>-1%</b>	<b>7,369</b>

## Note 4 Net gains/losses on financial transactions

SEK m	Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
Trading, derivatives, FX effect	634	761	-17%	171		634	761	-17%	80
Other instruments at fair value	-374	-460	19%	115		-374	-460	19%	732
<i>of which interest-bearing securities</i>	-319	-438	27%	87		-319	-438	27%	730
<i>of which loans and receivables</i>	-55	-22	-150%	28		-55	-22	-150%	2
Financial instruments at amortised cost	-18	20		78		-18	20		103
<i>of which loans and receivables</i>	62	58	7%	128	-52%	62	58	7%	329
<i>of which financial liabilities</i>	-80	-38	-111%	-50	-60%	-80	-38	-111%	-226
Available for sale, realised	-15	15		4		-15	15		18
Hedge accounting	52	26	100%	11	373%	52	26	100%	205
<i>of which fair value hedges</i>	15	25	-40%	17	-12%	15	25	-40%	210
<i>of which hedge ineffectiveness</i>	37	1		-6		37	1		-5
Gains/losses on unbundled insurance contracts	-20	-18	-11%	-13	-54%	-20	-18	-11%	-18
<b>Total</b>	<b>259</b>	<b>344</b>	<b>-25%</b>	<b>366</b>	<b>-29%</b>	<b>259</b>	<b>344</b>	<b>-25%</b>	<b>1,120</b>

## Note 5 Other administrative expenses

SEK m	Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
Property and premises	-281	-290	-3%	-400	-30%	-281	-290	-3%	-1,232
External IT costs	-422	-385	10%	-460	-8%	-422	-385	10%	-1,588
Communication	-99	-92	8%	-82	21%	-99	-92	8%	-345
Travel and marketing	-82	-84	-2%	-128	-36%	-82	-84	-2%	-392
Purchased services	-261	-225	16%	-290	-10%	-261	-225	16%	-1,003
Supplies	-46	-50	-8%	-55	-16%	-46	-50	-8%	-190
Other expenses	-88	-88	0%	-96	-8%	-88	-88	0%	-319
<b>Other administrative expenses</b>	<b>-1,279</b>	<b>-1,214</b>	<b>5%</b>	<b>-1,511</b>	<b>-15%</b>	<b>-1,279</b>	<b>-1,214</b>	<b>5%</b>	<b>-5,069</b>

## Note 6 Loan losses and impaired loans

## Loan losses

SEK m	Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
<b>Specific provision for individually valued loan receivables</b>									
Provision for the period	-312	-358	-13%	-514	-39%	-312	-358	-13%	-1,460
Reversal of previous provisions	37	79	-53%	151	-75%	37	79	-53%	344
<b>Total</b>	<b>-275</b>	<b>-279</b>	<b>-1%</b>	<b>-363</b>	<b>-24%</b>	<b>-275</b>	<b>-279</b>	<b>-1%</b>	<b>-1,116</b>
<b>Collective provisions</b>									
Net provision for the period for individually valued receivables	5	-12		27	-81%	5	-12		77
Net provision for the period for homogenous loan receivables	0	3	-100%	6	-100%	0	3	-100%	5
<b>Total</b>	<b>5</b>	<b>-9</b>		<b>33</b>	<b>-85%</b>	<b>5</b>	<b>-9</b>		<b>82</b>
<b>Other provisions</b>									
Losses on off-balance sheet items	-	-		-		-	-		-
Reversal of losses on off-balance-sheet items	0	-		-		0	-		0
Change in collective provision for off-balance-sheet items	-1	5		-2	-50%	-1	5		5
<b>Total</b>	<b>-1</b>	<b>5</b>		<b>-2</b>	<b>-50%</b>	<b>-1</b>	<b>5</b>		<b>5</b>
<b>Write-offs</b>									
Actual loan losses for the period	-464	-388	20%	-519	-11%	-464	-388	20%	-1,383
Utilised share of previous provisions	417	329	27%	407	2%	417	329	27%	975
Recoveries	35	51	-31%	49	-29%	35	51	-31%	186
<b>Total</b>	<b>-12</b>	<b>-8</b>	<b>50%</b>	<b>-63</b>	<b>-81%</b>	<b>-12</b>	<b>-8</b>	<b>50%</b>	<b>-222</b>
									-
<b>Net loan losses</b>	<b>-283</b>	<b>-291</b>	<b>-3%</b>	<b>-395</b>	<b>-28%</b>	<b>-283</b>	<b>-291</b>	<b>-3%</b>	<b>-1,251</b>

## Impaired loans

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

SEK m	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012	31 Mar 2012
Impaired loans	7,006	7,325	7,171	6,872	6,762
Specific provision for individually assessed loans	-3,522	-3,725	-3,673	-3,608	-3,527
Provision for collectively assessed homogenous groups of loans with limited value	-113	-115	-118	-110	-113
Collective provisions for individually assessed loans	-280	-288	-313	-372	-378
<b>Impaired loans, net</b>	<b>3,091</b>	<b>3,197</b>	<b>3,067</b>	<b>2,782</b>	<b>2,744</b>
Total impaired loans reserve ratio	55.9%	56.4%	57.2%	59.5%	59.4%
Proportion of impaired loans, %	0.18%	0.18%	0.18%	0.16%	0.16%
Impaired loans reserve ratio excl. collective provisions	51.9%	52.4%	52.9%	54.1%	53.8%
Loan loss ratio as a % of loans, accumulated	0.06%	0.08%	0.07%	0.07%	0.07%
Non-performing loans	6,396	6,988	7,029	6,814	6,490
Non-performing loans which are not impaired loans	2,136	2,563	2,715	2,852	2,753

Impaired loans and/or non-performing loans, by sector

31 March 2013	Impaired loans				Non-performing loans which are not impaired loans
	SEK m	Gross	Provisions	Net*	
Private individuals	1,516	-818	698	597	1,528
Housing co-operative associations	69	-23	46	31	22
Property management	1,107	-417	690	426	231
Manufacturing	1,045	-628	417	198	105
Retail	779	-295	484	376	47
Hotel and restaurant	70	-37	33	32	10
Passenger and goods transport by sea	412	-403	9	9	-
Other transport and communication	157	-67	90	87	4
Construction	224	-128	96	94	74
Electricity, gas and water	84	-25	59	1	11
Agriculture, hunting and forestry	33	-19	14	11	7
Other services	170	-104	66	40	46
Holding, investment and insurance companies, funds etc.	1,224	-599	625	104	2
Other corporate lending	116	-72	44	78	49
Credit institutions	-	-	-	-	-
<b>Total</b>	<b>7,006</b>	<b>-3,635</b>	<b>3,371</b>	<b>2,084</b>	<b>2,136</b>

\* Book value after deduction of specific provisions.

31 December 2012	Impaired loans				Non-performing loans which are not impaired loans
	SEK m	Gross	Provisions	Net*	
Private individuals	1,541	-852	689	584	1,611
Housing co-operative associations	32	-17	15	12	46
Property management	1,004	-365	639	365	465
Manufacturing	829	-473	356	174	118
Retail	1,085	-441	644	399	45
Hotel and restaurant	79	-36	43	42	19
Passenger and goods transport by sea	419	-406	13	13	-
Other transport and communication	288	-182	106	105	17
Construction	216	-106	110	107	66
Electricity, gas and water	88	-25	63	1	13
Agriculture, hunting and forestry	26	-15	11	9	36
Other services	415	-213	202	190	59
Holding, investment and insurance companies, funds etc.	1,153	-601	552	25	13
Other corporate lending	150	-108	42	42	55
Credit institutions	-	-	-	-	-
<b>Total</b>	<b>7,325</b>	<b>-3,840</b>	<b>3,485</b>	<b>2,068</b>	<b>2,563</b>

\* Book value after deduction of specific provisions.

Note 7 Discontinued operations

Discontinued operations comprise the results from the Plastal Industri AB subsidiary, including the acquired parts of the Plastal Group. The Bank intends to divest Plastal Industri AB.

## Note 8 Loans and credit exposure

SEK m	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012	31 Mar 2012
Loans to the public	1,655,041	1,680,479	1,620,505	1,632,464	1,627,093
<i>of which reverse repos</i>	16,056	33,799	14,295	24,219	23,440
Loans to other credit institutions	87,206	89,511	84,364	90,927	86,399
<i>of which reverse repos</i>	53,826	59,241	56,132	54,747	55,234
Other loans to central banks	40,312	12,370	35,777	167,300	120,663
<i>of which reverse repos</i>	1,389	2,820	1,440	582	5,534

## Loans to the public, by sector

SEK m	31 March 2013			31 December 2012		
	Loans gross	Provisions	Loans net	Loans gross	Provisions	Loans net
Private individuals	745,594	-818	744,776	743,454	-852	742,602
<i>of which mortgage loans</i>	612,392	-43	612,349	607,163	-44	607,119
<i>of which other loans with property mortgages</i>	66,638	-113	66,525	67,031	-115	66,916
<i>of which other loans to private individuals</i>	66,564	-662	65,902	69,260	-693	68,567
Housing co-operative associations	131,811	-23	131,788	129,131	-17	129,114
<i>of which mortgage loans</i>	119,964	-9	119,955	105,421	-4	105,417
Property management	432,976	-417	432,559	436,694	-365	436,329
Manufacturing	43,581	-628	42,953	45,170	-473	44,697
Retail	33,259	-295	32,964	33,646	-441	33,205
Hotels and restaurants	7,922	-37	7,885	8,234	-36	8,198
Passenger and goods transport by sea	17,452	-403	17,049	17,839	-406	17,433
Other transport and communication	29,784	-67	29,717	32,406	-182	32,224
Construction	13,603	-128	13,475	13,395	-106	13,289
Electricity, gas, water	23,658	-25	23,633	23,965	-25	23,940
Agriculture, hunting and forestry	9,039	-19	9,020	8,917	-15	8,902
Other services	24,750	-104	24,646	25,558	-213	25,345
Holding, investment, insurance comp., funds, etc.	92,737	-599	92,138	89,219	-601	88,618
Government and municipalities	21,502	-	21,502	36,711	-	36,711
Other corporate lending	31,288	-72	31,216	40,268	-108	40,160
<b>Total loans to the public, before collective provisions</b>	<b>1,658,956</b>	<b>-3,635</b>	<b>1,655,321</b>	<b>1,684,607</b>	<b>-3,840</b>	<b>1,680,767</b>
Collective provisions			-280			-288
<b>Total loans to the public</b>			<b>1,655,041</b>			<b>1,680,479</b>

## Specification of Loans to the public – Property management

SEK m	31 March 2013			31 December 2012		
	Loans gross	Provisions	Loans net	Loans gross	Provisions	Loans net
<b>Loans in Sweden</b>						
State-owned property companies	8,063	-	8,063	9,213	-	9,213
Municipal-owned property companies	14,729	-	14,729	14,468	-	14,468
Residential property companies	74,260	-12	74,248	72,894	-13	72,881
<i>of which mortgage loans</i>	55,759	-	55,759	52,759	-3	52,756
Other property management	146,414	-138	146,276	145,066	-129	144,937
<i>of which mortgage loans</i>	63,109	-4	63,105	61,097	-5	61,092
<b>Total loans in Sweden</b>	<b>243,466</b>	<b>-150</b>	<b>243,316</b>	<b>241,641</b>	<b>-142</b>	<b>241,499</b>
<b>Loans outside Sweden</b>						
Denmark	10,717	-94	10,623	10,623	-96	10,527
Finland	19,350	-10	19,340	19,481	-10	19,471
Norway	75,747	-85	75,662	80,549	-74	80,475
UK	68,867	-56	68,811	69,699	-20	69,679
Other countries	14,829	-22	14,807	14,701	-23	14,678
<b>Total loans outside Sweden</b>	<b>189,510</b>	<b>-267</b>	<b>189,243</b>	<b>195,053</b>	<b>-223</b>	<b>194,830</b>
<b>Total loans - Property management</b>	<b>432,976</b>	<b>-417</b>	<b>432,559</b>	<b>436,694</b>	<b>-365</b>	<b>436,329</b>

## Credit risk exposure

SEK m	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012	31 Mar 2012
Loans to the public	1,655,041	1,680,479	1,620,505	1,632,464	1,627,093
<i>of which reverse repos</i>	16,056	33,799	14,295	24,219	23,440
Loans to other credit institutions	87,206	89,511	84,364	90,927	86,399
<i>of which reverse repos</i>	53,826	59,241	56,132	54,747	55,234
Unutilised part of granted overdraft facilities	120,386	132,534	125,266	125,622	149,940
Committed loan offers	240,965	239,774	238,672	240,475	254,537
Other commitments	21,851	20,779	8,214	12,080	7,974
Guarantees, credits	10,364	10,723	10,702	15,346	16,817
Guarantees, other	56,416	39,913	39,310	41,456	43,254
Documentary credits	9,609	30,164	33,686	33,650	32,249
Derivative instruments *	101,865	110,850	135,490	125,903	114,080
Treasury bills and other eligible bills	56,866	48,906	50,005	49,316	55,657
Bonds and other interest-bearing securities	72,049	68,354	69,738	62,657	64,185
<b>Total</b>	<b>2,432,618</b>	<b>2,471,987</b>	<b>2,415,952</b>	<b>2,429,896</b>	<b>2,452,185</b>

\* Refers to the total of positive market values.

## Note 9 Derivatives

SEK m	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012	31 Mar 2012
<b>Positive market values</b>					
Trading	77,735	83,357	105,761	99,919	90,877
Fair value hedges	13,143	21,702	23,255	20,232	19,512
Cash flow hedges	10,987	5,791	6,474	5,752	3,691
<b>Total</b>	<b>101,865</b>	<b>110,850</b>	<b>135,490</b>	<b>125,903</b>	<b>114,080</b>
<b>Negative market values</b>					
Trading	74,343	85,933	111,150	101,132	98,051
Fair value hedges	2,814	12,112	13,495	8,907	8,918
Cash flow hedges	15,212	7,999	8,725	6,473	6,191
<b>Total</b>	<b>92,369</b>	<b>106,044</b>	<b>133,370</b>	<b>116,512</b>	<b>113,160</b>
<b>Nominal value</b>					
Trading	7,116,556	7,185,555	9,714,008	11,049,529	11,742,363
Fair value hedges	308,575	518,885	552,160	499,553	490,836
Cash flow hedges	392,017	268,215	269,158	235,292	186,940
<b>Total</b>	<b>7,817,148</b>	<b>7,972,655</b>	<b>10,535,326</b>	<b>11,784,374</b>	<b>12,420,139</b>

## Note 10 Goodwill and other intangible assets

SEK m	Jan-Mar 2013	Jan-Mar 2012	Full year 2012
Opening residual value	7,206	7,079	7,079
Additional during the period	91	84	333
The period's amortisation	-33	-29	-118
The period's impairments	-	-3	-3
Foreign exchange effect	-102	-13	-85
<b>Closing residual value</b>	<b>7,162</b>	<b>7,118</b>	<b>7,206</b>

## Note 11 Due to credit institutions; deposits and borrowing from the public

SEK m	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012	31 Mar 2012
Due to credit institutions	213,004	183,945	227,153	265,528	249,783
<i>of which repos</i>	3,200	2,391	1,326	4,271	4,041
Deposits and borrowing from the public	642,314	682,223	728,572	723,669	683,182
<i>of which repos</i>	5,204	12,294	9,004	11,854	10,589

## Note 12 Assets managed

SEK bn, end of period	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012	31 Mar 2012
Mutual funds, excl. PPM	175	164	155	146	148
PPM	12	11	10	10	10
Unit-linked insurance	52	49	47	45	45
<b>Total mutual funds</b>	<b>239</b>	<b>224</b>	<b>212</b>	<b>201</b>	<b>203</b>
Portfolio bond insurance	16	15	16	15	16
Traditional insurance	11	12	12	12	13
Institutional	109	104	106	106	98
<i>of which in Handelsbanken mutual funds</i>	53	51	47	43	44
Structured products	27	28	29	29	29
Directly owned shares in custody	181	164	159	149	166
Other securities in custody	45	48	45	46	43
Handelsbanken's foundations	53	49	48	45	47
<i>of which in Handelsbanken mutual funds</i>	5	5	6	5	4
<b>Total assets under management</b>	<b>623</b>	<b>588</b>	<b>574</b>	<b>555</b>	<b>567</b>

## Note 13 Turnover of own debt instruments and shares

The Handelsbanken Group issues and repurchases debt instruments and equity-related securities which it has issued on its own account. This turnover is mainly intended as part of the Bank's securities operations and also as a component in financing its operations. During the period January to March 2013, the turnover was:

<b>Interest-bearing securities, bonds and certificates (SEK billion):</b>	Group	Parent company
Issued (sold):	20	271
Repurchased (bought):	82	12
Repaid:	307	249
<b>Equity-related securities (SEK billion):</b>		
Issued (sold):	0.8	
Repurchased (bought):	0.6	

Note 14 Pledged assets, contingent liabilities and other commitments

SEK m	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012	31 Mar 2012
Pledged assets for own debt	747,573	750,684	747,190	745,345	739,251
Other pledged assets	33,027	2,564	5,154	5,434	4,640
Contingent liabilities	76,389	80,823	83,708	90,462	92,326
Other commitments	383,202	393,087	372,152	378,177	412,451

The total contingent liabilities mainly consist of credit guarantees. This amount includes SEK 20 million (20) relating to a number of civil actions which the Group is bringing in general courts of law.

Note 15 Classification of financial assets and liabilities

The tables show valuation categories for financial instruments in accordance with IAS 39.

31 March 2013 SEK m	At fair value in income statement divided into								Total carrying amount	Fair value
	Trading	Other	Derivatives identified as hedge instruments	Investments held to maturity	Loans and receivables	Financial assets available for sale	Other financial assets/ liabilities	Non-financial assets / liabilities		
<b>Assets</b>										
Cash and balances with central banks					218,743			1,003	219,746	219,746
Other loans to central banks					40,312				40,312	40,312
Interest-bearing securities eligible as collateral with central banks	33,970	18,202		3,727		967			56,866	56,915
Loans to other credit institutions					87,206				87,206	86,623
Loans to the public		3,241			1,651,800				1,655,041	1,664,118
Value change of interest hedged item in portfolio hedge					2,702				2,702	
Bonds and other interest-bearing securities	35,421	34,444		922		1,262			72,049	72,046
Shares	28,361	1,665				5,462			35,488	35,488
Investments in associates							219		219	219
Assets where the customer bears the value change risk		72,898			2,200				75,098	75,098
Derivative instruments	77,735		24,130						101,865	101,865
Other assets	24				20,536		346	137	21,043	21,043
Prepaid expenses and accrued income	717	1,061		161	4,390	0		1,921	8,250	8,250
<b>Total financial assets</b>	<b>176,228</b>	<b>131,511</b>	<b>24,130</b>	<b>4,810</b>	<b>2,027,889</b>	<b>7,691</b>	<b>565</b>	<b>3,061</b>	<b>2,375,885</b>	<b>2,381,723</b>
Other non-financial assets									12,995	
<b>Total assets</b>									<b>2,388,880</b>	
<b>Liabilities</b>										
Due to credit institutions							213,004		213,004	215,032
Deposits and borrowing from the public							642,314		642,314	642,393
Liabilities where the customer bears the value change risk		72,918					2,200		75,118	75,118
Issued securities	18,934						1,139,206		1,158,140	1,171,469
Derivative instruments	74,343		18,026						92,369	92,369
Short positions	29,040								29,040	29,040
Other liabilities	23						24,076	625	24,724	24,724
Accrued expenses and deferred income	842						16,598	5,744	23,184	23,184
Subordinated liabilities							19,973		19,973	21,721
<b>Total financial liabilities</b>	<b>123,182</b>	<b>72,918</b>	<b>18,026</b>				<b>2,057,371</b>	<b>6,369</b>	<b>2,277,866</b>	<b>2,295,050</b>
Other non-financial liabilities									10,648	
<b>Total liabilities</b>									<b>2,288,514</b>	

31 December 2012	At fair value in income statement divided into								Total carrying amount	Fair value
	Trading	Other	Derivatives identified as hedge instruments	Investments held to maturity	Loans and receivables	Financial assets available for sale	Other financial assets/ liabilities	Non-financial assets / liabilities		
SEK m										
<b>Assets</b>										
Cash and balances with central banks					234,932			1,613	<b>236,545</b>	236,545
Other loans to central banks					12,370				<b>12,370</b>	12,370
Interest-bearing securities eligible as collateral with central banks	26,474	17,622		3,759		1,051			<b>48,906</b>	48,973
Loans to other credit institutions					89,511				<b>89,511</b>	89,292
Loans to the public		4,078			1,676,401				<b>1,680,479</b>	1,689,938
Value change of interest hedged item in portfolio hedge					5,271				<b>5,271</b>	-
Bonds and other interest-bearing securities	30,535	35,073		1,340		1,406			<b>68,354</b>	68,351
Shares	23,078	1,863				5,205			<b>30,146</b>	30,146
Investments in associates							203		<b>203</b>	203
Assets where the customer bears the value change risk		68,565			1,025				<b>69,590</b>	69,590
Derivative instruments	83,357		27,493						<b>110,850</b>	110,850
Other assets	28				12,774			10	<b>12,812</b>	12,812
Prepaid expenses and accrued income	229	1,043		118	4,454	0		1,555	<b>7,399</b>	7,399
<b>Total financial assets</b>	<b>163,701</b>	<b>128,244</b>	<b>27,493</b>	<b>5,217</b>	<b>2,036,738</b>	<b>7,662</b>	<b>203</b>	<b>3,178</b>	<b>2,372,436</b>	<b>2,376,469</b>
Other non-financial assets										11,515
<b>Total assets</b>										<b>2,383,951</b>
<b>Liabilities</b>										
Due to credit institutions							183,945		<b>183,945</b>	186,259
Deposits and borrowing from the public							682,223		<b>682,223</b>	682,320
Liabilities where the customer bears the value change risk		68,613					1,025		<b>69,638</b>	69,638
Issued securities	13,756						1,137,670		<b>1,151,426</b>	1,167,175
Derivative instruments	85,933		20,111						<b>106,044</b>	106,044
Short positions	16,201								<b>16,201</b>	16,201
Other liabilities	19						17,206	623	<b>17,848</b>	17,848
Accrued expenses and deferred income	54						16,445	4,765	<b>21,264</b>	21,264
Subordinated liabilities							21,167		<b>21,167</b>	22,507
<b>Total financial liabilities</b>	<b>115,963</b>	<b>68,613</b>	<b>20,111</b>				<b>2,059,681</b>	<b>5,388</b>	<b>2,269,756</b>	<b>2,289,256</b>
Other non-financial liabilities										10,345
<b>Total liabilities</b>										<b>2,280,101</b>

## Note 16 Fair value measurement of financial assets and liabilities

The tables show the valuation technique applied for financial assets and liabilities at fair value. Level 1 comprises instruments for which there are listed prices on an active market. Level 2 comprises instruments which have been indirectly valued using market information. Level 3 consists of instruments whose valuation depends materially upon a variable that has not been obtained directly on the market.

31 March 2013 SEK m	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Interest-bearing securities eligible as collateral with central banks	53,139	-	-	53,139
Loans to the public	-	3,222	19	3,241
Bonds and other interest-bearing securities	53,761	17,366	-	71,127
Shares	32,971	1,243	1,274	35,488
Assets where the customer bears the value change risk	72,898	-	-	72,898
Derivative instruments	1,788	100,077	-	101,865
<b>Total financial assets at fair value</b>	<b>214,557</b>	<b>121,908</b>	<b>1,293</b>	<b>337,758</b>
<b>Liabilities</b>				
Liabilities where the customer bears the value change risk	72,918	-	-	72,918
Issued securities	5	18,855	74	18,934
Derivative instruments	2,844	89,525	-	92,369
Short positions	25,941	3,099	-	29,040
<b>Total financial liabilities at fair value</b>	<b>101,708</b>	<b>111,479</b>	<b>74</b>	<b>213,261</b>

31 December 2012 SEK m	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Interest-bearing securities eligible as collateral with central banks	44,808	339	-	45,147
Loans to the public	-	4,054	24	4,078
Bonds and other interest-bearing securities	53,204	13,810	-	67,014
Shares	28,060	526	1,560	30,146
Assets where the customer bears the value change risk	68,565	-	-	68,565
Derivative instruments	1,242	109,608	-	110,850
<b>Total financial assets at fair value</b>	<b>195,879</b>	<b>128,337</b>	<b>1,584</b>	<b>325,800</b>
<b>Liabilities</b>				
Liabilities where the customer bears the value change risk	68,613	-	-	68,613
Issued securities	5	13,674	77	13,756
Derivative instruments	2,508	103,536	-	106,044
Short positions	15,430	771	-	16,201
<b>Total financial liabilities at fair value</b>	<b>86,556</b>	<b>117,981</b>	<b>77</b>	<b>204,614</b>

**Reconciliation of financial instruments in level 3**

January - March 2013 SEK m	Bonds and other interest-bearing securities	Shares	Derivatives, net position	Loans to the public	Issued securities
Carrying amount at beginning of year	-	1,560	-	24	-77
New acquisition	-	74	-	-	0
Sold during the period	-	-364	-	-	0
Matured during the period	-	-	-	-	-
Realised value change in income statement	-	-	-	-	-
Unrealised value change in income statement	-	48	-	0	3
Value change recognised in other comprehensive income	-	-44	-	-1	-
Transfer from level 1 or 2	-	-	-	1	-
Transfer to level 1 or 2	-	-	-	-5	-
<b>Carrying amount at end of period</b>	<b>-</b>	<b>1,274</b>	<b>-</b>	<b>19</b>	<b>-74</b>

January - December 2012 SEK m	Bonds and other interest-bearing securities	Shares	Derivatives, net position	Loans to the public	Issued securities
Carrying amount at beginning of year	-	1,802	-3	25	-77
New acquisition	-	84	-	-	-
Sold during the period	-	-397	-	-	2
Matured during the period	-	-	-	-6	-
Realised value change in income statement	-	76	-	-	-
Unrealised value change in income statement	-	23	-	0	-2
Value change recognised in other comprehensive income	-	-28	-	-1	-
Transfer from level 1 or 2	-	-	-	6	-
Transfer to level 1 or 2	-	-	3	-	-
<b>Carrying amount at end of period</b>	<b>-</b>	<b>1,560</b>	<b>-</b>	<b>24</b>	<b>-77</b>

Handelsbanken's independent risk control unit is responsible for valuation at fair value of financial instruments. The risk control unit is also responsible for categorising the valuations in terms of how they have been carried out and the extent of market data used. The categorisation is based on an assessment of the market activity and the input data used in the valuation. This is shown in levels 1–3 in the table. In general, the valuations are based on externally generated data as far as is possible based on the circumstances in each case. When choosing the valuation model, models that are established in the market are mainly used. The models and input data which form the basis of the valuations are regularly validated to ensure that they are consistent with market practice and established financial theory.

Financial instruments are valued at their current market price at the balance sheet date, providing that price information is easily available and that it is representative of real and frequently occurring transactions in an active market. The current bid price is used for financial assets and the current ask price is used for financial liabilities. For groups of financial instruments which are managed on the basis of the Bank's net exposure to market risk, the current market price is treated as being the same as the closing mid-market price on the balance sheet date, if the Bank's overall risk positions essentially balance each other.

Financial instruments which are valued at the current market price are categorised as level 1. These financial instruments mainly comprise government instruments and other interest-bearing securities that are traded actively, listed equities and short positions in corresponding assets. Level 1 also includes shares in mutual funds and other assets related to unit-linked contracts and similar agreements and the corresponding items on the liability side (assets and liabilities where the customer bears the value change risk).

For financial instruments where there is no reliable information about market prices, fair value is established using valuation models. These models may be based on comparisons with recently performed transactions in the same instrument or instruments with similar characteristics. Where such a market approach is not possible or appropriate, valuation models based on the present value calculation of expected cash flows or option valuation models are generally used, depending on the nature of the instrument. The valuations are based on input data in the form of market interest rates and equity prices together with adjustments for other variables which a market participant would be expected to take into consideration when setting a price.

In the model valuation of derivatives, positive differences between the value calculated at initial recognition and the transaction price (day -1 gain), are amortised over the life of the financial instrument. Such differences occur when the applied valuation model does not capture all the components in the value of the derivative in full. As a consequence of the application of this principle, SEK 19 million has been amortised in net gains/losses on financial transactions during the period. At the end of the period, non-amortised day -1 gains amounted to SEK 357 million (341). In addition, the Bank makes an independent valuation of the total credit risk components (own credit risk as well as counterparty risk) in outstanding OTC derivatives. Changes in fair value due to increased credit risk are recognised in profit/loss to the extent that the effect exceeds non-amortised day -1 gains.

Financial instruments which are valued using valuation models which substantially are based on market data are categorised as level 2. Level 2 mainly includes interest-bearing securities and fixed-income and currency-related derivatives. During the period, interest-bearing securities worth SEK 339 million were moved from level 2 to level 1 due to increased market activity.

Financial instruments valued using a model where input data that has not been possible to verify using external market information has had a material effect on the valuation, are categorised as level 3. These holdings mainly comprise investments in private equity funds in the insurance operations and unlisted shares.

Investments in private equity funds are valued using valuation models mainly based on a relative valuation of comparable listed companies in the same sector. The measurements of profit used in the comparison are adjusted for factors which distort the comparison between the investment and the company used for comparison. After this, the valuation is based on earnings multiples, e.g. P/E ratios. All investments in private equity funds are plan assets in the Group's insurance operations. Value changes in these holdings are therefore included in the basis for calculating the yield split in the insurance operations.

The Group's holdings of unlisted securities mainly consist of the Bank's participating interests in various types of joint operations

which are related to the Bank's business. For example, these may be participating interests in clearing organisations and infrastructure collaboration on Handelsbanken's home markets. In general, such holdings are valued at the Bank's share of the company's net asset value, or alternatively at the price of the last completed transaction. Changes in level 3 holdings during the period are shown in a separate table. In all material respects, unlisted shares are classified as available for sale. Value changes for these holdings are thus reported in other comprehensive income.

Level 3 also includes loans at fair value and for which the valuation has largely been affected by a credit risk assumption which cannot be verified with externally generated data. A reasonable possible change in these credit risk assumptions would not have any significant effect on the Group's financial position or profit. Changes in value of loans at fair value are reported in net gains/losses on financial transactions.

## Note 17 Offsetting of financial instruments

31 March 2013 SEK m	Derivatives	Repurchase agreements, securities lending/borrowing and similar agreements	Total
<b>Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements</b>			
Gross amounts of recognised financial assets	105,346	72,388	177,734
Gross amounts of recognised financial liabilities set off in the statement of financial position	-3,481	-	-3,481
<b>Net amounts of financial assets presented in the statement of financial position</b>	<b>101,865</b>	<b>72,388</b>	<b>174,253</b>
<b>Related amounts not set off in the balance sheet</b>			
Financial instruments not set off in the balance sheet	-68,868	-	-68,868
Collateral received	-9,650	-72,379	-82,029
<b>Net amount</b>	<b>23,347</b>	<b>9</b>	<b>23,356</b>
<b>Financial liabilities subject to offsetting, enforceable master netting agreements and similar agreements</b>			
Gross amounts of recognised financial liabilities	95,850	8,404	104,254
Gross amounts of recognised financial assets set off in the statement of financial position	-3,481	-	-3,481
<b>Net amounts of financial liabilities presented in the statement of financial position</b>	<b>92,369</b>	<b>8,404</b>	<b>100,773</b>
<b>Related amounts not set off in the balance sheet</b>			
Financial instruments not set off in the balance sheet	-68,868	-	-68,868
Assets pledged	-5,023	-8,404	-13,427
<b>Net amount</b>	<b>18,478</b>	<b>-</b>	<b>18,478</b>

31 December 2012 SEK m	Derivatives	Repurchase agreements, securities lending/borrowing and similar agreements	Total
<b>Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements</b>			
Gross amounts of recognised financial assets	114,799	96,313	211,112
Gross amounts of recognised financial liabilities set off in the statement of financial position	-3,949	-	-3,949
<b>Net amounts of financial assets presented in the statement of financial position</b>	<b>110,850</b>	<b>96,313</b>	<b>207,163</b>
<b>Related amounts not set off in the balance sheet</b>			
Financial instruments not set off in the balance sheet	-78,534	-	-78,534
Collateral received	-9,230	-96,290	-105,520
<b>Net amount</b>	<b>23,086</b>	<b>23</b>	<b>23,109</b>
<b>Financial liabilities subject to offsetting, enforceable master netting agreements and similar agreements</b>			
Gross amounts of recognised financial liabilities	109,993	14,686	124,679
Gross amounts of recognised financial assets set off in the statement of financial position	-3,949	-	-3,949
<b>Net amounts of financial liabilities presented in the statement of financial position</b>	<b>106,044</b>	<b>14,686</b>	<b>120,730</b>
<b>Related amounts not set off in the balance sheet</b>			
Financial instruments not set off in the balance sheet	-78,534	-	-78,534
Assets pledged	-6,647	-14,686	-21,333
<b>Net amount</b>	<b>20,863</b>	<b>-</b>	<b>20,863</b>

Derivatives are set off in the balance sheet if the Bank has a contractual right to set off the items and intends to settle the payments simultaneously with a net amount. The remaining counterparty risk in derivatives is reduced through netting agreements, which involve setting off positive values against negative values for all derivative transactions with the same counterparty. Handelsbanken's policy is to sign netting agreements with all bank counterparties. Netting agreements are supplemented with agreements for issuing collateral for the net exposure, which further reduces the credit risk. The collateral for these transactions is mainly cash, but government securities are also used. Collateral for repurchase agreements and lending and borrowing of securities is usually in the form of cash or other securities.

## Note 18 Assets and liabilities by currency

31 March 2013								
SEK m	SEK	EUR	NOK	DKK	GBP	USD	Other currencies	Total
<b>Assets</b>								
Cash and balances with central banks	764	46,706	4,130	69	3	167,614	460	219,746
Other loans to central banks	27,243	8,387		4,589	92		1	40,312
Loans to other credit institutions	15,036	11,413	850	207	93	56,717	2,890	87,206
Loans to the public	1,116,143	150,193	187,907	54,569	108,348	28,810	9,071	1,655,041
<i>of which corporates</i>	511,400	114,014	107,640	23,397	78,536	28,744	7,737	871,468
<i>of which households</i>	604,743	36,179	80,267	31,172	29,812	66	1,334	783,573
Interest-bearing securities eligible as collateral with central banks	29,502	3,219	4,847	5		18,330	963	56,866
Bonds and other interest-bearing securities	59,835	5,705	4,915	129		1,338	127	72,049
Other items not broken down by currency	257,660							257,660
<b>Total assets</b>	<b>1,506,183</b>	<b>225,623</b>	<b>202,649</b>	<b>59,568</b>	<b>108,536</b>	<b>272,809</b>	<b>13,512</b>	<b>2,388,880</b>
<b>Liabilities</b>								
Due to credit institutions	33,856	53,801	10,904	6,586	7,848	88,986	11,023	213,004
Deposits and borrowing from the public	407,595	68,553	50,848	20,637	39,346	51,548	3,787	642,314
<i>of which corporates</i>	183,975	56,838	35,569	10,232	33,630	50,213	3,551	374,008
<i>of which households</i>	223,620	11,715	15,279	10,405	5,716	1,335	236	268,306
Issued securities	463,483	259,499	17,460	354	67,125	336,748	13,471	1,158,140
Subordinated liabilities	10,597	4,158			4,001	184	1,033	19,973
Other items not broken down by currency	355,449							355,449
<b>Total liabilities and equity</b>	<b>1,270,980</b>	<b>386,011</b>	<b>79,212</b>	<b>27,577</b>	<b>118,320</b>	<b>477,466</b>	<b>29,314</b>	<b>2,388,880</b>
Other assets and liabilities broken down by currency and off-balance sheet items		160,430	-123,475	-31,991	9,801	204,599	15,860	
<b>Net foreign currency position</b>		<b>42</b>	<b>-38</b>	<b>0</b>	<b>17</b>	<b>-58</b>	<b>58</b>	<b>21</b>

31 December 2012								
SEK m	SEK	EUR	NOK	DKK	GBP	USD	Other currencies	Total
<b>Assets</b>								
Cash and balances with central banks	1,333	77,689	8,628	73	4	148,320	498	236,545
Other loans to central banks	2,444	-422	375	9,875	98			12,370
Loans to other credit institutions	9,928	11,844	2,845	250	134	60,822	3,688	89,511
Loans to the public	1,126,737	150,201	199,231	54,637	110,953	27,488	11,232	1,680,479
<i>of which corporates</i>	529,830	114,036	115,970	23,374	80,975	27,426	9,808	901,419
<i>of which households</i>	596,907	36,165	83,261	31,263	29,978	62	1,424	779,060
Interest-bearing securities eligible as collateral with central banks	28,612	3,332	183	5		15,727	1,047	48,906
Bonds and other interest-bearing securities	57,812	5,971	3,081	107		1,251	132	68,354
Other items not broken down by currency	251,693							251,693
<b>Total assets</b>	<b>1,478,559</b>	<b>248,615</b>	<b>214,343</b>	<b>64,947</b>	<b>111,189</b>	<b>253,608</b>	<b>16,597</b>	<b>2,387,858</b>
<b>Liabilities</b>								
Due to credit institutions	27,773	46,440	12,076	12,109	3,811	66,438	15,298	183,945
Deposits and borrowing from the public	413,908	65,822	57,421	23,578	43,836	72,803	4,855	682,223
<i>of which corporates</i>	192,469	53,594	41,591	13,088	37,894	71,543	4,631	414,810
<i>of which households</i>	221,439	12,228	15,830	10,490	5,942	1,260	224	267,413
Issued securities	478,244	268,211	15,999	365	64,320	310,628	13,659	1,151,426
Subordinated liabilities	10,896	4,655			4,300	186	1,130	21,167
Other items not broken down by currency	349,097							349,097
<b>Total liabilities and equity</b>	<b>1,279,918</b>	<b>385,128</b>	<b>85,496</b>	<b>36,052</b>	<b>116,267</b>	<b>450,055</b>	<b>34,942</b>	<b>2,387,858</b>
Other assets and liabilities broken down by currency and off-balance sheet items		136,415	-128,745	-28,910	5,010	196,266	18,627	
<b>Net foreign currency position</b>		<b>-98</b>	<b>102</b>	<b>-15</b>	<b>-68</b>	<b>-181</b>	<b>282</b>	<b>22</b>

## Note 19 Related-party transactions

There have been no business transactions of material importance with related parties during the period. All business transactions with associated companies are made on market terms.

## Note 20 Capital base and capital requirement in the banking group

The quantitative information provided in this section follows the directives and general guidelines of the Swedish Financial Supervisory Authority concerning publication of information relating to capital adequacy and risk management. Figures reported in this section refer to the minimum capital requirements under Pillar 1 of Basel II.

### Capital base

SEK m	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012	31 Mar 2012
<b>TIER 1 CAPITAL</b>					
Equity, group	100,366	103,850	97,112	92,885	89,444
Accrued dividend, current year	-1,707	-6,804	-4,621	-3,066	-1,528
Dividend for previous year (unpaid)	-	-	-	-	-
Deduction of equity outside the banking group	1,843	-1,018	-1,020	-1,034	-1,043
Difference in earnings between the banking group and the Group	-174	2,851	2,930	3,026	-67
Minority interests, group	-2	-2	-1	-1	-1
<b>Equity, capital base</b>	<b>100,326</b>	<b>98,877</b>	<b>94,400</b>	<b>91,810</b>	<b>86,805</b>
Minority interests, banking group	563	572	559	549	436
Deducted items					
Goodwill and other intangible assets	-7,533	-7,458	-7,285	-7,350	-7,302
Revaluation reserve	-106	-108	-109	-111	-113
Deferred tax assets	-66	-61	-72	-80	-48
Price adjustments for positions reported at fair value	-12	-14	-14	-20	-27
Special deduction for IRB institutions	-1,111	-1,094	-1,050	-1,097	-1,017
Capital contribution in companies outside the banking group	-3,691	-1,483	-1,483	-1,483	-233
Positions in securitisation	-248	-248	-207	-218	-210
Adjustments in accordance with stability filter					
Cash flow hedges	-879	-1,149	-576	-339	905
Unrealised accumulated gains, shares	-1,043	-797	-524	-285	-645
Unrealised accumulated gains/losses, fixed income instruments	144	170	178	212	223
<b>Total core tier 1 capital</b>	<b>86,344</b>	<b>87,207</b>	<b>83,817</b>	<b>81,588</b>	<b>78,774</b>
Innovative tier 1 capital contributions	8,715	9,323	9,513	10,298	10,609
Non-innovative tier 1 capital contributions	2,902	2,903	2,905	2,906	2,908
<b>Total tier 1 capital</b>	<b>97,961</b>	<b>99,433</b>	<b>96,235</b>	<b>94,792</b>	<b>92,291</b>
<b>TIER 2 CAPITAL</b>					
Perpetual subordinated loans	2,944	3,133	3,155	3,233	3,165
Dated subordinated loans	4,287	4,274	7,588	7,803	7,914
Additional items					
Unrealised accumulated gains, shares	1,043	797	524	285	645
Revaluation reserve	106	108	109	111	113
Deducted items					
Special deduction for IRB institutions	-1,111	-1,094	-1,050	-1,097	-1,017
Capital contribution in companies outside the banking group	-3,691	-1,483	-1,483	-1,483	-233
Positions in securitisation	-248	-248	-207	-218	-210
<b>Total tier 2 capital</b>	<b>3,330</b>	<b>5,487</b>	<b>8,636</b>	<b>8,634</b>	<b>10,377</b>
<b>Total tier 1 and tier 2 capital</b>	<b>101,291</b>	<b>104,920</b>	<b>104,871</b>	<b>103,426</b>	<b>102,668</b>
Deductible items from total capital base					
Capital contribution in insurance companies	-	-4,417	-4,417	-4,417	-4,417
Surplus value pension assets	-174	-	-	-	-
<b>Total capital base for capital adequacy purposes</b>	<b>101,117</b>	<b>100,503</b>	<b>100,454</b>	<b>99,009</b>	<b>98,251</b>

## Capital requirement

SEK m	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012	31 Mar 2012
Credit risk according to standardised approach	3,690	3,654	3,594	3,754	3,827
Credit risk according to IRB approach	29,342	30,174	30,127	31,596	30,868
Interest rate risk	1,047	880	888	873	928
Equity price risk	26	26	19	30	27
Exchange rate risk	-	-	-	-	-
Commodities risk	16	9	8	16	18
Settlement risk	-	3	1	-	-
Operational risk	4,246	4,181	4,181	4,181	4,181
<b>Total capital requirement according to Basel II</b>	<b>38,367</b>	<b>38,927</b>	<b>38,818</b>	<b>40,450</b>	<b>39,849</b>
Adjustment according to transitional rules	41,990	41,454	40,488	39,918	39,569
<b>Capital requirement according to Basel II, transitional rules</b>	<b>80,357</b>	<b>80,381</b>	<b>79,306</b>	<b>80,368</b>	<b>79,418</b>
Risk-weighted assets, transitional rules	1,004,465	1,004,763	991,325	1,004,600	992,725
Risk-weighted assets, Basel II	479,588	486,588	485,225	505,625	498,113

## Capital adequacy analysis

	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012	31 Mar 2012
Capital requirement in Basel II compared to transitional rules	48%	48%	49%	50%	50%
Capital ratio, Basel II	21.1%	20.7%	20.7%	19.6%	19.7%
Capital ratio, transitional rules	10.1%	10.0%	10.1%	9.9%	9.9%
Tier 1 ratio, Basel II	20.4%	20.4%	19.8%	18.7%	18.5%
Tier 1 ratio, transitional rules	9.8%	9.9%	9.7%	9.4%	9.3%
Core tier 1 ratio, Basel II	18.0%	17.9%	17.3%	16.1%	15.8%
Capital base in relation to capital requirement Basel II	264%	258%	259%	245%	247%
Capital base in relation to capital requirement according to transitional rules	126%	125%	127%	123%	124%

Figures reported in this section refer to the minimum capital requirements under Pillar 1 of the capital adequacy rules, Basel II. In the table, "According to Basel II" means that the figures are based on the minimum capital requirements after the transitional rules have ceased to apply.

## History concerning statutory capital requirements (not adjusted for revised IAS 19)

SEK m	31 Dec 2012	30 Sep 2012	30 Jun 2012	31 Mar 2012
Core tier 1 capital	90,107	87,553	85,577	81,915
Total tier 1 capital	102,333	99,971	98,781	95,432
Total capital base for capital adequacy purposes	101,879	102,483	101,161	99,393
Total capital requirement, Basel II	39,072	39,041	40,650	39,986
Capital requirement according to Basel II, transitional rules	80,498	79,485	80,528	79,528
Risk-weighted assets, transitional rules	1,006,219	993,559	1,006,595	994,096
Risk-weighted assets, Basel II	488,400	488,007	508,124	499,826
Capital ratio, Basel II	20.9%	21.0%	19.9%	19.9%
Capital ratio, transitional rules	10.1%	10.3%	10.0%	10.0%
Tier 1 ratio, Basel II	21.0%	20.5%	19.4%	19.1%
Tier 1 ratio, transitional rules	10.2%	10.1%	9.8%	9.6%

## Credit risks IRB

SEK m	Exposure after credit risk protection (EAD)		Average risk weight, %		Capital requirement	
	31 Mar 2013	31 Dec 2012	31 Mar 2013	31 Dec 2012	31 Mar 2013	31 Dec 2012
Corporates	934,564	944,987	29.9	30.5	22,319	23,026
<i>of which repos and securities loans</i>	9,442	23,286	0.3	0.6	3	12
<i>of which other loans foundation approach</i>	341,322	341,048	42.9	44.5	11,713	12,137
<i>of which other loans advanced approach</i>	583,800	580,653	22.7	23.4	10,603	10,877
<i>of which medium-sized companies</i>	72,345	72,467	60.4	61.2	3,495	3,549
<i>of which property companies</i>	381,033	380,147	21.2	21.7	6,467	6,612
<i>of which housing co-operative associations</i>	130,422	128,039	6.1	7.0	641	716
Households	754,875	752,176	7.4	7.5	4,445	4,530
<i>of which property loans</i>	672,548	665,969	5.3	5.4	2,850	2,885
<i>of which other loans</i>	82,327	86,207	24.2	23.8	1,595	1,645
Small companies	28,357	28,596	37.1	38.1	842	872
Institutions	134,499	128,748	8.7	9.5	934	976
<i>of which repos and securities loans</i>	83,847	76,588	0.6	0.6	40	38
<i>of which other loans</i>	50,652	52,160	22.1	22.5	894	938
Equity exposures	5,464	5,206	140.3	140.1	613	584
Exposures without a counterparty	2,321	2,279	100.0	100.0	186	182
Securitisation positions	987	1,323	3.5	3.5	3	4
<i>of which Traditional securitisation</i>	987	1,323	3.5	3.5	3	4
<i>of which Synthetic securitisation</i>	-	-	-	-	-	-
<b>Total IRB</b>	<b>1,861,067</b>	<b>1,863,315</b>	<b>19.7</b>	<b>20.2</b>	<b>29,342</b>	<b>30,174</b>
<i>of which repos and securities loans</i>	93,289	99,874	0.6	0.6	43	50
<i>of which other loans foundation approach</i>	420,746	402,016	39.8	43.0	13,409	13,845
<i>of which other loans advanced approach</i>	1,347,032	1,361,425	14.7	14.9	15,890	16,279

Handelsbanken is implementing the IRB model for its credit exposures in stages. Swedish, Danish, Finnish and Norwegian exposures to households and small companies, and corresponding exposures in the Handelsbanken Finans and Stadshypotek Groups have been approved for IRB reporting. For corporate and institutional exposures, the exposures at all regional banks, Stadshypotek and Handelsbanken Finans have been approved for calculation of the capital requirement according to the IRB model, as have exposures to institutions and large companies at Handelsbanken's foreign branches that are not part of the regional banking operations. In 2010, Handelsbanken received permission from the Swedish Financial Supervisory Authority to report parts of its corporate portfolio according to the advanced IRB approach, with the first reporting occasion as at 31 December 2010. The permit refers to counterparties which are categorised as medium-sized companies, property companies and housing co-operative associations. In 2012, a supplementary application was submitted to the Swedish Financial Supervisory Authority for Large corporates. The table presents the corporate exposure as at 31 March 2013 split into the foundation and the advanced approaches. In addition, repos and securities loans are reported separately, since they give rise to very low capital requirements, while the volume varies considerably over time. The low capital requirement is due to the fact that the exposure in repos and securities loans is reported gross and the exposure is secured.

The average risk weight for the IRB exposures amounted to 19.7 per cent as at 31 March 2013. The risk weight for corporate exposures continues to decrease as a result of increased lending to corporate counterparties with lower risk weight than average. The credit quality is very good. Almost 96 per cent of Handelsbanken's corporate exposures were to customers with a repayment capacity assessed as normal or better than normal, i.e. with a rating grade between one and five on the Bank's ten-point rating scale.

The advanced IRB models are based on historical losses from both the recent financial crisis and the Swedish banking crisis of the early 1990s. These risk weights reflect the fact that Handelsbanken has reported low loan losses over a long period. The risk measurements applied also contain safety margins to ensure that the risk is not underestimated.

The level of the risk weight in the corporate exposures should also be seen in the light of the portfolio composition and how various loans are classified in the different exposure classes. Handelsbanken has classified its lending to housing co-operative associations as companies while some other banks have opted to classify this as retail lending.

## Note 21 Risk and capital management

### Risks and uncertainty factors

Developments continue to be characterised by the debt crisis in the eurozone and a weak global business cycle. As long as the imbalances prevail in the global economy with many indebted countries, the unstable situation will continue to affect the economic trend and risks bringing turbulence to the financial markets. Handelsbanken does not have any sovereign exposures to the "PIIGS" countries, but may be affected indirectly if the crisis were to worsen significantly. However, Handelsbanken's historically low tolerance of risks, sound capitalisation and strong liquidity mean that the Bank is well equipped to operate also under these conditions.

Turbulence in the financial markets affects the financial sector's opportunities to access mainly long-term funding. Handelsbanken has a strong liquidity situation both as a whole and in all currencies which are of importance for the Bank; it has continually had full access to

the capital markets. The Bank is therefore well equipped to manage situations of increased financial turbulence.

Handelsbanken has low tolerance of market risks. For the first quarter of 2013, the average total exposure in the trading book, measured as Value-at-Risk (VaR), was SEK 17 million (Q1 2012: SEK 13 million). During the period, the risk varied between SEK 9 million (7) and 42 million (22). Handelsbanken's liquidity situation is healthy and is described in more detail under the heading Liquidity and funding.

Other aspects of the Bank's risk and capital management are described in Handelsbanken's 2012 annual report and in Handelsbanken's Risk and capital management – Information according to Pillar 3 for 2012. No material changes have occurred since the publication of these documents that are not presented in this interim report.

### Liquidity and funding

Handelsbanken's liquidity situation is healthy. For a long period of time, the Bank has actively worked with liquidity measures and has adopted a conservative approach. Part of this work has involved centralising liquidity management with the purpose of strengthening control of the liquidity risks and of guaranteeing and optimising the Bank's funding in all scenarios. The Bank has worked for a long time

on extending the maturities of its funding by increasing bond issues and ensuring that liquidity risks are included in internal pricing. The Bank's funding programme covers the entire maturity spectrum in SEK, EUR and USD that the Bank needs to finance its lending and also creates the opportunity for issues in all currencies that are relevant for the Bank.

### Funding programmes/limits as 31 March 2013 - Group

Programme (in millions)	Programme size	Currency	Unutilised amount	Countervalue SEK m	Latest issue
ECP *	5,000	EUR	2,125	17,732	mar-13
ECP (Stadshypotek) *	4,000	EUR	2,305	19,234	mar-13
French Commercial Paper	5,000	EUR	2,059	17,181	mar-13
EMTCN (Stadshypotek) *	20,000	EUR	5,896	49,199	mar-13
MTN*	100,000	SEK	71,171	71,171	mar-13
Swedish Commercial Paper	25,000	SEK	24,865	24,865	mar-13
Swedish Commercial Paper (Stadshypotek)	90,000	SEK	89,820	89,820	okt-12
EMTN *	50,000	USD	29,071	189,464	mar-13
General funding > 1 y *	15,000	USD	13,478	87,840	jan-13
USCP	15,000	USD	5,550	36,171	mar-13
Extendible Notes	15,000	USD	10,295	67,096	feb-13
US 144A / 3(a)(2)	15,000	USD	7,650	49,857	mar-13
Stadshypotek US 144A	15,000	USD	11,900	77,556	okt-12
Stadshypotek AUD Covered Bond Programme	5,000	AUD	4,250	28,876	okt-12
<b>Total</b>				<b>826,062</b>	
Total programme (or limited) amounts, SEK m	1,347,347				
Amount free to use, SEK m	826,062				
<b>Unutilised amount</b>	<b>61%</b>				

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

As at 31 March 2013, total liquidity reserves exceeded SEK 750 billion. Balances with central banks and banks, as well as holdings of securities that are eligible as collateral with central banks, totalled

SEK 373 billion. In addition, there was an unutilised issue amount for covered bonds and other liquidity-creating measures.

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

SEK m	Market value				
	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012	31 Mar 2012
Cash and balances with and other lending to central banks	258,670	246,094	376,985	437,648	340,824
Balances with banks & the National Debt Office, overnight (before Dec-12: incl. repos)	9,701	17,288	20,836	14,217	37,675
Securities issued by governments and public entities	42,969	36,087	42,326	35,988	49,771
Covered bonds	57,910	73,541	53,878	45,337	43,686
Securities issued by non-financial companies	1,141	1,233	-	-	1,821
Securities issued by financial companies	2,119	2,706	4,155	4,029	2,737
<b>Total</b>	<b>372,510</b>	<b>376,949</b>	<b>498,180</b>	<b>537,219</b>	<b>476,514</b>
<i>of which in SEK</i>	<i>100,384</i>	<i>98,661</i>	<i>116,944</i>	<i>97,788</i>	<i>117,366</i>
<i>of which in EUR</i>	<i>63,374</i>	<i>85,505</i>	<i>102,662</i>	<i>112,433</i>	<i>90,858</i>
<i>of which in USD</i>	<i>187,881</i>	<i>166,328</i>	<i>249,924</i>	<i>266,910</i>	<i>228,323</i>
<i>of which in other currencies</i>	<i>20,871</i>	<i>26,455</i>	<i>28,650</i>	<i>60,088</i>	<i>39,967</i>

#### 31 March 2013

Market value, SEK m	SEK	EUR	USD	Other	Total
Cash and balances with and other lending to central banks	26,685	55,042	167,606	9,337	258,670
Balances with other banks, overnight	6,431	379	425	2,466	9,701
Securities issued by governments	22,293	3,699	11,429	4,866	42,287
Securities issued by municipalities and other public entities	682	-	-	-	682
Covered bonds	28,195	2,456	6,745	1,972	39,368
Own covered bonds	15,435	877	-	2,230	18,542
Securities issued by non-financial companies	-	-	1,141	-	1,141
Securities issued by financial companies	663	921	535	-	2,119
Other securities	-	-	-	-	-
<b>Total</b>	<b>100,384</b>	<b>63,374</b>	<b>187,881</b>	<b>20,871</b>	<b>372,510</b>

### Maturities for USD assets and liabilities

31 March 2013						Unspecified	
SEK m	Up to 3 mths	3 - 12 mths	1 - 5 yrs	5 yrs -	maturity	Total	
Cash and balances with central banks	167,614	-	-	-	-	167,614	
Bonds and other interest-bearing securities	19,668	-	-	-	-	19,668	
Loans to credit institutions	49,005	311	48	3,170	4,183	56,717	
Loans to the public	11,404	3,668	8,721	2,960	2,057	28,810	
Other, including derivatives	38,004	125,211	27,805	11,593	1,986	204,599	
<b>Total assets</b>	<b>285,695</b>	<b>129,190</b>	<b>36,574</b>	<b>17,723</b>	<b>8,226</b>	<b>477,408</b>	
Due to credit institutions	84,558	2,186	73	0	2,169	88,986	
Deposits and borrowing from the public	39,383	88	-	-	12,077	51,548	
Issued securities	129,742	132,854	57,319	16,833	-	336,748	
Subordinated liabilities	-	-	184	-	-	184	
<b>Total liabilities</b>	<b>253,683</b>	<b>135,128</b>	<b>57,576</b>	<b>16,833</b>	<b>14,246</b>	<b>477,466</b>	

## Liquidity Coverage Ratio (LCR)

	Q1	Q4	Q3	Q2	Q1
Liquidity Coverage Ratio (LCR), %	2013	2012	2012	2012	2012
EUR	132	301	114	166	162
USD	229	174	209	281	442
<b>Total *</b>	<b>135</b>	<b>136</b>	<b>139</b>	<b>178</b>	<b>168</b>

\*Since Q4 2012, calculated according to the new regulations as at 1 January 2013.

	Q1	Q4
Liquidity Coverage Ratio (LCR) - decomposition, SEK m	2013	2012
<b>Liquid assets</b>	<b>186,891</b>	<b>210,299</b>
Liquid assets level 1	154,375	161,442
Liquid assets level 2	32,516	48,857
<b>Cash outflows</b>	<b>403,258</b>	<b>402,356</b>
Deposits	175,906	149,860
Market funding	163,881	207,681
Other cash outflows	63,471	44,815
<b>Cash inflows</b>	<b>265,085</b>	<b>247,176</b>
Inflows from maturing lending to non-financial customers	29,381	26,122
Other cash inflows	235,704	221,054

The components are defined in line with the Swedish Financial Supervisory Authority proposals on the basis for calculation of quantitative requirements for liquidity coverage ratio and reporting of liquid assets and cash flows. Liquid assets level 1 corresponds to Chapter 3, Section 6. Liquid assets level 2 corresponds to Chapter 3, Section 7. Customer Deposits corresponds to Chapter 4, Sections 4-9. Market funding corresponds to Chapter 4, Section 10-13. Other cash flows corresponds to Chapter 4, Sections 14-25. Loans to non-financial customers corresponds to Chapter 5 Section 4. Other cash inflows corresponds to Chapter 5, Sections 6-12.

As a measure of sensitivity to short-term disruptions in the funding market, the Basel Committee has proposed a risk measure, Liquidity Coverage Ratio (LCR). The measure will be implemented as a quantitative requirement through CRD IV according to the EU's implementation plan. In Sweden, the Swedish Financial Supervisory Authority's liquidity coverage ratio regulations (FFFS 2012:6) have applied since 1 January 2013. The Swedish Financial Supervisory Authority's definition differs from the measure proposed by the Basel Committee and which will be introduced as CRD IV in 2015. It is defined as the ratio between the Bank's liquidity buffer and net cash

flows in a very stressed scenario during a 30-day period. The ratio must be more than 100 per cent. A short-term liquidity ratio may display a degree of volatility over time, for example when funding that was originally long term and which is financing mortgage loans is replaced by new long-term funding, or when the composition of counterparty categories varies in the short-term funding. As at 31 March 2013, Handelsbanken's LCR according to the Swedish Financial Supervisory Authority's definition was 135 per cent, which shows that the Bank has high resistance to short-term disruptions in the funding market. This also applies in US dollars and euros.

## Stress test with liquidity-creating measures

The Bank's liquidity position is regularly subjected to a stress test. In the test, the Bank's cash flows are stressed, based on certain defined assumptions. The stress test shows resistance to more long-term market disruptions. For example, it is assumed in the stress test that the Bank cannot obtain funding in the financial markets while there is a gradual disappearance of ten per cent of deposits from households and companies over the first month. It is further assumed that the Bank continues to conduct its core activities, i.e. loans to households and companies, and that committed loan offers and other credit

facilities are partly utilised by customers. Account is also taken of the fact that holdings with central banks are utilised and that the Central Treasury liquidity portfolio can provide immediate additional liquidity. In addition, liquidity-creating measures – for example, unutilised facilities to issue covered bonds – are used in order to gradually provide liquidity to the Bank. The result of the stress test shows that also in a stressed scenario, the liquidity reserves cover the Bank's liquidity requirement for over two years, even if access to new funding in the markets were to disappear.

## Non-encumbered assets, NEA

31 March 2013		
SEK bn	NEA	coverage ratio in % of unsecured funding *
Holdings with central banks and securities in the liquidity portfolio	365	43%
Mortgage loans	301	79%
Other household lending	121	94%
Property company lending lowest risk class (1-3)	191	116%
Other corporate lending lowest risk class (1-3)	195	139%
Loans to credit institutions lowest risk class (1-3)	87	150%
Other corporate lending	234	178%
Other assets	114	191%
<b>Total non-encumbered assets (NEA)</b>	<b>1,608</b>	<b>191%</b>
<b>Encumbered assets without underlying liabilities **</b>	<b>56</b>	
Encumbered assets with underlying liabilities	725	
<b>Total assets, Group</b>	<b>2,389</b>	

31 December 2012		
SEK bn	NEA	coverage ratio in % of unsecured funding *
Holdings with central banks and securities in the liquidity portfolio	360	46%
Mortgage loans	292	82%
Other household lending	124	98%
Property company lending lowest risk class (1-3)	195	123%
Other corporate lending lowest risk class (1-3)	194	147%
Loans to credit institutions lowest risk class (1-3)	86	158%
Other corporate lending	266	192%
Other assets	118	207%
<b>Total non-encumbered assets (NEA)</b>	<b>1,635</b>	<b>207%</b>
<b>Encumbered assets without underlying liabilities **</b>	<b>51</b>	
Encumbered assets with underlying liabilities	702	
<b>Total assets, Group</b>	<b>2,388</b>	

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

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

Note 22 Restating of financial reports due to IAS 19 – Group

The restatement relates to accounting for defined-benefit pensions in accordance with IAS 19 Employee benefits. The initial effect is recognised against retained earnings as of 1 January 2012. Further information concerning this change can be found in note 1.

The Group	Q1	Adjustments	Q1	Q2	Adjustments	Q2	Jan-Jun	Adjustments	Jan-Jun
SEK m	2012	IAS 19	2012 adj.	2012	IAS 19	2012 adj.	2012	IAS 19	2012 adj.
<b>Total income</b>	<b>8,866</b>		<b>8,866</b>	<b>8,839</b>		<b>8,839</b>	<b>17,705</b>		<b>17,705</b>
Staff costs	-2,668	-113	-2,781	-2,670	-115	-2,785	-5,338	-228	-5,566
Other administrative expenses	-1,214		-1,214	-1,236		-1,236	-2,450		-2,450
Depreciation, amortisation and impairments of property, equipment and intangible assets	-122		-122	-117		-117	-239		-239
<b>Total expenses</b>	<b>-4,004</b>	<b>-113</b>	<b>-4,117</b>	<b>-4,023</b>	<b>-115</b>	<b>-4,138</b>	<b>-8,027</b>	<b>-228</b>	<b>-8,255</b>
<b>Profit before loan losses</b>	<b>4,862</b>	<b>-113</b>	<b>4,749</b>	<b>4,816</b>	<b>-115</b>	<b>4,701</b>	<b>9,678</b>	<b>-228</b>	<b>9,450</b>
Net loan losses	-291		-291	-288		-288	-579		-579
Gains/losses on disposal of property, equipment and intangible assets	0		0	0		0	0		0
<b>Operating profit</b>	<b>4,571</b>	<b>-113</b>	<b>4,458</b>	<b>4,528</b>	<b>-115</b>	<b>4,413</b>	<b>9,099</b>	<b>-228</b>	<b>8,871</b>
Taxes	-1,272	30	-1,242	-1,143	30	-1,113	-2,415	60	-2,355

**Profit for the period from continuing operations** 3,299 -83 3,216 3,385 -85 3,300 6,684 -168 6,516

**Profit for the period pertaining to discontinued operations, after tax** 49 49 29 29 78 78

**Profit for the period** 3,348 -83 3,265 3,414 -85 3,329 6,762 -168 6,594

*attributable to*

Shareholders in Svenska Handelsbanken AB 3,348 -83 3,265 3,414 -85 3,329 6,762 -168 6,594

Minority interest 0 0 0 0 0 0 0 0 0

Earnings per share, continuing operations, SEK after dilution 5.28 -0.13 5.15 5.40 -0.13 5.27 10.68 -0.27 10.41

Earnings per share, total operations, SEK after dilution 5.15 -0.12 5.03 5.30 -0.13 5.17 10.42 -0.26 10.16

Earnings per share, total operations, SEK after dilution 5.36 -0.13 5.23 5.44 -0.13 5.31 10.81 -0.27 10.54

Earnings per share, total operations, SEK after dilution 5.22 -0.12 5.10 5.34 -0.13 5.21 10.54 -0.26 10.28

**Profit for the period** 3,348 -83 3,265 3,414 -85 3,329 6,762 -168 6,594

Other comprehensive income

Cas flow hedges -311 -311 1,689 1,689 1,378 1,378

Available-for-sale instruments 709 709 -474 -474 235 235

Translation differences for the period 261 261 -572 -572 -311 -311

Defined benefit plans 1,835 1,835 0 -1,033 -1,033 802 802

Tax related to other comprehensive income -194 -483 -677 -161 272 111 -355 -211 -566

**Total other comprehensive income** 465 1,352 1,817 482 -761 -279 947 591 1,538

**Total comprehensive income for the period** 3,813 5,082 3,896 3,050 7,709 8,132

*Attributable to*

Shareholders in Svenska Handelsbanken AB 3,813 5,082 3,896 3,050 7,709 8,132

Minority interest 0 0 0 0 0 0 0 0 0

The Group	Q3	Adjustments	Q3	Jan-Sep	Adjustments	Jan-Sep	Q4	Adjustments	Q4	Full year	Adjustments	Full year
SEK m	2012	IAS 19	2012 adj.	2012	IAS 19	2012 adj.	2012	IAS 19	2012 adj.	2012	IAS 19	2012 adj.
<b>Total income</b>	<b>8,466</b>		<b>8,466</b>	<b>26,171</b>		<b>26,171</b>	<b>8,891</b>		<b>8,891</b>	<b>35,062</b>		<b>35,062</b>
Staff costs	-2,562	-116	-2,678	-7,900	-344	-8,244	-2,811	-112	-2,923	-10,711	-456	-11,167
Other administrative expenses	-1,108		-1,108	-3,558		-3,558	-1,511		-1,511	-5,069		-5,069
Depreciation, amortisation and impairments of property, equipment and intangible assets	-113		-113	-352		-352	-112		-112	-464		-464
<b>Total expenses</b>	<b>-3,783</b>	<b>-116</b>	<b>-3,899</b>	<b>-11,810</b>	<b>-344</b>	<b>-12,154</b>	<b>-4,434</b>	<b>-112</b>	<b>-4,546</b>	<b>-16,244</b>	<b>-456</b>	<b>-16,700</b>
<b>Profit before loan losses</b>	<b>4,683</b>	<b>-116</b>	<b>4,567</b>	<b>14,361</b>	<b>-344</b>	<b>14,017</b>	<b>4,457</b>	<b>-112</b>	<b>4,345</b>	<b>18,818</b>	<b>-456</b>	<b>18,362</b>
Net loan losses	-277		-277	-856		-856	-395		-395	-1,251		-1,251
Gains/losses on disposal of property, equipment and intangible assets	-1		-1	-1		-1	-2		-2	-3		-3
<b>Operating profit</b>	<b>4,405</b>	<b>-116</b>	<b>4,289</b>	<b>13,504</b>	<b>-344</b>	<b>13,160</b>	<b>4,060</b>	<b>-112</b>	<b>3,948</b>	<b>17,564</b>	<b>-456</b>	<b>17,108</b>
Taxes	-1,167	30	-1,137	-3,582	90	-3,492	544	-144	400	-3,038	-54	-3,092
<b>Profit for the period from continuing operations</b>	<b>3,238</b>	<b>-86</b>	<b>3,152</b>	<b>9,922</b>	<b>-254</b>	<b>9,668</b>	<b>4,604</b>	<b>-256</b>	<b>4,348</b>	<b>14,526</b>	<b>-510</b>	<b>14,016</b>
<b>Profit for the period pertaining to discontinued operations, after tax</b>	<b>8</b>		<b>8</b>	<b>86</b>		<b>86</b>	<b>-64</b>		<b>-64</b>	<b>22</b>		<b>22</b>
<b>Profit for the period</b>	<b>3,246</b>	<b>-86</b>	<b>3,160</b>	<b>10,008</b>	<b>-254</b>	<b>9,754</b>	<b>4,540</b>	<b>-256</b>	<b>4,284</b>	<b>14,548</b>	<b>-510</b>	<b>14,038</b>
<i>attributable to</i>												
Shareholders in Svenska Handelsbanken AB	3,246	-86	3,160	10,008	-254	9,754	4,539	-256	4,283	14,547	-510	14,037
Minority interest	0		0	0		0	1		1	1		1
Earnings per share, continuing operations, SEK after dilution	5.14	-0.14	5.00	15.82	-0.40	15.42	7.28	-0.40	6.88	23.11	-0.81	22.30
Earnings per share, total operations, SEK after dilution	5.06	-0.13	4.93	15.46	-0.39	15.07	7.16	-0.39	6.77	22.60	-0.78	21.82
Earnings per share, total operations, SEK after dilution	5.15	-0.14	5.01	15.95	-0.40	15.55	7.18	-0.40	6.78	23.15	-0.81	22.34
Earnings per share, total operations, SEK after dilution	5.07	-0.13	4.94	15.59	-0.39	15.20	7.06	-0.39	6.67	22.63	-0.78	21.85
<b>Profit for the period</b>	<b>3,246</b>	<b>-86</b>	<b>3,160</b>	<b>10,008</b>	<b>-254</b>	<b>9,754</b>	<b>4,540</b>	<b>-256</b>	<b>4,284</b>	<b>14,548</b>	<b>-510</b>	<b>14,038</b>
Other comprehensive income												
Cas flow hedges	321		321	1,699		1,699	691		691	2,390		2,390
Available-for-sale instruments	379		379	614		614	370		370	984		984
Translation differences for the period	-109		-109	-420		-420	294		294	-126		-126
Defined benefit plans		461	461		1,263	1,263		1,320	1,320		2,583	2,583
Tax related to other comprehensive income	-423	-121	-544	-778	-332	-1,110	-135	-236	-371	-913	-568	-1,481
<b>Total other comprehensive income</b>	<b>168</b>	<b>340</b>	<b>508</b>	<b>1,115</b>	<b>931</b>	<b>2,046</b>	<b>1,220</b>	<b>1,084</b>	<b>2,304</b>	<b>2,335</b>	<b>2,015</b>	<b>4,350</b>
<b>Total comprehensive income for the period</b>	<b>3,414</b>		<b>3,668</b>	<b>11,123</b>		<b>11,800</b>	<b>5,760</b>		<b>6,588</b>	<b>16,883</b>		<b>18,388</b>
<i>Attributable to</i>												
Shareholders in Svenska Handelsbanken AB	3,414		3,668	11,123		11,800	5,759		6,587	16,882		18,387
Minority interest	0		0	0		0	1		1	1		1

The Group	31 Dec	Adjustments	1 Jan	31 Mar	Adjustments	31 Mar 2012	30 Jun	Adjustments	30 Jun 2012
SEK m	2011	IAS 19	2012	2012	IAS 19	adjusted	2012	IAS 19	adjusted
<b>ASSETS</b>									
Net pension assets	4,775	-4,775		4,925	-4,454	471	5,023	-5,023	
Other assets	2,449,591		2,449,591	2,455,007		2,455,007	2,541,560		2,541,560
<b>Total assets</b>	<b>2,454,366</b>	<b>-4,775</b>	<b>2,449,591</b>	<b>2,459,932</b>	<b>-4,454</b>	<b>2,455,478</b>	<b>2,546,583</b>	<b>-5,023</b>	<b>2,541,560</b>
<b>LIABILITIES AND EQUITY</b>									
Deferred tax liabilities	9,466	-1,624	7,842	9,589	-1,171	8,418	9,683	-1,473	8,210
Net pension liabilities		1,401	1,401					579	579
Other liabilities	2,350,376		2,350,376	2,357,616		2,357,616	2,439,886		2,439,886
<b>Total liabilities</b>	<b>2,359,842</b>	<b>-223</b>	<b>2,359,619</b>	<b>2,367,205</b>	<b>-1,171</b>	<b>2,366,034</b>	<b>2,449,569</b>	<b>-894</b>	<b>2,448,675</b>
Other equity	1,685		1,685	2,636		2,636	3,509		3,509
Defined benefit plans					1,352	1,352		591	591
Retained earnings	80,516	-4,552	75,964	86,743	-4,552	82,191	86,743	-4,552	82,191
Profit for the period	12,323		12,323	3,348	-83	3,265	6,762	-168	6,594
<b>Total equity</b>	<b>94,524</b>	<b>-4,552</b>	<b>89,972</b>	<b>92,727</b>	<b>-3,283</b>	<b>89,444</b>	<b>97,014</b>	<b>-4,129</b>	<b>92,885</b>
<b>Total liabilities and equity</b>	<b>2,454,366</b>	<b>-4,775</b>	<b>2,449,591</b>	<b>2,459,932</b>	<b>-4,454</b>	<b>2,455,478</b>	<b>2,546,583</b>	<b>-5,023</b>	<b>2,541,560</b>

The Group	30 Sep	Adjustments	30 Sep 2012	31 Dec	Adjustments	30 Dec 2012
SEK m	2012	IAS 19	adjusted	2012	IAS 19	adjusted
<b>ASSETS</b>						
Net pension assets	5,133	-5,133		4,673	-3,907	766
Other assets	2,508,189		2,508,189	2,383,185		2,383,185
<b>Total assets</b>	<b>2,513,322</b>	<b>-5,133</b>	<b>2,508,189</b>	<b>2,387,858</b>	<b>-3,907</b>	<b>2,383,951</b>
<b>LIABILITIES AND EQUITY</b>						
Deferred tax liabilities	9,922	-1,382	8,540	9,573	-860	8,713
Net pension liabilities		124	124			
Other liabilities	2,402,413		2,402,413	2,271,388		2,271,388
<b>Total liabilities</b>	<b>2,412,335</b>	<b>-1,258</b>	<b>2,411,077</b>	<b>2,280,961</b>	<b>-860</b>	<b>2,280,101</b>
Other equity	4,236		4,236	5,607		5,607
Defined benefit plans		931	931		2,015	2,015
Retained earnings	86,743	-4,552	82,191	86,743	-4,552	82,191
Profit for the period	10,008	-254	9,754	14,547	-510	14,037
<b>Total equity</b>	<b>100,987</b>	<b>-3,875</b>	<b>97,112</b>	<b>106,897</b>	<b>-3,047</b>	<b>103,850</b>
<b>Total liabilities and equity</b>	<b>2,513,322</b>	<b>-5,133</b>	<b>2,508,189</b>	<b>2,387,858</b>	<b>-3,907</b>	<b>2,383,951</b>

## Condensed set of financial statements – Parent company

### PARENT COMPANY'S INCOME STATEMENT

SEK m	Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
Net interest income	3,897	4,155	-6%	3,964	-2%	3,897	4,155	-6%	16,431
Dividends received	92	135	-32%	8,240	-99%	92	135	-32%	9,152
Net fee and commission income	1,461	1,481	-1%	1,490	-2%	1,461	1,481	-1%	5,724
Net gains/losses on financial transactions	190	207	-8%	451	-58%	190	207	-8%	3,994
Other operating income	489	176	178%	222	120%	489	176	178%	758
<b>Total income</b>	<b>6,129</b>	<b>6,154</b>	<b>0%</b>	<b>14,367</b>	<b>-57%</b>	<b>6,129</b>	<b>6,154</b>	<b>0%</b>	<b>36,059</b>
Staff costs	-2,591	-2,638	-2%	-2,102	23%	-2,591	-2,638	-2%	-9,808
Other administrative expenses	-1,247	-1,090	14%	-1,458	-14%	-1,247	-1,090	14%	-5,157
Depreciation, amortisation and impairments of property, equipment and intangible assets	-129	-141	-9%	-121	7%	-129	-141	-9%	-518
<b>Total expenses before loan losses</b>	<b>-3,967</b>	<b>-3,869</b>	<b>3%</b>	<b>-3,681</b>	<b>8%</b>	<b>-3,967</b>	<b>-3,869</b>	<b>3%</b>	<b>-15,483</b>
<b>Profit before loan losses</b>	<b>2,162</b>	<b>2,285</b>	<b>-5%</b>	<b>10,686</b>	<b>-80%</b>	<b>2,162</b>	<b>2,285</b>	<b>-5%</b>	<b>20,576</b>
Net loan losses	-274	-257	7%	-365	-25%	-274	-257	7%	-1,154
Impairments of financial assets	-	-	-	-722	-	-	-	-	-820
<b>Operating profit</b>	<b>1,888</b>	<b>2,028</b>	<b>-7%</b>	<b>9,599</b>	<b>-80%</b>	<b>1,888</b>	<b>2,028</b>	<b>-7%</b>	<b>18,602</b>
Appropriations	4,193	26	-	-4,142	-	4,193	26	-	-4,065
<b>Profit before tax</b>	<b>6,081</b>	<b>2,054</b>	<b>196%</b>	<b>5,457</b>	<b>11%</b>	<b>6,081</b>	<b>2,054</b>	<b>196%</b>	<b>14,537</b>
Taxes	-1,360	-579	135%	-1,227	11%	-1,360	-579	135%	-2,985
<b>Profit for the period</b>	<b>4,721</b>	<b>1,475</b>	<b>220%</b>	<b>4,230</b>	<b>12%</b>	<b>4,721</b>	<b>1,475</b>	<b>220%</b>	<b>11,552</b>

### PARENT COMPANY'S STATEMENT OF COMPREHENSIVE INCOME

SEK m	Q1 2013	Q1 2012	Change	Q4 2012	Change	Jan-Mar 2013	Jan-Mar 2012	Change	Full year 2012
<b>Profit for the period</b>	<b>4,721</b>	<b>1,475</b>	<b>220%</b>	<b>4,230</b>	<b>12%</b>	<b>4,721</b>	<b>1,475</b>	<b>220%</b>	<b>11,552</b>
<b>Other comprehensive income</b>									
<b>Items that can be reclassified into profit or loss</b>									
Cash flow hedges	-436	-256	-70%	733	-	-436	-256	-70%	2,522
Available-for-sale instruments	315	709	-56%	370	-15%	315	709	-56%	983
Translation differences for the period	-1,133	267	-	158	-	-1,133	267	-	-10
<i>of which hedging net investment in foreign operations</i>	-160	363	-	-44	-264%	-160	363	-	481
Tax related to other comprehensive income	85	-205	-	-194	-	85	-205	-	-962
<i>of which cash flow hedges</i>	96	67	43%	-138	-	96	67	43%	-608
<i>of which available-for-sale instruments</i>	-46	-177	74%	-88	48%	-46	-177	74%	-248
<i>of which hedging net investment in foreign operations</i>	35	-95	-	32	9%	35	-95	-	-106
<b>Total items that can be reclassified into profit or loss</b>	<b>-1,169</b>	<b>515</b>	<b>-</b>	<b>1,067</b>	<b>-</b>	<b>-1,169</b>	<b>515</b>	<b>-</b>	<b>2,533</b>
<b>Total other comprehensive income for the period</b>	<b>-1,169</b>	<b>515</b>	<b>-</b>	<b>1,067</b>	<b>-</b>	<b>-1,169</b>	<b>515</b>	<b>-</b>	<b>2,533</b>
<b>Total comprehensive income for the period</b>	<b>3,552</b>	<b>1,990</b>	<b>78%</b>	<b>5,297</b>	<b>-33%</b>	<b>3,552</b>	<b>1,990</b>	<b>78%</b>	<b>14,085</b>

## PARENT COMPANY'S BALANCE SHEET

SEK m	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012	31 Mar 2012
<b>Assets</b>					
Cash and balances with central banks	219,496	236,447	341,089	272,356	225,505
Interest-bearing securities eligible as collateral with central banks	52,358	45,259	45,764	44,878	51,060
Loans to credit institutions	460,841	422,897	421,475	563,671	519,073
Loans to the public	694,576	731,967	693,603	716,304	721,276
Bonds and other interest-bearing securities	67,206	62,939	64,192	56,968	59,000
Shares	33,810	28,269	23,117	22,377	23,427
Shares in subsidiaries and investments in associates	45,753	45,734	46,452	46,452	44,020
Assets where the customer bears the value change risk	2,146	2,011	1,950	2,146	2,127
Derivative instruments	115,317	122,525	148,401	134,910	123,021
Intangible assets	1,646	1,643	1,575	1,604	1,588
Property and equipment	944	967	956	994	2,027
Current tax assets	-	-	299	-	-
Deferred tax assets	346	333	41	46	333
Other assets	14,224	18,428	33,141	23,181	32,227
Prepaid expenses and accrued income	5,875	5,347	6,375	5,739	7,001
<b>Total assets</b>	<b>1,714,538</b>	<b>1,724,766</b>	<b>1,828,430</b>	<b>1,891,626</b>	<b>1,811,685</b>
<b>Liabilities and equity</b>					
Due to credit institutions	284,862	243,332	282,211	323,743	293,660
Deposits and borrowing from the public	626,806	668,683	713,627	708,044	668,001
Liabilities where the customer bears the value change risk	2,166	2,059	1,997	2,194	2,183
Issued securities	530,401	531,284	517,940	560,539	553,811
Derivative instruments	109,121	126,922	154,579	135,144	130,900
Short positions	29,040	16,201	19,504	24,626	15,280
Current tax liabilities	635	340	-	299	346
Deferred tax liabilities	577	707	307	19	109
Provisions	104	116	37	42	20
Other liabilities	20,065	17,154	22,976	24,244	41,095
Accrued expenses and deferred income	10,679	9,531	13,184	11,999	10,361
Subordinated liabilities	19,973	21,167	24,406	25,530	25,915
<b>Total liabilities</b>	<b>1,634,429</b>	<b>1,637,496</b>	<b>1,750,768</b>	<b>1,816,423</b>	<b>1,741,681</b>
<b>Untaxed reserves</b>	<b>816</b>	<b>5,038</b>	<b>877</b>	<b>935</b>	<b>968</b>
Share capital	2,951	2,943	2,939	2,924	2,914
Share premium	2,659	2,337	2,191	1,647	1,266
Other funds	1,941	3,110	2,043	1,643	1,091
Retained earnings	67,021	62,290	62,290	62,290	62,290
Profit for the period	4,721	11,552	7,322	5,764	1,475
<b>Total equity</b>	<b>79,293</b>	<b>82,232</b>	<b>76,785</b>	<b>74,268</b>	<b>69,036</b>
<b>Total liabilities and equity</b>	<b>1,714,538</b>	<b>1,724,766</b>	<b>1,828,430</b>	<b>1,891,626</b>	<b>1,811,685</b>
<b>Memorandum items</b>					
Assets pledged for own debt	28,902	59,195	64,487	72,489	76,895
Other assets pledged	33,027	2,564	5,066	5,348	4,557
Contingent liabilities and commitments	135,041	131,586	124,872	130,987	135,591
Other commitments	550,944	475,287	428,578	444,335	501,002

## SUBMISSION OF REPORT

I hereby submit this interim report.

Stockholm 24 April 2013

Pär Boman  
President and Group Chief Executive

## PRESS AND PHONE CONFERENCE

A press and analyst conference is being arranged at the Bank's head office at 8.30 a.m. (CET) on 24 April.

A phone conference will be held at 11 a.m. (CET) on 24 April.

Press releases, presentations, a fact book and a recording of the phone conference are available at [www.handelsbanken.se/ireng](http://www.handelsbanken.se/ireng)

The interim report for January–June 2013 will be published on 17 July 2013.

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# Auditors' report concerning review of interim report

*To the Board of Svenska Handelsbanken AB (publ), corporate identity number 502007-7862*

## INTRODUCTION

We have reviewed the interim report for Svenska Handelsbanken AB (publ) as at 31 March 2013 and for the three-month period ending as at this date. The Board and the Chief Executive are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

## FOCUS AND SCOPE OF THE REVIEW

We have conducted our review in accordance with the Standard on review engagements SÖG 2410, Review of interim financial information performed by the auditors elected by the company. A review consists of making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review differs from and is substantially less in scope than an audit conducted in accordance with the International Standard on Auditing

and generally accepted auditing practices in Sweden.

The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim report is not, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies for the Group and in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies for the parent company.

Stockholm 24 April 2013

KPMG AB  
Stefan Holmström, Authorised Public Accountant

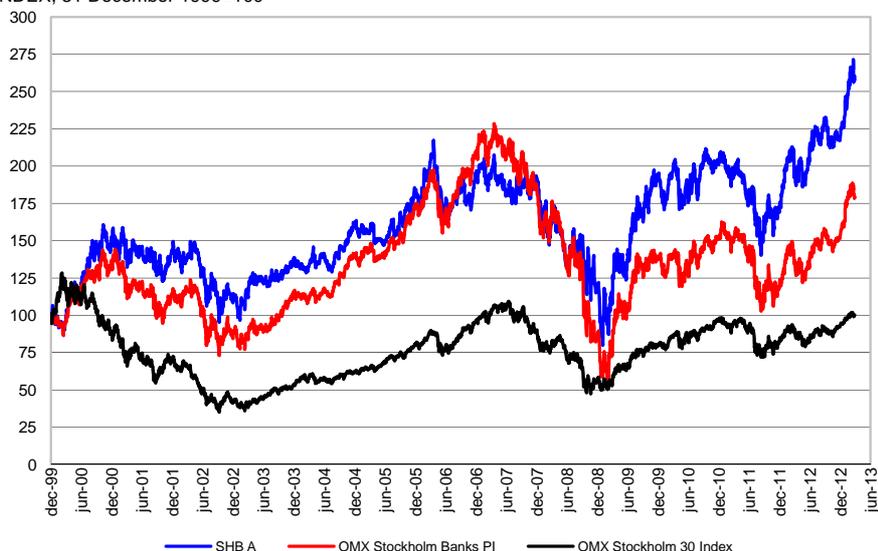
Ernst & Young AB  
Erik Åström, Authorised Public Accountant

## Share price performance and other information

The Swedish stock market grew by 9 per cent during the first quarter of the year. The Stockholm stock exchange's bank index rose by 19 per cent. Handelsbanken's class A shares closed at SEK 278.50, a rise of 20 per cent, but including dividends paid, the total return was 24 per cent. Since 1 January 2000, Handelsbanken's share price has increased by 160 per cent, excluding dividends, while the Stockholm Stock Exchange has risen by 0.2 per cent.

### SHARE PRICE PERFORMANCE, 31 DECEMBER 1999 – 31 MARCH 2013

INDEX, 31 December 1999=100



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# Handelsbanken