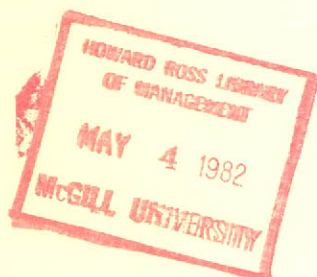


Svenska Handelsbanken 1981

ANNUAL REPORT



Svenska Handelsbanken
Annual Report
1981
111th year of operation

Slöjd or sloyd, another word for handicraft, is associated with skill and dexterity, both necessary for survival in the past. The Swedish word "slöjd" is a term applied to all manner of hand-crafted objects. Over the centuries every community, each part of the country has created objects that tend to reflect local needs and local availability of materials. Handicrafts are thus a part of our cultural heritage. The drawings in this year's Annual Report are by Marguerite Walfridson and depict some typical Swedish utility as well as decorative items used through the ages in different parts of the country.

Front cover: Model of a vessel used for fishing Baltic herring at the end of the 19th century.

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Group operating income	21		
Earnings per share	21		

Svenska Handelsbanken 1981 — Financial Highlights

		Change
	1981	from 1980
THE GROUP, DECEMBER 31, SEK Million		
Total assets	102,960	+ 20,057
Loans	57,007	+ 7,859
Deposits	61,323	+ 8,050
Reserves	4,962	+ 766
Equity	1,425	+ 98

CONSOLIDATED RESULT, SEK Million		
Operating income	1,359	+ 394
Allocations to reserves	901	+ 249
Taxes	184	+ 70
Net income	222	+ 82

EARNINGS AND DIVIDENDS PER SHARE		
Adjusted earnings per share of common stock	20.20	+ 5.80
Dividend on common stock ¹	5.50	+ 0.70
index stock	1.90	+ 0.20
preferred, Series A	0.90	—
preferred, Series B	1.20	—

PROFITABILITY ² per cent	19.3	+ 4.0
EQUITY TO TOTAL ASSETS ³ per cent	6.0	— 0.4

THE PARENT COMPANY, DECEMBER 31, SEK Million		
Total assets	89,086	+ 18,873
Loans	42,989	+ 7,265
Deposits incl. CDs	45,235	+ 6,862
Reserves	4,662	+ 686
Equity	1,314	+ 55

RESULT, SEK Million		
Operating income	1,164	+ 337
Extraordinary items, net	— 40	— 14
Allocations to reserves	820	+ 220
Taxes	117	+ 57
Net income	187	+ 46

PROFITABILITY ² per cent	17.6	+ 3.7
EQUITY TO TOTAL ASSETS ³ per cent	6.5	— 0.6

BRANCHES AND STAFF		
Number of branches, December 31 ..	455	— 6
Average number of employees ..	4,912	— 22

COMMENTS

The business volume (total assets) on a consolidated basis increased by 24% to SEK 103 billion. The Parent Company, and especially its international operations displayed the greatest growth. Loans in Swedish kronor rose modestly while placements in Government bonds rose sharply.

Consolidated operating income rose by 41% to SEK 1,359 million. The Parent Company as well as all subsidiaries reported improved earnings.

Earnings per share rose from about SEK 14.40 to SEK 20.20. An increase of the dividend on common stock is proposed by SEK 0.70 to SEK 5.50 kr.

¹ Proposed.

² Profitability = Income after 50% taxes as a percentage of equity plus half of the reserves.

³ Equity to total assets ratio = Equity (after deduction of proposed dividend) plus reserves as a percentage of total assets.

Svenska Handelsbanken

Presidents' Report

UNEXPECTED IMPROVEMENT IN RESULT

The beginning of 1981 was rather gloomy for the Swedish banking industry. The increase of the official discount rate to a record 12% and a score of other monetary policy measures augured for a decline in profitability. This, however, never came to pass. Subsequent actions by the Central Bank, the Riksbank, and rapid adaption by the banks to the changed conditions, allowed for an improvement in results rather than a threatened deterioration in earnings.

LARGE PLACEMENTS IN BONDS

The problems of imbalance in the Swedish economy remained unsolved during the year. The rapidly rising budget deficit led to a growing need for Government borrowing. Since the coupon rates offered were not attractive to the general public, it was, as usual, credit market institutions, primarily the banks, that financed the greater part of the budget deficit. Placements in Government bonds have over the last few years absorbed an increasingly important part of the funds flowing through the banking system. At the same time, the banks are forced to restrict their lending in Swedish kronor to commercial customers. The credit restrictions imposed have resulted in the rapid expansion of inter-company lending and of credits granted by finance companies and government agencies. The role of banks as providers of credit to commerce and industry has thereby declined in relative importance.

The regulatory authorities including the Riksbank are aware of these developments and realize the negative effects thereof for the economy as a whole. Nevertheless, a major shift in present policies is not to be expected.

LIFTING REGULATIONS

During the second half of 1981, a situation had arisen when some of the present regulations could well have been lifted. The liquidity ratios, forcing banks to invest in Government securities and housing bonds, had lost their controlling effect. The banks were above their quota requirements and yet bought more government bonds than ever before. But the Riksbank did not abolish the quotas, the reason being the often heard argument that it may be good to have the regulations ready and in force should the need arise.

In the same way, the country has never been liberated from the foreign exchange regulations that were instituted at the beginning of World War II. Several experts have concluded that these regulations have outlived their usefulness and that there are no compelling reasons for maintaining them. In spite hereof, they have essentially remained in force for the same reasons as cited above.

It also seems peculiar that Sweden, a staunch supporter of free trade, should remain one of the few countries in the free world that does not allow foreign banks to open branch offices in Sweden. This of course also means that Swedish banks are not allowed to open branch offices abroad. One effect of this restriction is that foreign banks, from bases in abroad or through their representative offices in Sweden, operate in the Swedish market with competitive advantages since they are unaffected by Swedish rules and regulations. We sincerely hope that the new banking law being drafted will allow Swedish banks to form branches abroad, thus opening the way for foreign banks to operate in Sweden on the same terms and conditions as Swedish banks.

HIGHER CREDIT LOSSES

The decline in economic activity in Sweden as well as in the whole industrialized world, has caused severe problems for many Swedish companies. In many industries sales and production volumes have declined appreciably, while costs have continued to rise. It is therefore not surprising that suspensions of payments and bankruptcies have risen in number.

As expected, we have therefore seen an increase in our credit losses. For the Bank there is no cause for alarm, however, since the losses are still of limited size compared to the total credit volume.

A BIG YEAR FOR NEW ISSUES

In 1981, when Swedish business suffered from a severe recession, the stock market saw an unusual rise in prices. This may seem contradictory, but there are natural underlying causes. The rise started from an unusually low level and many companies were obviously undervalued at the beginning of the year. Market demand for equities was increased by institutional purchases operating under new tax exemptions and by buying from abroad. It is hardly surprising that companies capitalized on the opportunity of issuing new stock at the higher price level established. The volume of new stocks issued, as well as the number of new companies brought public, was higher than ever before. As far as Svenska Handelsbanken is concerned, we can look back upon a successful year in stock brokerage and underwriting. Our share of the market increased and in 1981 we became the market leader for new issues. In a couple of instances the issues were structured in a way not previously employed in the Swedish market.

The new issue for AB Fortia, a large producer of pharmaceuticals, received considerable attention both in Sweden and internationally. The Bank was lead manager for the Swedish issue of SEK 147 million and was instrumental in placing not less than three million shares worth SEK 300 million on the U.S. market.

Investment AB Promotion's sale of stock in the real estate company, Fastighets AB Kilaberg,

also stirred great interest. Through an auction procedure pioneered by the Bank, the issuing company was ensured a true market value in the sale of the Kilaberg stock.

The stock of Investment AB Argentus, offered with Svenska Handelsbanken as manager, also aroused a great deal of market interest. This new company was formed in connection with the merger of Volvo and Beijerinvest. The former owners of Beijerinvest were invited to subscribe to stock in the new company in exchange for debentures received in the merger. In terms of total kronor amount this was the largest new issue ever on the Swedish stock market.

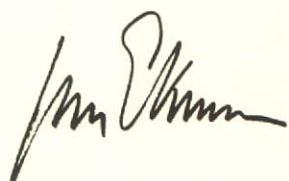
HIGHER EARNINGS AND INCREASED DIVIDEND

The Bank's consolidated net income for the year amounted to SEK 1,359 million. Profitability improved for the Parent Company as well as for the subsidiaries, Svenska Finans, a finance company, Sigab, a mortgage institution, and Svenska Handelsbanken S.A. in Luxembourg. The return exceeds inflation and provides a significant strengthening of the Bank's capital resources. The result also means that we can continue the dividend policy applied in recent years aiming at compensating the stockholders for inflation. Against this background a dividend of SEK 5.50 per share of common stock is proposed.

THE BANK'S CAPITAL AND RESERVES

According to the allocation of profit proposed by the Board of Directors, the Bank's taxed equity will amount to SEK 1,163 million. Untaxed reserves amount to SEK 4,662 million, corresponding to 5.2% of total assets. The Bank's capital by a comfortable margin exceeds the requirements of the Banking Law. The limit for expansion currently amounts to SEK 40 to 45 billion, which means that the Bank, based on its present capital, can increase its assets by 50%. There is thus no need to ask the stockholders for additional capital and our goal remains to be self-sufficient in generating the capital necessary for future expansion.

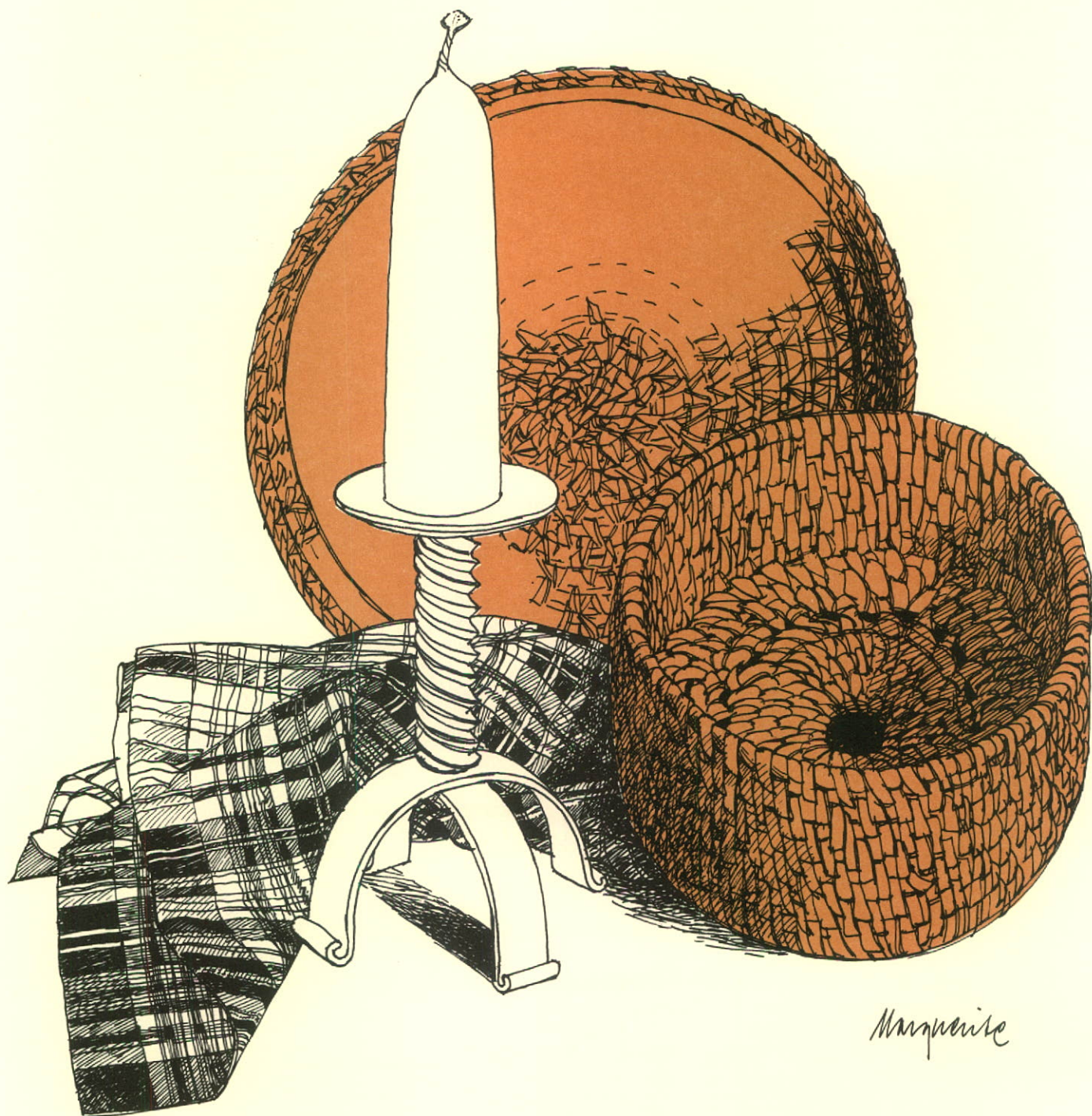
Stockholm in February 1982



JAN EKMAN



TOM HEDELIUS



Baskets made from spruce root were used for storage of food and for making cheese, to separate the whey from the curd. Baskets for food were often covered by a cloth such as the plaid in black and white from

Kalmar. The candlestick in wrought iron is an old design, also from Kalmar.

Review of Operations

The Economy

1981 was an eventful year in terms of Swedish monetary and foreign exchange policy. The year began with certain nervousness regarding the Swedish krona. There were expectations of an early devaluation, which led to a rapidly growing outflow of foreign currency. In order to stem the outflow, the Riksbank raised the official discount rate on January 21 from 10% to 12%. The penalty interest rate for bank borrowings at the Riksbank in excess of 50% of equity was increased from 13% to 17%. The rate on long-term bonds was raised by 1% to 13.5%. The cash quota requirement for commercial banks was increased on January 26 from 2% to 4% and, concurrently, cash quota requirements were imposed on savings and cooperative banks for the first time. Their quota was set at 1%.

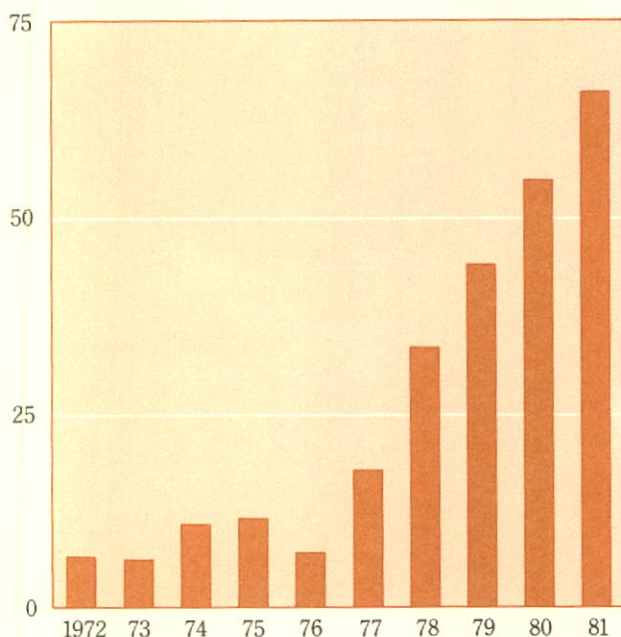
The uncertainty surrounding the krona was dampened by these measures, but stability was restored only after the conclusion of the wage

agreement between the labor market organizations in the beginning of February. A Government program to strengthen the budget and stimulate exports and capital investment announced at the same time contributed to easing the pressure on the krona.

Soon thereafter monetary policy was again eased. On February 20 the cash quota requirement was lowered from 4% to 1% and on March 10 it was set at 2% for all banking institutions. On March 27 the penalty interest rate was lowered from 17% to 16% and on June 12 to 15%. The effective interest rate on three-month Treasury bills was simultaneously lowered from 17% to 14%. During the summer and autumn, the Treasury bill rate was further lowered to about 11%. A corresponding decline took place in the rates paid by banks on Certificates of Deposit and deposits on special terms. These rates had advanced strongly when the penalty interest rate

GOVERNMENT DEFICIT

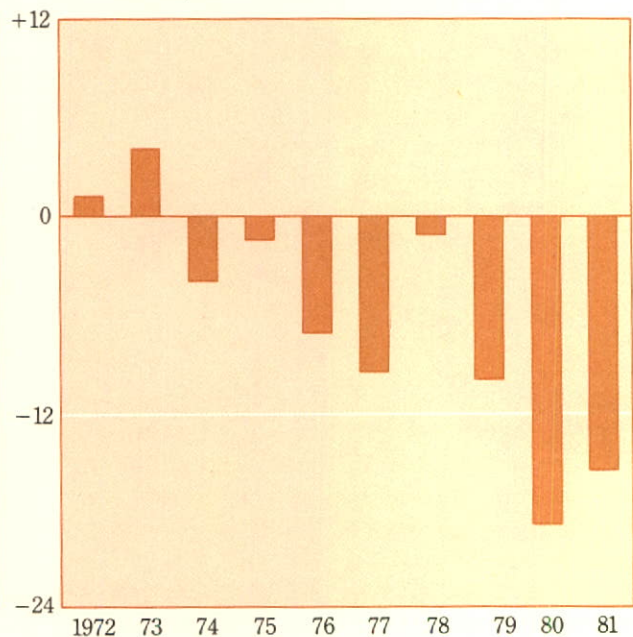
Swedish kronor, billion



The budget deficit for last year was SEK 66 billion, an increase with SEK 12 billion from the previous year. For 1982 the deficit is estimated to rise to approximately SEK 80 billion.

BALANCE ON CURRENT ACCOUNT

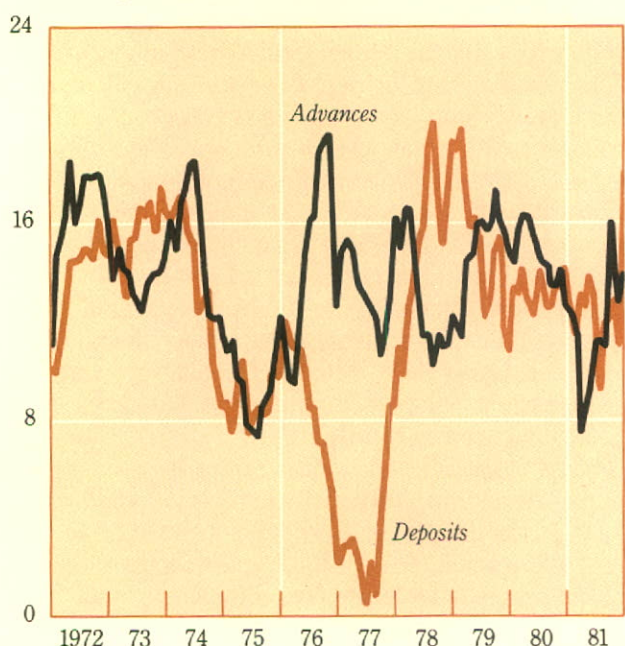
Swedish kronor, billion



The balance on current account for 1981 was negative in the amount of SEK 19 billion against a deficit of SEK 15 billion the previous year. For 1982 the deficit is expected to decrease further.

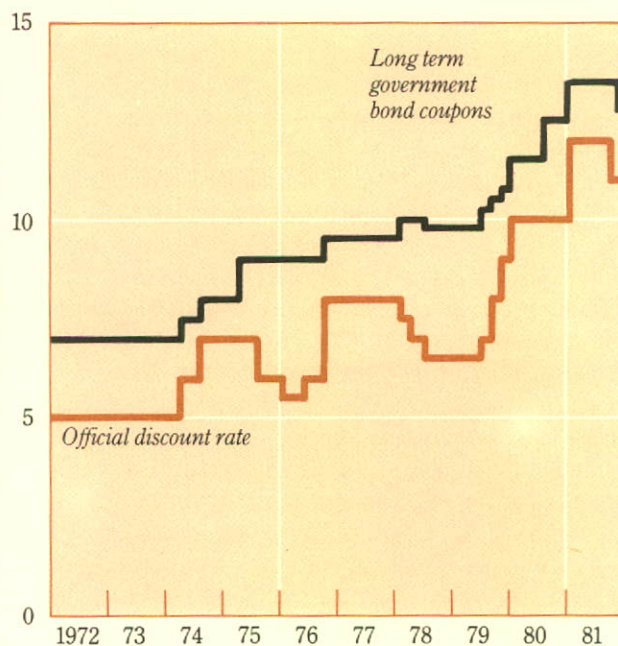
COMMERCIAL BANKS' DEPOSITS AND ADVANCES

Percentage changes from corresponding month preceding year



INTEREST RATES

Per cent



was raised in January.

At the end of June the lending ceiling for commercial banks was abolished. This ceiling had aimed to restrain the growth of lending in Swedish kronor to an annual rate of 5%. The Riksbank reverted to control lending by liquidity ratios designed to allow bank lending to increase at a maximum annual rate of 6%.

The liquidity ratios were gradually raised during the year, for the three largest banks from 41% to 46%. During the latter part of the year, actual bank liquidity was considerably higher than the prescribed levels, the reason being that loan demand had been dampened by the recession and by the proposed limitation on deductibility of interest expense in the tax returns of individuals.

On Monday, September 14, the Swedish krona was devalued by 10%. The devaluation should be seen against the background of losses in market shares for Swedish exports over a period of several years. A contributing factor for the devaluation was the decline in value of the German mark since the beginning of 1980, resulting in a deterioration of the competitive position, especially for engineering industry.

A devaluation is often followed by a tightening of monetary policy in order to prevent a resultant acceleration of inflation. No such tightening took place on this occasion. On the contrary, one month after the devaluation, the Riksbank decided to lower the discount rate from 12% to 11%. At the same time the penalty interest rate was lowered from 15% to 14%. The interest rate on long-term bonds was left unchanged, but was subsequently lowered on December 3 by 3/4 of 1% to 12 3/4%.

TOTAL ASSETS, DEPOSITS AND LOANS IN SEK BILLION, MONTHLY AVERAGES

	1980	1981	Change %
TOTAL ASSETS			
Svenska Handelsbanken	64.2	80.7	+25.6
All commercial banks	277.1	332.2	+19.9
Svenska Handelsbanken in per cent of total	23.2	24.3	
DEPOSITS INCLUDING CERTIFICATES OF DEPOSIT			
Svenska Handelsbanken	34.1	40.0	+17.2
All commercial banks	161.3	182.7	+13.3
Svenska Handelsbanken in per cent of total	21.2	21.9	
LOANS			
Svenska Handelsbanken	34.3	39.8	+16.0
All commercial banks	144.1	160.7	+11.6
Svenska Handelsbanken in per cent of total	23.8	24.8	
REFINANCED LOANS IN FOREIGN CURRENCY			
Svenska Handelsbanken	8.9	13.2	+48.3
All commercial banks	22.2	34.0	+53.0
Svenska Handelsbanken in per cent of total	40.0	38.7	

Development of operations

In recent years the trend has been towards a rapidly rising volume of credit in foreign currency. It has been necessary to restrain the lending in Swedish kronor for the benefit of placements in Government obligations. This development continued during most of 1981. The Bank's credits denominated in foreign currency increased by 58%, while credits in Swedish kronor to business and individuals, displayed a growth of a mere 6%. The holdings of Government bonds, on the other hand, increased by over 60%.

The main features of the development of operations are illustrated by the Statement of Changes in Financial Position below. Total assets financed abroad rose by 44%, while assets denominated in Swedish kronor grew by only 18%. As a result, 31% of the Bank's business volume at year-end was in foreign currency compared with 27% the year before and 22% two years ago.

GROWING DEPOSITS IN SWEDISH KRONOR

The Bank's deposits, including Certificates of Deposit, amounted to SEK 45.2 billion at year-end 1981. The increase over a year was SEK 6.9

billion, or 18%. Computed as an annual rate based on monthly averages the increase was 17%. This growth exceeds the average growth of other commercial banks by a considerable margin.

The positive development of deposits was to a large extent a function of the market reception of our Universal Account (Allkonto), especially from private individuals. Universal Account deposits increased by 40% to SEK 18.3 billion and this form of account has thereby been established as a replacement for the traditional account forms as was intended. Thanks to the Universal Account, deposits other than "bulk deposits"—deposits on special terms and Certificates of Deposit—grew at a faster rate than for other commercial banks, by 14.5% compared to 12.5%.

The two types of bulk deposits offer the customers interesting alternatives in terms of yield. As a rule, the interest rate on deposits on special terms follows the discount rate, whereas the rate on Certificates of Deposit is fixed for the term of the certificate. Svenska Handelsbanken was highly active in the Certificates of Deposit market, while the other banks placed greater emphasis on the more traditional deposits on special terms. The Bank's bulk deposits rose by a total of 23%.

Statement of Changes in Financial Position

	Sources and application of resources					
	<i>In Swedish kronor</i>		<i>In foreign currency</i>		<i>Total</i>	
	Dec 1981	Change	Dec 1981	Change	Dec 1981	Change
		from Dec 1980		from Dec 1980		from Dec 1980
	SEK Million	SEK Million	SEK Million	SEK Million	SEK Million	SEK Million
SOURCES OF FUNDS						
Deposits from the general public						
Deposits on special terms + CDs	13,007	+2,417	941	+ 137	13,948	+ 2,554
Other	29,423	+3,725	1,865	+ 585	31,288	+ 4,310
Deposits from financial institutions	10,453	+2,255	22,017	+6,346	32,470	+ 8,601
Bond and debenture loans	226	— 8	1,654	+1,004	1,880	+ 996
Other external sources	520	— 52			520	— 52
Equity and reserves	5,976	+ 741			5,976	+ 741
Total sources of funds	59,605	+9,078	26,477	+8,072	86,082	+17,150
APPLICATION OF FUNDS						
Loans to the general public						
Commerce, industry, individuals, etc	24,000	+2,330	15,468	+5,692	39,468	+ 8,022
Housing construction	3,521	— 758			3,521	— 758
Loans to financial institutions	3,337	+ 50	10,326	+2,140	13,663	+ 2,190
Placement in bonds	25,045	+7,322	948	+ 514	25,993	+ 7,836
Cash and cash deposits	2,450	+ 513	55	+ 9	2,505	+ 522
Stocks, real estate, equipment	640	+ 11	269	+ 70	909	+ 81
Other, net	612	— 390	— 589	— 353	23	— 743
Total application of funds	59,605	+9,078	26,477	+8,072	86,082	+17,150

LIMITED CREDIT INCREASE IN SWEDISH KRONOR

From year-end to year-end the Bank's outstanding credit volume rose by SEK 7.3 billion, or by 20%, to SEK 43.0 billion. As an annual average the increase was 16%, as compared with 12% for all commercial banks. Credits in foreign currency constituted a large part of the increase, with a growth of 58% to SEK 15.5 billion at year-end. This volume corresponded to 36% of total outstanding credits.

The expansion of lending in Swedish kronor was held to 6%. Towards the end of the year, credits for housing construction even showed a sharp decline because the volume of credits transferred to the housing finance institutions rose sharply. The Bank's new lending for housing construction amounted to SEK 2.6 billion and was

thereby virtually unchanged compared with the year before.

Unprioritized credits in Swedish kronor to business, and individuals were controlled by the Riksbank during the first half of the year by lending ceilings, which only allowed modest increases in the lending volume. In the autumn, the credit restrictions were eased and it became possible for the Bank to become more active in its lending activities.

THE BOND PORTFOLIO RISES BY 43%

Through higher liquidity requirements and limitations on lending in Swedish kronor, the Swedish banking system was compelled to increase its contribution to financing the budget deficit. Svenska Handelsbanken's bond portfolio grew by

SVENSKA HANDELSBANKEN'S DEPOSITS AND LOANS BY CUSTOMER CATEGORY, SEPTEMBER 30, 1981

	SEK Billion	Distribution in % Svenska Handels- banken	Other com- mer- cial banks
DEPOSITS including			
Certificates of Deposit			
Public sector ¹	2.2	5.6	10.0
Business	9.2	22.8	27.6
Households	19.6	48.7	53.0
Other ²	2.5	6.3	4.9
Subtotal	33.5	83.4	95.5
Unspecified ³	0.7	1.7	1.2
Deposits	34.2	85.1	96.7
Certificates of Deposit	6.0	14.9	3.3
Total	40.2	100.0	100.0
LOANS			
Public sector ¹	1.1	2.4	5.6
Business	26.5	59.9	56.8
Households	14.7	33.3	32.2
Other ²	1.4	3.2	4.2
Subtotal	43.7	98.8	98.8
Unspecified ³	0.5	1.2	1.2
Total	44.2	100.0	100.0

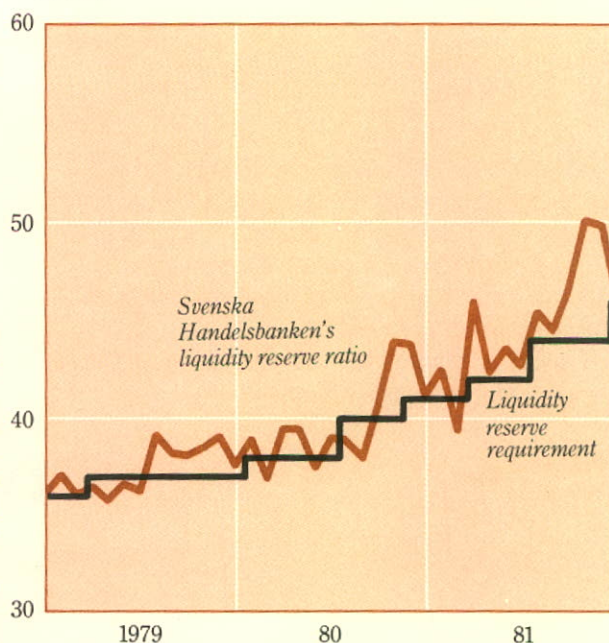
¹ Government and local authority owned entities are included in the group "Business".

² Includes various institutions and foreign clients.

³ Refers to accounts where the Bank has incomplete information as to client social security or corporate ID-number.

LIQUIDITY RESERVE RATIOS AND REQUIREMENTS

Per cent



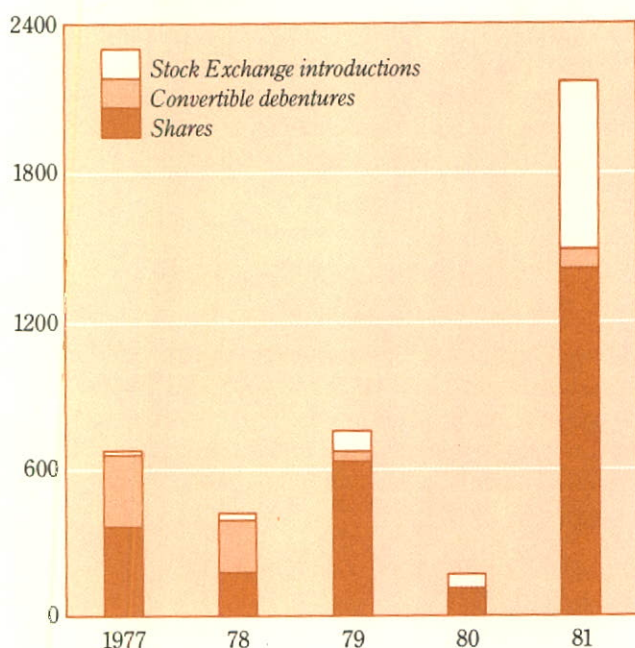
Under the liquidity reserve regulations banks are required to place a specified portion—which varies between banks—of deposits in "approved" assets. Such assets include cash, net amounts due from other banks, government bonds and mortgage bonds. Each bank's ratio as per the last day of the month is compared to the requirement set by the Riksbank. If a bank can maintain its average ratio for a trailing 12-month period at or over the level stipulated for that bank, it complies with these regulations.

SEK 7.8 billion, of which SEK 7.0 billion was Government bonds and SEK 0.7 billion housing bonds. In the beginning of the year, when short-term interest rates were high, the placements in Government securities were in the form of Treasury bills. During the autumn these were replaced by long-term bonds.

During the entire year of 1981 the Bank reported a liquidity ratio in conformity with the requirements of the Riksbank.

ISSUES OF NEW SHARES, CONVERTIBLE DEBENTURES AND INTRODUCTIONS ON THE STOCK EXCHANGE

Swedish kronor, million



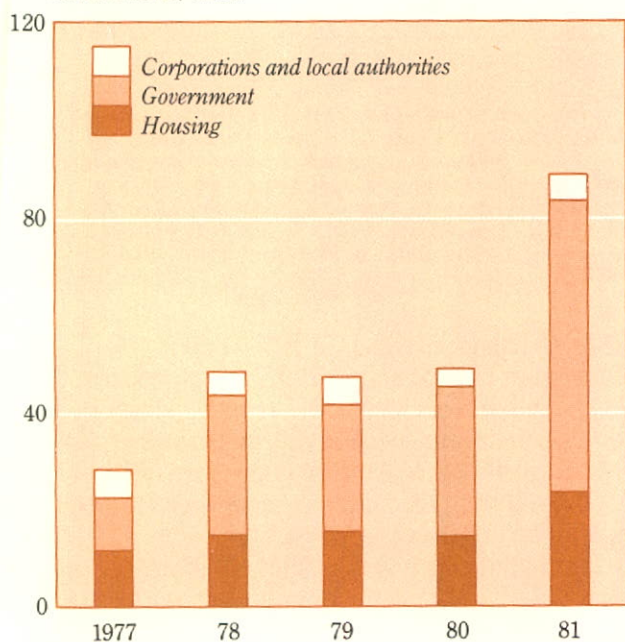
FINANCE AND INVESTMENT —A YEAR OF EXPANSION

New issues of both stocks and bonds on the Swedish capital market reached an all-time high and also the stock trading volume broke all previous records. This development constituted a base for a sharp increase in the Bank's finance and investment operations.

The total volume of new bond issues on the Swedish market was SEK 89 billion, which was

DOMESTIC BOND AND DEBENTURE ISSUES

Swedish kronor, billion



BOND AND DEBENTURE ISSUES DURING 1981

Swedish issues in which the Bank has participated.

Issuer	Coupon %	Maturity years	Amount SEK Million
Södra Skogsägarna AB	14 3/8	3	200
*Fagersta AB	14 3/4	10	75
AB Iggesund Bruk	14 7/8	15	100
*AB Bahco	15	15	50
AB Statens Skogsindustrier	15 1/4	15	200
*Mo och Domsjö AB	14 7/8	15	150
*Billerud Uddeholm AB	14 3/4	10	200
*PLM AB	14 3/4	10	75
Investment AB Asken	10 1/2	7	55
OKG AB ¹	13 7/8	15	200
Forsmarks Kraftgrupp AB	14 7/8	15	200
OKG AB ¹	15	20	200
*Jämtlandskraft AB	14 1/2	10	20
*Skellefteå Kraft AB	14 1/2	10	10
OKG AB ¹	15	20	100
*Forsmarks Kraftgrupp AB	15	20	200
*AB Svarthålsforsen	15	20	80
OKG AB ¹	14 3/4	20	200
*AB Svensk Exportkredit	14 7/8	10	150
Svenska Skeppshypotekskassan	14 5/8	15	90
Svenska Skeppshypotekskassan	14 1/2	12	60
Svenska Skeppshypotekskassan	14 5/8	15	80
Svenska Skeppshypotekskassan	14 1/2	10	60
Svenska Skeppshypotekskassan	14 5/8	15	70
Svenska Skeppshypotekskassan	14 1/2	10	40
City of Stockholm	14 5/8	15	60
City of Malmö	14 5/8	15	75
City of Göteborg	15	15	75
Kommunlåneinstitutet AB	15 1/8	20	200

International issues managed by Svenska Handelsbanken.

Issuer	Coupon %	Maturity years	Currency	Amount SEK Million
Kingdom of Sweden	13 1/2	5	GBP	50
Kingdom of Sweden	14 3/8	7	USD	200
Kingdom of Sweden	14 1/2	7	USD	400
AB Svensk Exportkredit	13	5	USD	75
AB Svensk Exportkredit	13 3/4	5	GBP	20
AB Svensk Exportkredit	14 5/8	5	FRF	250
AB Svensk Exportkredit	15 3/4	5	USD	50
AB Svensk Exportkredit	10	5	KWD	7
AB Svensk Exportkredit	10 1/4	10	DEM	100
AB Svensk Exportkredit	16 1/2	12	USD	75
Svenska Handelsbanken	13 3/4	7	USD	45
Svenska Handelsbanken	10 1/4	6.5	DEM	60
AGA AB	9 1/2	15	USD	30
OKG AB ¹	15 3/4	16	USD	50
Statsföretag AB	15 3/4	5	USD	50
City of Stockholm	10	10	KWD	7
Telefon AB LM Ericsson	9 1/2	15	USD	40
RENFE	variable	8	USD	100
APS Finance Company	16 1/4	7	USD	50
Azienda Autonoma delle				
Ferovie dello Stato	variable	4	SDR	80
APS Finance Company	17 1/4	5	USD	60
Nordic International				
Finance B V	variable	10	USD	40
Banco Nacional de Comercio				
Exterior S A	variable	7	USD	50

*Denotes issues managed by the Bank.

¹ The name was previously Oskarshamnsverkets Kraftgrupp AB.

82% more than in 1980. The Government was the largest borrower with an issuing volume of SEK 60 billion, compared with SEK 31 billion for 1980. Government financing on the bond market, in different forms of borrowing, was divided as follows (in SEK billion):

	1980	1981
Long-term bond loans	7.9	27.6
Short-term bond loans	13.8	29.0
Premium bond loans	4.3	0.6
Savings bond loans	5.0	2.5

Market interest for new borrowings on the bond market was small, but picked up appreciably towards the end of the year. A total of 27 industrial and power utility issues were brought to the market for a total amount of SEK 3.1 billion. Svenska Handelsbanken participated in 25 of these loans. As short-term interest rates declined during the autumn, capital market interest for placements in long-term bonds rose.

The trading volume on the Stockholm Stock Exchange amounted to SEK 18.6 billion, an increase by 147%. Contrary to prior years when trading in premium bonds dominated, a major portion of the turnover was attributable to stocks. The bond trading volume was SEK 6.4 billion, a decrease by 30%. The Bank has well maintained its position in the market.

The sharp increases in stock prices during the year stirred the interest for new issues and for new companies on the stock exchange. New issues of stocks and convertibles and market introductions reached a volume of SEK 2,167 million, which considerably exceeded the prior annual record volume in 1976. The Bank participated in the following eight new issues and market introductions, in six of them in capacity of lead manager:

NEW ISSUES OF STOCK WITH SVENSKA HANDELSBANKEN AS LEAD MANAGER

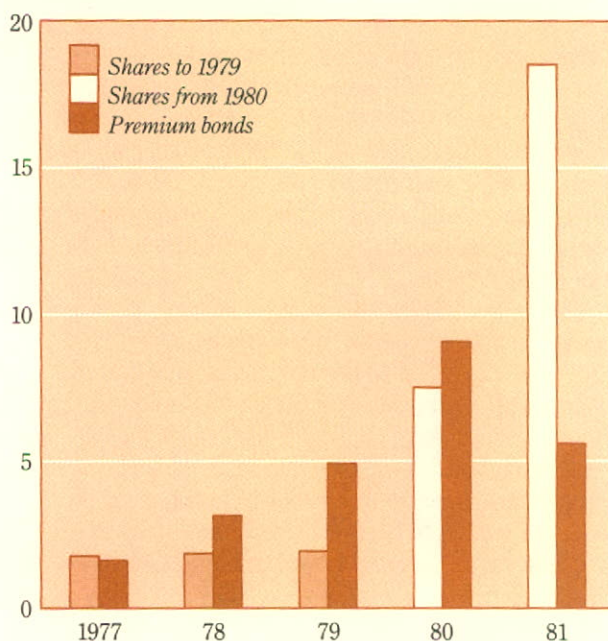
AB Fortia	SEK 147 Million
AGA AB	SEK 140 Million

MARKET INTRODUCTIONS WITH SVENSKA HANDELSBANKEN AS LEAD MANAGER

Investment AB Argentus	SEK 327 Million
NPL-Gruppen AB	SEK 60 Million
Fastighets AB Kilaberg	SEK 96 Million
JM Byggnads- och Fastighets AB	SEK 86 Million

TURNOVER ON THE STOCKHOLM STOCK EXCHANGE

Swedish kronor, billion



The share trading volume registered on the Stockholm Stock Exchange is up to 1979 estimated at 30 to 40 % of total turnover in shares. As from 1980 all stock trading is registered.

MARKET INTRODUCTIONS WITH SVENSKA HANDELSBANKEN AS CO-MANAGER

Fastighets AB Regnbågen	SEK 40 Million
AB Sture Ljungdahl	SEK 7 Million

Additionally, the Bank acted as adviser to AB Fortia in an issue of stock on the U.S. market in an amount of USD 54.75 million.

The market for Certificates of Deposit developed well and Svenska Handelsbanken pioneered several innovations, thereby strengthening its position as market leader.

In order to fully capitalize on the potential of the CD market, Svenska Handelsbanken has created a special Money Market Department. This department monitors the Bank's liquidity position and is responsible for overnight funds trading and trading in short-term securities.

CONTINUED EXPANSION OF INTERNATIONAL OPERATIONS

The Bank's international operations have expanded rapidly over the past few years and the growth continued in 1981. The tight Swedish monetary policy and the limitations on Swedish kronor lending has contributed to this growth. Svenska Handelsbanken has a leading position in the market for credits financed abroad, but the

competition between the commercial banks has intensified considerably leading to significantly lower margins.

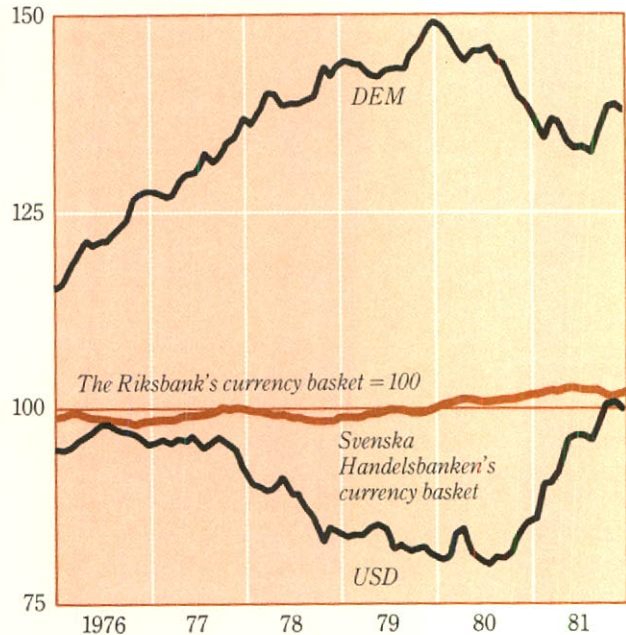
Since 1977 the Bank offers credits in foreign currency in the form of so-called basket loans consisting of six of the more important currencies in the Riksbank's currency basket. The construction of the basket minimizes the exposure affiliated with foreign currency borrowing. The Bank's currency basket carries a floating rate of interest based on the average rates for the component currencies.

As an alternative, the Bank offered in 1981 a fixed rate basket credit. Foreign currency fixed rate credits proved to be very attractive and the amounts offered were quickly absorbed by the clients.

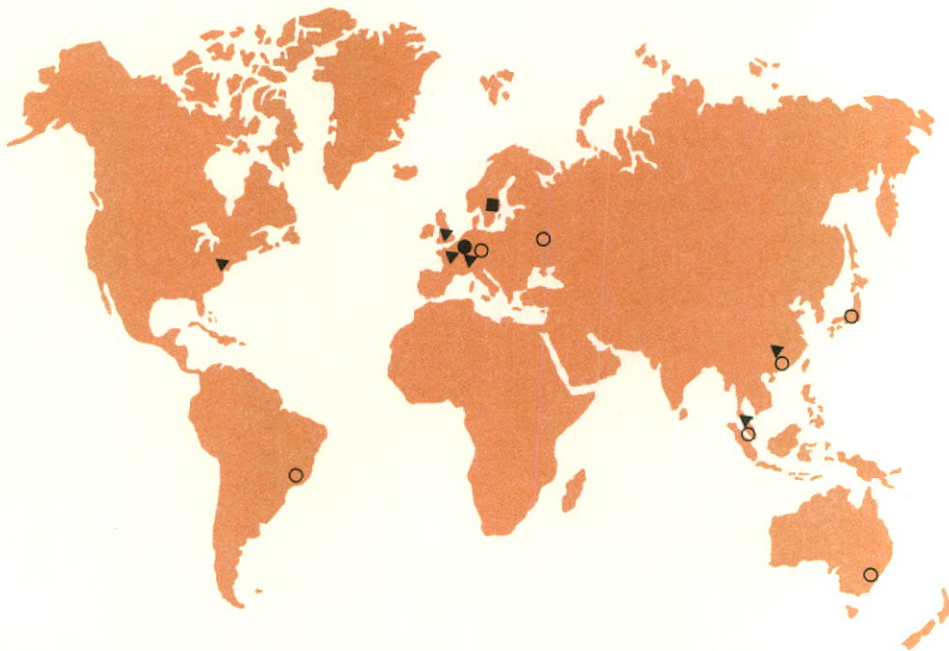
Swedish bond issues on international capital markets amounted to SEK 8.1 billion during the year, compared to SEK 10.0 million during the year before. Government borrowings decreased from SEK 8.1 billion in 1980 to SEK 3.3 billion in 1981, but, on the other hand, Svensk Exportkredit increased its volume of issues from SEK 1.0 billion in 1980 to SEK 2.2 billion in 1981. The Bank participated as Swedish manager for issues of convertible dollar loans for AGA AB and Telefon AB LM Ericsson. Apart from these issues, the business borrowing activity was at a low level.

THE SVENSKA HANDELSBANKEN CURRENCY BASKET, USD AND DEM

Comparison with the Riksbank's currency basket.
Index: January 1973 = 100



Swedish borrowing on the international markets has increased sharply in the last few years. In order to reduce the currency exposure of its clients, Svenska Handelsbanken has pioneered loans denominated in a "basket" of six currencies rather than in a single loan currency. The diagram illustrates that the Svenska Handelsbanken basket has enjoyed a substantially more stable rate of exchange than the most important loan currencies, the DEM and the USD. The basket rate of exchange has closely followed that of the central bank currency basket.



■ Regional Units in Sweden with complete international banking services:

Stockholm, Göteborg, Malmö, Gävle, Linköping, Umeå and Örebro

● Wholly-owned subsidiary:

Svenska Handelsbanken S.A., Luxembourg

▼ Affiliated Banks:

Nordic American Banking Corporation, New York
Nordic Bank PLC, London (branch office in Singapore, wholly-owned subsidiary in Hong Kong-Nordic Asia Limited)
Manufacturers Hanover Banque Nordique, Paris (Representative office in Abidjan)
Nordfinanz-Bank Zürich, Zurich

○ Representative Offices

Sydney
Tokyo
Hongkong
Singapore
Moscow
Frankfurt a M
São Paulo



Cradle for storing the carded wool before spinning. From the province of Gotland.

The Bank's participation in international issues was as follows:

	With the Bank as underwriter		With the Bank in the management group	
	Number of loans	Amount SEK Billion	Number of loans	Amount SEK Billion
1980	174	53	19	8.9
1981	127	49	23	8.7

During the year Svenska Handelsbanken continued to broaden its refinancing base in support of its medium term lending in foreign currency. Bonds and subordinated notes have been issued on the Euromarket, Commercial Paper in the United States and Floating Rate Certificates of Deposit (FRCs) in London. Most of the above issues have been successfully managed by Svenska Handelsbanken's affiliate, Nordic Bank PLC, London.

Svenska Handelsbanken together with Nordic American Banking Corporation, New York, and Svenska Handelsbanken S. A., Luxemburg, during the year commissioned a study entitled: "Market Entry and Growth Strategies in the U. S. - the Swedish Experience." The study analyzes the results and experiences of Swedish companies entering the U. S. market. The report has triggered a great deal of attention on the Swedish and U. S. markets¹.

During the year the Bank's President, Jan Ekman, was elected to the Advisory Panel of the International Finance Corporation, an entity of the World Bank organization in Washington D. C.

For an account of the development of affiliated banks abroad, please refer to the Consolidated Report on pages 42-44.

CAPITAL COVERAGE - ROOM FOR EXPANSION

Provided that the Annual General Meeting approves the proposal of the Board of Directors regarding allocation of profits, the Bank's taxed equity will amount to SEK 1,163 million. With the same stipulation, total reserves will amount to SEK 4,662 million.

The Banking Companies Act contains stipulations regarding the minimum amount of Bank capital in cover of the Bank's placements and guarantee obligations. According to the law, reserves may only be regarded as capital up to 40% of their value, to a maximum amount equal to equity. On the other hand, the Bank's subordinated debt may be included in the base. As shown by the table below, the thus defined capital amounts to SEK 3,312 million, provided that the

Annual General Meeting approves the profit allocation proposal. The capital cover requirement amounts to SEK 2,687 million. The Bank may also issue new subordinated debt up to an amount of SEK 177 million, which may be included in the capital base. Under these premises, the unutilized capital base will amount to over SEK 800 million.

SVENSKA HANDELSBANKEN'S CAPITAL BASE

Capital base requirement according to the bank law

Risk category	Assets SEK Million	Capital requirement %	SEK Million
A	41,975	0	0
B	25,641	1	256
C	4,279	4	171
D	24,008	8	1,921
Investments in banks and financial institutions	339	100	339
Total capital base requirement			2,687
<i>Actual capital base</i>			
Equity including proposed increase of retained earnings			1,163
40% of reserves, but maximized to 100% of equity			1,163
Debenture loans, at par			986
Total capital base			3,312
Surplus			625

The Bank's result

OPERATING INCOME

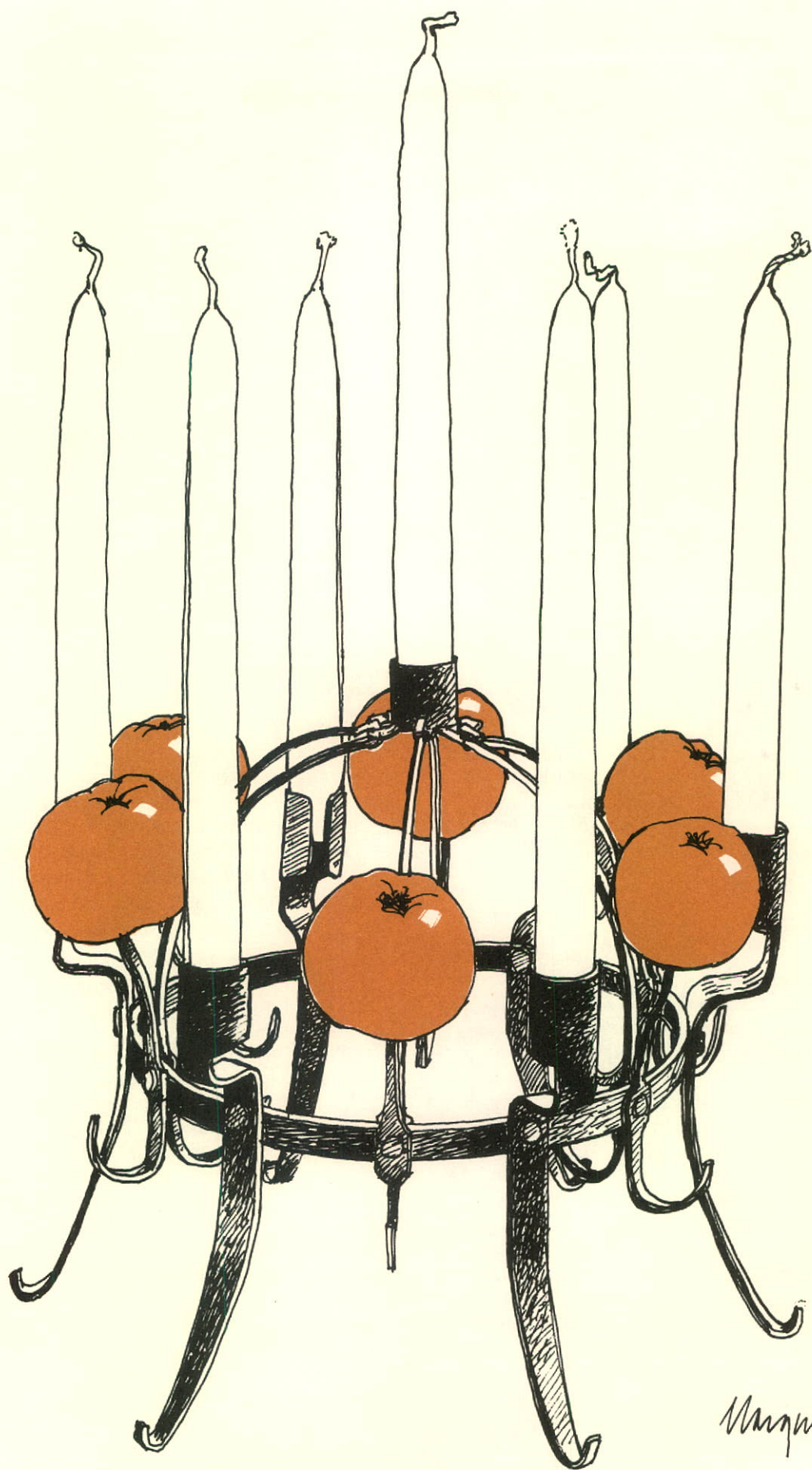
Operating income increased by 41 % from SEK 827 million in 1980 to SEK 1,164 million.

After the Riksbank's restrictive measures in January, the earnings expectations in the banking industry were low. In order to somewhat contain the expected earnings decline, deposit rates were lowered for most types of accounts, with the exception of deposits on special terms, by 0.5% in February. In spite hereof, the result for the first trimester was considerably lower than the corresponding result for the year before.

As restrictions were eased, and the interest rates on deposits on special terms and Certificates of Deposit declined, the result improved during the second and third trimesters.

The improvement in earnings during the year was due to several inter-acting factors: The in-

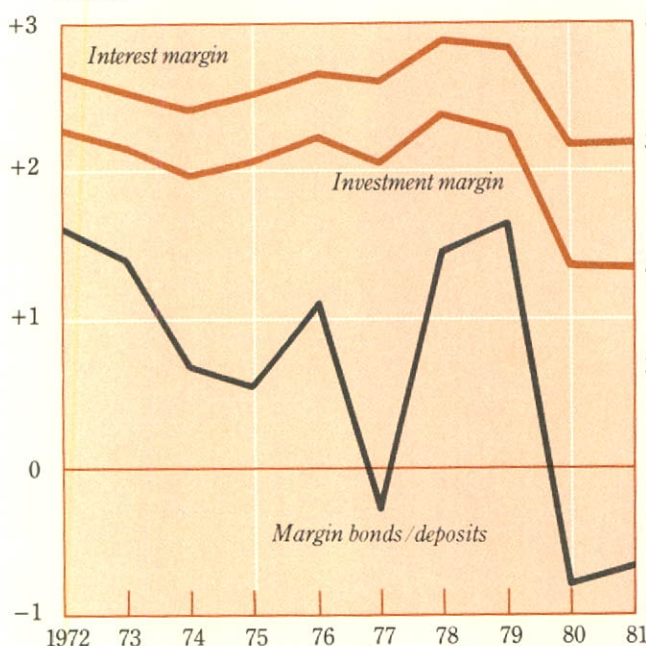
¹ The report can be ordered from Svenska Handelsbanken's Foreign Secretariat.



The crown has always been a sign of power and glory. This crown, originally from the early eighteenth century, with candles and red apples has come to symbolize Christmas in many parts of the country.

INTEREST MARGINS

Per cent



Interest margin: Difference between interests on all assets and all liabilities excluding the equity capital base.

Investment margin: Difference between interests on all assets and all liabilities including the equity capital base.

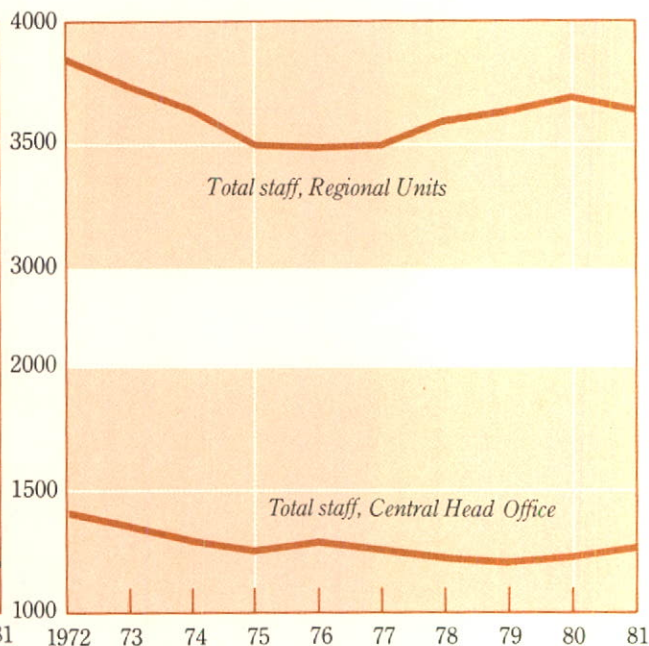
Margin bonds/deposits: Difference between interest on placements in treasury bills and bonds and the cost of deposits in Swedish kronor.

crease in volume was considerable; it was possible to avoid an expected deterioration of margins; operating expenses were held at a reasonable level.

INTEREST INCOME REFLECTS VOLUME INCREASE

Interest income rose by 26% to SEK 1,665 million. This was primarily due to the volume increase, which as an annual average was 24%. The investment margin improved slightly in spite of the fact that the interest rate level, as measured by the Riksbank's discount rate, was substantially higher than in 1980, an average of 11.68% compared to 9.95%. A rising level of interest rates is usually disadvantageous in that the Bank's placements at fixed interest are much higher than its floating rate deposits. The higher investment margin in spite hereof in 1981, was primarily due to three factors: The lowering of deposit rates in February on the traditional types of accounts, and, during the autumn also on bulk deposits; an increase in lending rates sanctioned by the Riksbank at the end of 1980; the improved yield on the portfolio of Government securities and housing bonds. Since the opportunity of lending Swedish kronor was limited, the Bank was obliged to place new deposits in liquid assets. While short-term rates were still high, new deposits were placed in Treasury bills. During the autumn the Treasury bills were replaced by

STAFFING



At the Central Head Office the staff within the International Division has increased over the ten-year period in line with a rapidly expanding business volume. Through increased decentralization the number of employees in administrative departments has declined. At the Regional Unit level the staff has remained constant in spite of a growing workload.

placements in Government bonds. By making large placements when rates were high, it was possible to increase the yield on the securities portfolio considerably. The margin to the financing cost in the form of deposit rates, which was negative during all of 1980 and most of 1981, turned positive during the third trimester of 1981.

OTHER REVENUE

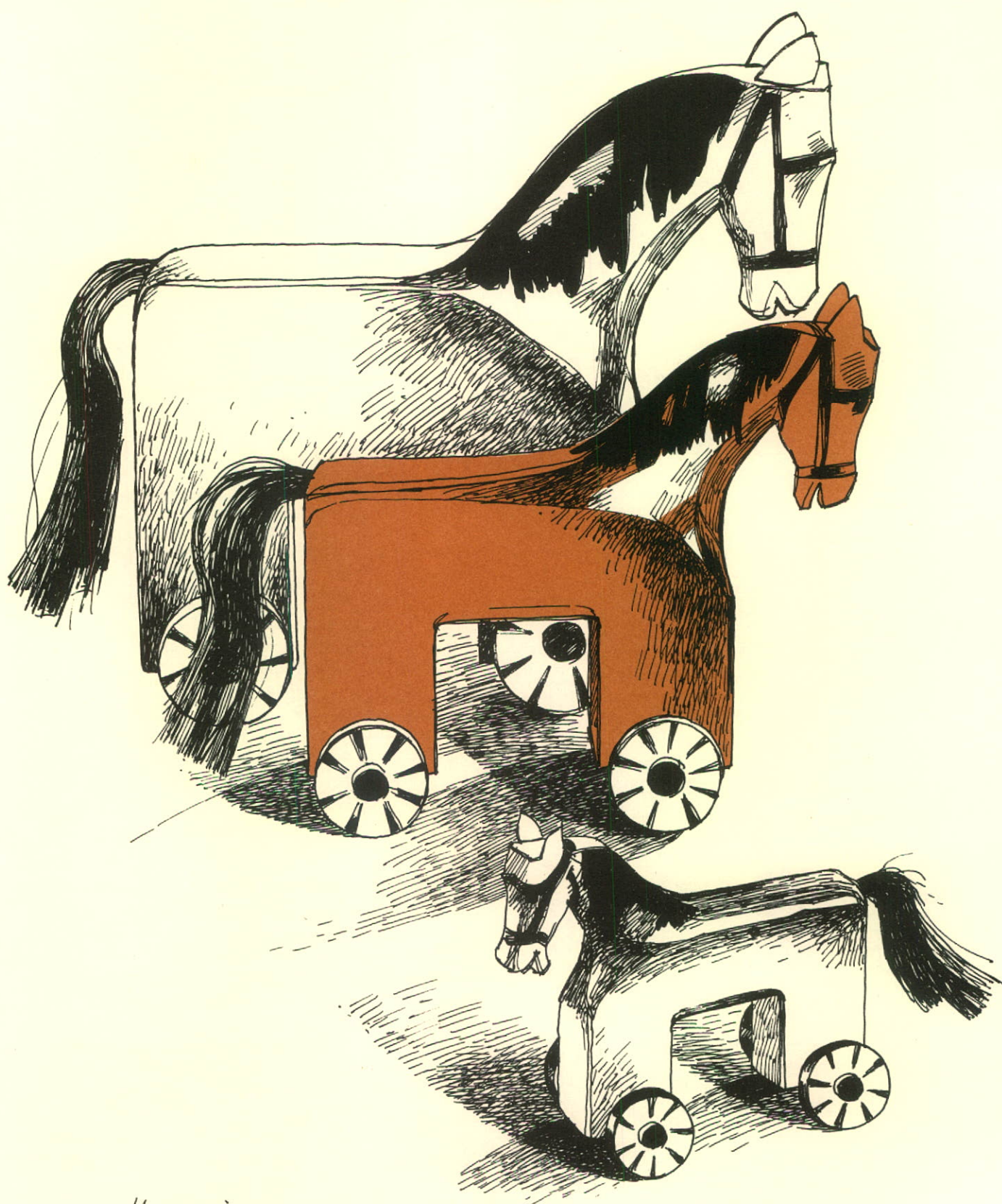
Commission income rose by 23% to SEK 587 million. It was primarily higher broker commissions and international operations commissions that contributed to this development.

The broker commissions increased by 47% primarily due to the brisk trade in stocks and bonds and the active new issue market towards the end of the year. The commissions in international operations increased by 20% as a result of higher credit volume and increased foreign exchange trading.

The surplus from directly owned real estate amounted to SEK 50 million (+16%) and other revenue, mainly dividends from subsidiaries, to SEK 70 million (+23%).

MODEST INCREASE IN EXPENSE

The expense, excluding a standard deduction for loan losses and capital losses on convertible debt, rose by 10% to SEK 1,150 million. The salary

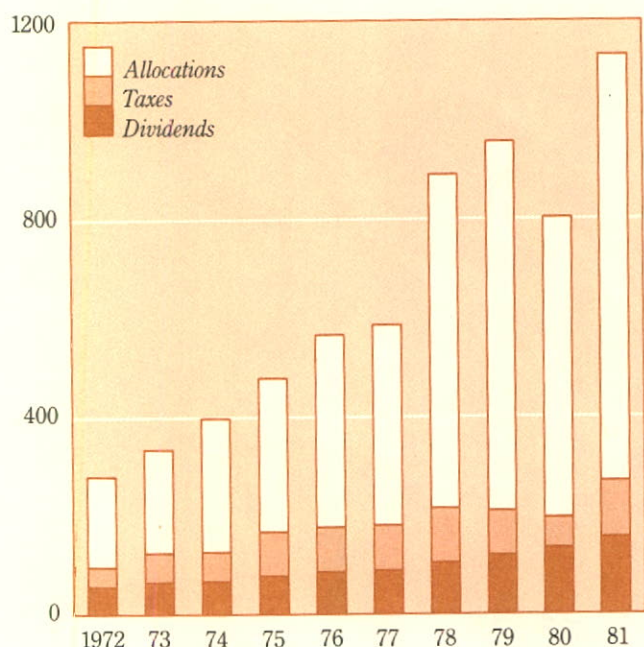


Marquette

The original of these toy wooden horses was carved at Boo in the province of Närke in the mid-nineteenth century.

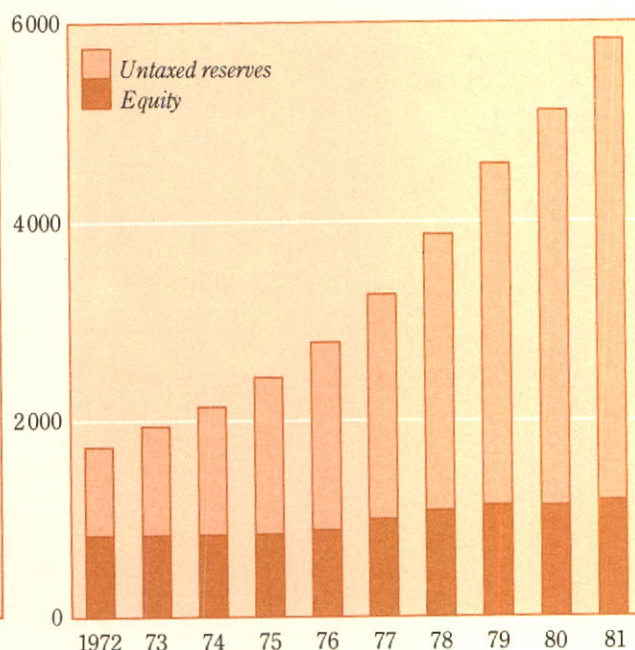
ALLOCATIONS TO RESERVES, TAXES AND DIVIDENDS

Swedish kronor, million. Dividend 1981 as proposed by the Board of Directors.



EQUITY AND UNTAXED RESERVES

Swedish kronor, million



expense increase was held at 5.5%. The average number of employees was 22 persons less than in 1980, a decline by 0.4%.

Social charges include payroll taxes and other levies amounting to 33% of the payroll as well as pension costs corresponding to about 10% of the payroll. For 1981 the Royal Bank Inspection Board recommended the banks to report as pension costs all pensions paid, whether by the Bank or the Bank's pension funds. As far as Svenska Handelsbanken is concerned, the new reporting method does not constitute a major change compared with our previous practice.

Other expenses, including depreciation, rose by 16% to SEK 451 million. Machine rentals and expenses for maintenance of computer equipment increased sharply as did the expense for computer consulting services. Postage and telephone expenses also rose considerably due to higher rates.

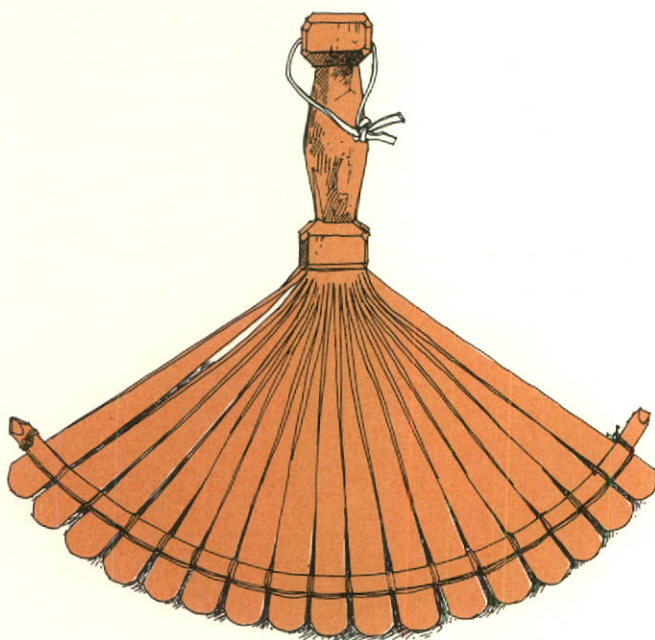
Credit losses charged to operating income are based on a standard calculation. The average actual losses during the last five years, related to the average volume of loans to the general public and to foreign banks, are applied to the corresponding volume for the current year. The reported increase of the standard credit loss deduction made thus reflects both higher actual credit losses and a considerable increase in the average credit volume.

EXTRAORDINARY ITEMS

As extraordinary income is reported capital gain on sales of real property and a balance item relat-

ing to the new system for reporting pension expense.

In March, the Bank's Board of Directors decided to transfer SEK 19.3 million to the staff-owned Oktogonen foundation. This profit-sharing appropriation, reported as an extraordinary expense, is based on the fact that for 1980 Svenska Handelsbanken reported a higher profitability than the average for publicly owned commercial banks.



A fan from Gotland used to make smoldering embers in the hearth light up. Made in one piece from pinewood.

As extraordinary expense is also reported certain issuing costs and costs incurred in connection with the sale of part of the stock-holding in Nordic American Banking Corporation.

Total extraordinary income amounted to SEK 3 million and extraordinary expense was SEK 42 million.

ALLOCATION OF PROFITS

Operating income after extraordinary items amounted to SEK 1,124 million, an increase of SEK 323 million compared to 1980.

SEK 820 million of the surplus has been allocated to reserves as detailed below. For 1980 the allocations totalled SEK 600 million, whereof SEK 25 million was a deposit to a temporary profit reserve.

Taxes due on the year's operations have been estimated to be SEK 117 million (1980 SEK 60 million). The year's net income amounted to SEK 187 million compared to SEK 141 million for 1980. As detailed on page 23, the Board of Directors proposes a dividend totalling SEK 151 million.

RESERVES

The Bank's reserves are divided among three different accounts, one for loans, one for foreign exchange and one for bonds. Should the need arise, these accounts may be used to cover any loss regardless of source, since funds may be transferred at any time from one account to another over the income statement.

In the 1981 accounts a transfer of SEK 645 million is made to the reserve for loan losses. The account is simultaneously charged for actual, realized loan losses, amounting to SEK 86 million net, less the standard loan loss deduction of SEK 50 million, which is included in operating expense. After these entries, the balance in the account increases from SEK 2,567 million at the beginning of the year to SEK 3,176 million. This amount corresponds to 7.4% (1980 7.2%) of total loans to the general public. To the reserve for foreign exchange was added the net of foreign exchange gains and losses realized in connection with the 10% devaluation in September, all in accordance with directives of the Royal Bank Inspection Board. The balance in the account thereby increased by SEK 3 million to SEK 204 million.

To the reserve for bonds a transfer was made of SEK 175 million. Realized losses, SEK 101 million net, have been charged to the account. After these entries, the account shows a balance of SEK 1,282 million, compared with SEK 1,208 million the year before. In the balance sheet the reserve account is balanced using the historical cost of the bonds. The net book value of the bond

portfolio amounted to SEK 24.7 billion at year-end, while the market value of the portfolio was estimated at SEK 25.0 billion.

The total balance of the three reserve accounts is SEK 4,662 million. The corresponding value at year-end 1980 was SEK 3,976 million.

Consolidated result

GROUP OPERATING INCOME

The operating result for the Svenska Handelsbanken group of companies was SEK 1,359 million for 1981. The corresponding result for 1980 was SEK 965 million. The return after tax on adjusted equity advanced from 15.3% in 1980 to 19.3%. Detailed consolidated accounts with information on subsidiary operations will be found on pages 42-44.

EARNINGS PER SHARE

Adjusted earnings per share for 1981 was SEK 20.20 as against SEK 14.40 for 1980.

The computation of adjusted earnings per share is based on the consolidated operating result after deduction for minority interest. To this result is added share in profits from the affiliated banks abroad and Köpkort AB, a credit card company. Extraordinary items have been included and an adjustment has been made for realized losses which have been posted to reserves. A standard 57% tax deduction has been made. Finally, the dividends on preferred and index stock have been deducted.

The Bank's organization and management

BOARD OF DIRECTORS AND MANAGEMENT

At the Annual General Meeting on March 18, 1981, all members of the Board were re-elected.

Anders Ljungh, Leon Odnevall and Svante Wikström, all within the Central International Department, were appointed Executive Vice Presidents.

BRANCH NETWORK AND ADMINISTRATION

At year-end 1981 the branch network consisted of 455 offices, a decrease by 6 from the year before. Two new branches were opened and eight branches were closed. The number of employees in the Bank during the year was an average of 4,912, a decrease by 22, or 0.4%.



Marywhite

Crown made from straw. This object is one of the few where we actually know the origin, a lady born in 1818.

Proposals by the Board of Directors

ALLOCATION OF PROFIT

At the disposal of the Annual General Meeting according to the Balance Sheet:

Retained earnings carried forward from 1980	SEK	181,073,996.52
Net income for the year	SEK	186,856,926.51
	SEK	367,930,923.03

The Board of Directors proposes that the dividend on Common Stock be increased by SEK 0.70 to SEK 5.50. Under the by-laws of the Bank the dividend payable on the index shares shall be changed at the same rate as the Consumer Price Index from November 1977 to November 1981.

Thus calculated and rounded off in the prescribed manner, the dividend for 1981 shall be SEK 1.90 per share. The distribution on common stock, index stock and preferred stock totals SEK 150.7 million (SEK 132.0 million last year).

The proposal of the Board of Directors suggests that the funds at the disposal of the Annual General Meeting be allocated as follows:

for distribution to the stockholders		
on preferred stock Series A, SEK 0.90 per share	SEK	1,125,000.—
on preferred stock Series B, SEK 1.20 per share	SEK	1,500,000.—
on common stock, SEK 5.50 per share	SEK	141,948,950.—
on index stock, SEK 1.90 per share	SEK	6,129,590.—
to be carried forward	SEK	217,227,383.03
	SEK	367,930,923.03

If this proposal is adopted, the Bank's share capital and reserves will be as follows:

Share capital	SEK	630,700,000.—
Statuary reserve	SEK	315,350,000.—
	SEK	946,050,000.—
plus retained earnings	SEK	217,227,383.03
	SEK	1,163,277,383.03

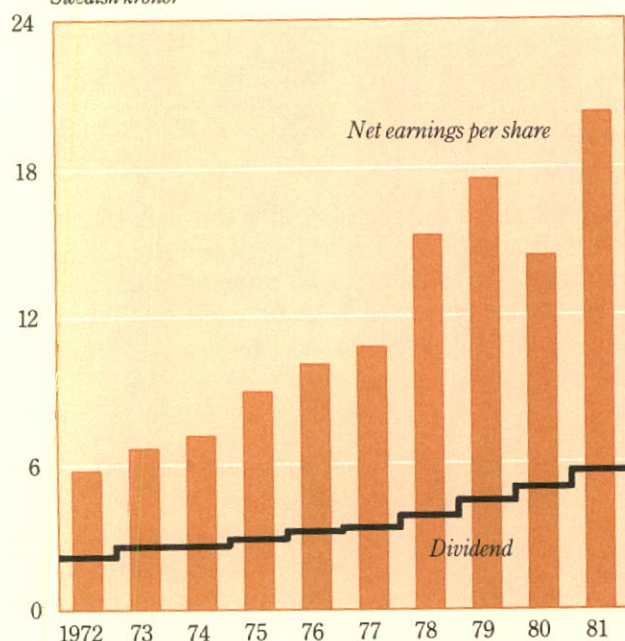
Stockholm, February 16, 1982

TORÉ BROWALDH	JAN WALLANDER	TORKEL CARLSSON
PER EKSTRÖM	MATTS CARLGREN	RUNE GUSTAVSSON
GUNNAR HINDEMARK	ERIK GRAFSTRÖM	ULF LAURIN
PER LINDBERG	NILS HOLGERSON	PETER POLLAK
BO RYDIN	INGE NYBERG	SVEN ÅGRUP
	GÖRAN SUNDBLAD	
	JAN EKMAN	TOM HEDELIUS
	Presidents	

Svenska Handelsbanken 1972–1981

NET EARNINGS AND DIVIDEND PER SHARE OF COMMON STOCK

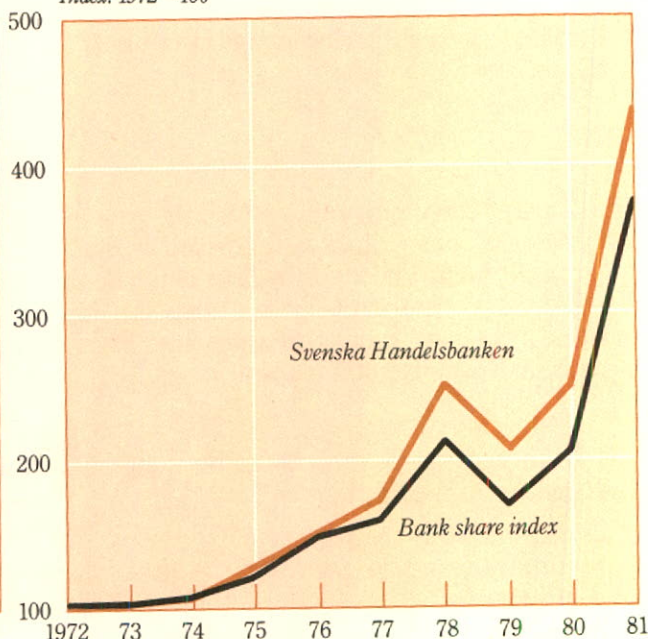
Swedish kronor



Earnings per share of common stock = adjusted income as defined in the Annual Report. The figures have been adjusted for the 1976 bonus issue and the 1979 stock split. Dividend for 1981 as proposed by the Board of Directors.

THE PRICE OF THE BANK'S COMMON STOCK

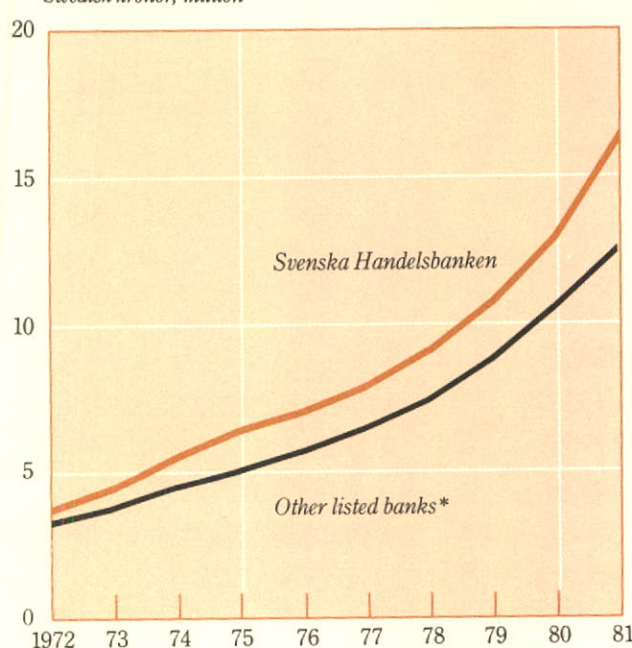
Index: 1972 = 100



The price of the Svenska Handelsbanken common stock at the end of each year adjusted for the 1976 bonus issue and the 1979 stock split (December 31, 1972 = 100). At year-end 1981 the price was SEK 132. The Affärsvärlden bank stock index is per the end of each year. December 31, 1972 = 100).

ASSETS PER EMPLOYEE

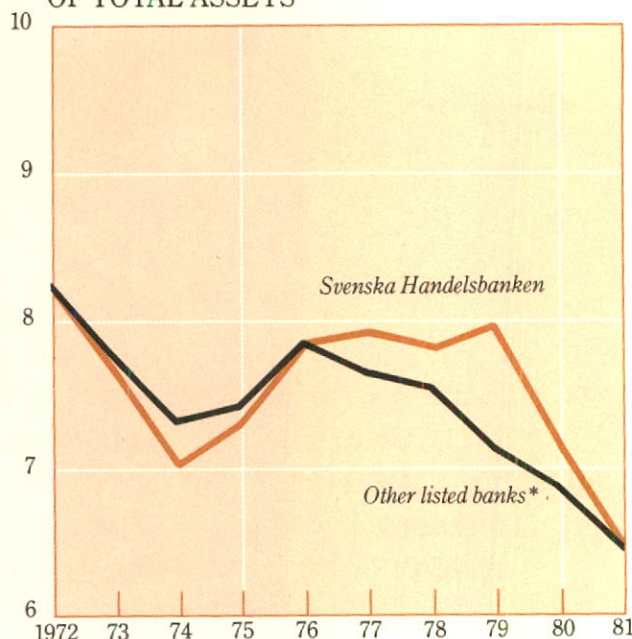
Swedish kronor, million



Total assets (monthly averages according to official statistics) divided by the number of employees (annual averages).

*1981 figures are estimates.

EQUITY AND UNTAXED RESERVES IN % OF TOTAL ASSETS



Equity after deduction of proposed dividends as per each year-end. Untaxed reserves are defined as the sum of the reserves for loans, foreign exchange and bonds as per end of each year.



The clay in the southern province of Skåne was the basis for a rich pottery tradition creating exuberantly decorated glazed household goods

such as the bowl depicted. The mustard mill with its cannon ball and the candle dipping jug were often made from the same material.

The Stockholders of Svenska Handelsbanken

Svenska Handelsbanken's share capital, totalling SEK 631 million, is represented by 25,808,900 shares of common stock, 3,226,100 shares of index stock and 2,500,000 shares of preferred stock with a nominal value per share of SEK 20. Common stock carry one vote per share, while index preferred stock carry 1/10 of one vote per share. This means that 81.8% of the share capital is represented by common stock, carrying 97.8% of total voting power.

Svenska Handelsbanken has over 65,000 stock-

holders, a majority of which are private persons. As shown in table below, most of these investors own only a limited number of shares. Among the 44 owners of more than 50,000 shares there are no private persons, but a number of insurance companies, investment companies and mutual funds, which represent a large number of private persons.

According to latest available information, the Bank's stock was held as follows:

Shares held	Stockholders			Shares held	
	Number	In per cent of all stockholders	Number	In per cent of the share capital	Average number of shares per stockholder
1 - 100 shares	31,182	47.8	1,392,000	4.4	45
101 - 500 shares	25,055	38.4	5,871,000	18.6	234
501 - 1,000 shares	5,338	8.1	3,706,000	11.7	694
1,001 - 10,000 shares	3,484	5.3	7,249,000	23.0	2,080
10,001 - 50,000 shares	146	0.2	2,955,000	9.4	20,241
More than 50,000 shares	44	0.1	10,341,000	32.8	235,017
Old coupon certificates not yet exchanged, approximately			21,000	0.1	
Total	65,249	100.0	31,535,000	100.0	482

Seven of the stockholders hold more than 1% each of the common stock;

The Skandia Group (insurance)	5.1%
SPP (pension insurance)	4.8%
The Oktogonen foundation	4.0%

The Trygg-Hansa Group (insurance)	2.8%
AB Industrivärden (investment company)	2.4%
AB Cardo (investment company)	1.2%
Beijerinvest AB (investment company)	1.2%



Lace-bridal crown from Vadstena. Lace-making was brought to Sweden by veterans of the Thirty-year war. A lace-making school was started in Vadstena in 1903 to save and rejuvenate the art.

Statement of Income

SEK million	1977	1978	1979	1980	1981
Operating revenue ¹					
Interest income, net	959.2	1,253.1	1,440.6	1,323.6	1,665.3
Commissions	354.1	358.0	368.9	478.5	587.3
Net income from real estate	26.4	31.2	35.8	43.1	49.9
Sundry receipts	26.3	39.2	49.0	57.3	70.3
Total operating revenue	1,366.0	1,681.5	1,894.2	1,902.6	2,372.8
Operating expense ¹					
Personnel expense	494.3	526.9	583.4	654.5	698.5
Other expenses excl. depreciation ...	238.0	262.3	291.2	342.6	402.9
Depreciation on equipment	38.9	44.0	44.0	40.6	41.3
Depreciation on real estate	4.9	5.5	5.3	7.0	6.9
Total operating expense	776.1	838.8	924.0	1,044.7	1,149.6
Provision for loan losses based on a five-year average loss experience ¹	14.5	18.1	20.2	31.3	50.3
Currency losses on debenture loans ¹ ...	8.1	9.8	—	—	9.2
Net operating expense	798.7	866.6	944.2	1,076.0	1,209.1
Net operating income	567.3	814.9	950.1	826.5	1,163.6
Extraordinary income ¹	29.6	80.3	40.9	25.6	2.6
Extraordinary expense ¹	26.7	23.8	38.1	51.1	42.4
Income before allocations and taxes	570.2	871.4	952.8	801.0	1,123.9
Allocation to reserves ¹					
for loans	315.5	530.9	157.0	400.0	645.0
for foreign exchange	—	—	45.0	—	—
for bonds	40.0	40.0	500.0	175.0	175.0
Allocation to profit reserve ¹	—	—	—	25.0	—
Utilization of investment and work environment reserves ¹					
Utilized from reserves	12.3	0.0	4.1	0.9	11.2
Corresponding depreciation	12.3	0.0	4.1	0.9	11.2
Taxes ¹	90.0	110.0	90.0	60.0	117.0
Net income	124.8	190.4	160.8	141.0	186.9
At the disposal of the annual General Meeting, incl. contingency reserve	130.9	232.1	290.5	313.1	367.9
Dividends for the year	89.2	102.5	118.4	132.0	150.7 ²
Balance	41.7	129.7	172.0	181.1	217.2 ²

Figures for the years 1977–78 have been adjusted to conform with the new accounting principles for credit losses applied as of 1979. All individual items have been rounded. In some instances column subtotals do therefore not balance.

The original of the Statement of Income, duly signed by the Board of Directors and endorsed by the Auditors, contains exact, unabridged amounts for the year without comparative figures for prior years.

Notes to items marked ¹ on pages 30–33.

² As proposed by the Board of Directors.

Balance Sheet, December 31

SEK Million	1977	1978	1979	1980	1981
ASSETS					
Cash ¹	810	966	1,175	1,605	2,052
Due from domestic financial institutions ¹	1,387	1,193	3,082	1,905	4,028
Due from foreign banks ¹	5,391	5,526	5,177	9,494	9,904
CDs issued by other banks	—	—	—	452	185
Government securities and bonds ¹	7,365	11,296	12,007	16,948	24,711
Loans ¹	23,878	27,738	31,685	35,724	42,989
Investments and capital notes ¹	317	393	424	486	560
Equipment ¹	88	81	81	85	90
Real estate ¹	225	237	247	258	259
Other assets ¹	1,056	1,423	2,399	3,255	4,308
TOTAL ASSETS	40,518	48,853	56,278	70,213	89,086
Collateral pledged ¹	4,924	4,622	3,997	6,459	9,121
Loan facilities, total amount granted ...	27,731	32,387	36,364	40,843	48,104
 LIABILITIES AND STOCKHOLDERS' EQUITY					
Cashier's checks	194	270	351	428	389
Deposits ¹	23,659	28,041	30,908	33,423	38,448
Certificates of Deposit ¹	—	—	—	4,950	6,787
Due to domestic financial institutions ¹ ..	2,598	3,098	3,294	3,467	5,478
Due to foreign banks ¹	6,923	8,920	11,783	16,530	22,538
Long term borrowings ¹	3,221	3,795	4,034	4,875	6,451
Other liabilities ¹	1,184	1,370	2,297	2,489	4,286
Reserves for loans and foreign exchange ¹	1,659	2,177	2,373	2,768	3,380
Investment reserves ¹	3	3	1	25	14
Stockholders' equity ¹	1,077	1,178	1,237	1,259	1,314
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	40,518	48,853	56,278	70,213	89,086
Guarantee obligations ¹	3,891	4,558	4,411	4,753	6,067
Letters of credit issued but not utilized ..	896	790	1,351	1,972	1,765
Commitments to foreign central banks ¹ ..	—	—	—	—	—
Capitalized value of pension commitment (covered by assets in the Bank's pension funds) ¹	486	535	572	634	712

All individual items are rounded. In some instances the subtotals do therefore not balance.

The original Balance Sheet, duly signed by the Board of Directors and endorsed by the Auditors, contains exact, unabridged amounts for the year without comparative figures for prior years.

Notes to items marked ¹ on pages 35–39.

Notes to the Statement of Income

OPERATING REVENUE		1981			Change from 1980		
	Average balance	Interest			Average balance	Interest	
<i>Interest</i>	SEK Million	SEK Million	%		SEK Million	SEK Million	%
<i>Assets</i>							
Cash and cash reserve	972	108.9	11.21	—	516	—	31.7
Due from domestic financial institutions	2,166	254.8	11.76	+	1,214	+	165.6
Due from foreign banks	10,620	1,400.0	13.18	+	3,538	+	695.9
Bonds and other fixed interest securities	21,795	2,440.3	11.20	+	5,408	+	856.4
Loans	39,546	6,411.3	16.21	+	5,281	+	1,589.0
of which in Swedish kronor	26,414	4,266.6	16.15	+	1,022	+	681.9
in foreign currency	13,132	2,144.7	16.33	+	4,259	+	907.1
Other assets	941	24.6	—	+	12	+	20.9
A. TOTAL ASSETS	76,040	10,639.9	13.99	+	14,937	+	3,296.1
<i>Sources of funds</i>							
Deposits	34,026	3,994.5	11.74	+	2,773	+	774.3
of which in Swedish kronor	32,702	3,779.4	11.56	+	2,052	+	622.2
in foreign currency	1,324	215.1	16.25	+	721	+	152.1
Certificates of Deposit	6,017	890.5	14.80	+	2,965	+	505.0
of which in Swedish kronor	5,115	715.7	13.99	+	2,387	+	370.5
in foreign currency	902	174.8	19.38	+	578	+	134.5
Due to domestic financial institutions	3,147	389.4	12.37	+	219	+	56.7
Due to foreign banks	20,432	2,941.6	14.40	+	6,563	+	1,355.7
Bonds	760	124.3	16.35	+	562	+	95.6
Debenture loans	860	106.7	12.40	+	315	+	57.0
of which in Swedish kronor	229	18.7	8.20	—	17	—	1.8
in foreign currency	631	88.0	13.93	+	332	+	58.8
Domestic refinancing loans	4,076	500.4	12.28	+	552	+	101.7
Other liabilities	1,619	27.2	—	+	457	+	8.4
B. TOTAL LIABILITIES	70,937	8,974.6	12.65	+	14,406	+	2,954.4
Capital and reserves	5,103			+	531		
C. TOTAL LIABILITIES AND EQUITY	76,040	8,974.6	11.80	+	14,937	+	2,954.4
Net interest income		1,665.3				+	341.7
Interest margin (A ÷ B)			1.34				—0.03
Investment margin (A ÷ C)			2.19				+0.02
Average official discount rate			11.68				+1.73

Cash: The cash reserve requirement was 2% at the beginning as well as the end of the year. During the period January 26–February 19 it was 4% and, subsequently, 1% to March 9. The average cash reserve requirement during the year was 2.1% as against 3.6% during 1980. Interest has been earned at a rate equal to the official discount rate on all funds held on deposit with the Riksbank as well as on the cash in hand.

Foreign banks: Interest income and expense in foreign currency rose sharply due to the high international interest level during most of the year. The large increase in liabilities was primarily attributable to the refinancing with foreign banks of the Bank's lending in foreign currency to customers.

Bonds and fixed interest securities: In the beginning of 1981, when interest rates were high, excess liquid funds were placed in Treasury bills. During the autumn these were replaced by Government bonds. Additional investments were also made in Government bonds. The holdings of housing bonds were increased in accordance with an agreement with the Delegation for Housing Financing.

As a result of the large investments when the interest rate level was high, it was possible to increase the yield considerably, from 9.67% in 1980 to 11.20%. The cost of financing the portfolio in the form of deposits from customers was an average of 11.89%. (1980 10.49%). On average, the yield on the portfolio was thus negative by 0.69% compared to 0.82% during 1980. The margin became positive towards the

end of the year as the cost of deposits declined and the yield on the portfolio improved with new investments.

Loans in Swedish kronor: Interest includes commitment fees on contractual credits. Such fees were 0.40% compared to 0.39% in 1980. The average volume of loans grew by 4%. The interest rate advanced slightly more than the official discount rate, mainly due to the rate increase by 1% on checking account overdraft facilities towards the end of 1980 without a corresponding discount rate increase.

Loans in foreign currency: Since Swedish kronor lending had to be restricted in favor of placements in Government securities, credits in foreign currency rose sharply. On average, the volume increase for the year was close to 50%.

Deposits in Swedish kronor: Since deposits on special terms and purchase of Certificates of Deposit from an investors viewpoint constitute alternatives to each other, the development for these two items should be viewed together. The volume increase was more pronounced for Certificates of Deposit, which were introduced in the market in March, 1980. The average rate of interest for total deposits together rose by 1.40% to 11.89%. This meant that the increase was 0.33% less than the increase of the discount rate, the reason being twofold: First, the lowering with 0.5% in February of the interest rate on most types of deposit accounts, and secondly, the rates for bulk deposits, which were high in the beginning of the year, declined sharply as the penalty rate for loans at the Riksbank declined and the money market situation eased.

Deposits in foreign currency: The large increase should be seen against the background of the Bank's efforts to broaden its refinancing base by issuing promissory notes and Floating Rate Certificates of Deposit.

Domestic refinancing loans: This item includes refinancing of loans with the National Pension Fund and refinancing of export credits with Svensk Exportkredit and the National Pension Fund.

The interest margin, defined as the difference in the interest on all assets and liabilities, was virtually unchanged in spite of the higher discount rate level, which normally would be disadvantageous since the placements at fixed interest are much larger than fixed-rate borrowings. This was primarily due to the fact that, in February, the interest rate on the traditional deposit accounts was lowered, and that the average increase in interest rates paid on deposits on special terms and on Certificates of Deposit was less than the increase of the official discount rate. The increase of lending rates permitted by the Riksbank and the improved yield on the portfolio of Government securities and bonds also had a positive effect.

By definition, the investment margin differs from the interest margin by inclusion of equity and reserves in sources of funds. The investment margin showed a more positive development than the interest margin and increased somewhat. This was due to the fact that the portion of placements corresponding to equity and reserves provided a higher yield than in the previous year, the interest rate level being higher.

	1981 SEK Million	Change from 1980 SEK Million
<i>Commissions</i>		
Domestic lending	109.2	+ 12.6
Domestic and international securities operations	126.8	+ 40.5
Trust and legal services	50.4	+ 6.6
Other domestic operations	69.6	+ 10.4
International operations	231.3	+ 38.6
Total commissions	587.3	+ 108.7
<i>Net income from real estate</i>		
Rental income	70.4	+ 10.7
Less:		
repairs	7.3	+ 1.7
other operating expense	13.3	+ 2.2
Income before depreciation	49.9	+ 6.8
Depreciation	6.9	- 0.1
Net income	43.0	+ 6.9
<i>Sundry receipts</i>		
Dividends:		
Sigab	26.0	+ 3.1
Svenska Finans	23.0	+ 6.2
Other subsidiaries	2.5	- 0.5
Other companies	11.1	+ 1.8
Total dividends	62.6	+ 10.6
Other receipts	7.6	+ 2.4
Total sundry receipts	70.3	+ 13.0

Domestic and international securities operations: Brisk trading in the stock and bond markets provided greatly increased broker commission income. New issues of stocks and bonds also increased significantly.

International operations: The increase in international operations commission income was primarily due to the strong expansion of lending, but also foreign exchange trading provided a larger surplus.

The dividends from Sigab, Svenska Finans AB and other subsidiaries refer to 1981 operations. See page 41 for a detailed specification of dividends.

OPERATING EXPENSE

	1981 SEK Million	Change from 1980 SEK Million
<i>Personnel expense</i>		
Salaries and remunerations	470.1	+ 24.4
Pensions disbursed	46.0	+ 6.8
Social charges	155.2	+ 10.9
Other personnel costs	27.2	+ 1.8
Total personnel expense	698.5	+ 44.0

Other expenses excluding depreciation

Rent and expenses for premises . . .	145.7	+ 14.3
Telephone, cables, postage and transport	46.6	+ 7.8
Equipment rental, leased computer services, services, maintenance . . .	47.3	+ 13.2
Purchased services	61.1	+ 15.1
Sundry supplies	27.0	+ 1.7
Sundry expense	75.2	+ 8.3
Total other expense	402.9	+ 60.3

Depreciation on equipment 41.3 + 0.7

Depreciation on real estate 6.9 - 0.1

Provision for loan losses 50.3 + 19.0

Currency losses on debenture loans . . 9.2 + 9.2

EXTRAORDINARY INCOME

Capital gains on real estate sold . . .	1.7	+ 1.1
Reversal of pension costs	0.9	+ 0.9
Group transfers	-	- 25.0
Total extraordinary income	2.6	- 22.9

EXTRAORDINARY EXPENSE

Transfer to the staff-owned Oktogonen foundation	19.3	- 12.6
Issuing costs for debenture and bond loans	9.8	+ 4.1
Other	13.3	- 0.2
Total extraordinary expense	42.4	- 8.7
Allocation to profit reserves	-	- 25.0

Salaries and remunerations rose by 5.5%. The staff decreased by 22 (0.4%) to 4,912 employees. The number of hours worked decreased by 1.8% to 8,030,000.

Salaries include remunerations to the Central Board of Directors, Regional Unit Boards and top executives at the Head Office and Regional Units in a total amount of SEK 7.4 million (1980 SEK 6.9 million).

Salaries to other employees amounted to SEK 454.0 million (1980 SEK 431.0 million) and other salary costs—remunerations to branch office boards, wages to canteen and cleaning staff and the change in the reserve for vacation pay—amounted to SEK 8.7 million (1980 SEK 7.8 million).

Pensions disbursed consists of all pensions paid by the Bank and the Bank's pension fund, in accordance with the directives of the Royal Bank Inspection Board.

Rents rose by 21%, primarily due to increased fuel costs. Costs for maintenance, however, decreased.

The costs for telephone and postage were affected by rate increases.

Equipment rental increased sharply as a result of increased computer capacity installed and replacement of owned by rented computer equipment.

Close to 60% of purchased services are supplied by institutions used by all commercial banks. Remaining expenses for purchased services largely consist of fees for external consultants, mainly in the computer field.

See page 37

See page 37

See page 33

The unrealized foreign exchange rate loss on debenture loans in foreign currency is attributable to that portion of convertible loan proceeds in USD which has been used for investment in stocks or which has been converted to Swedish kronor.

Reversal of pension costs refers to the difference between pensions reported in the Statement of Income and actual pension disbursements.

The profit-sharing transfer to the staff-owned Oktogonen is based on the fact that the Bank in 1980 achieved greater profitability than other publicly owned commercial banks.

"Other" primarily consists of costs due to obligations towards the buyers of three quarters of the stock in Nordic American Banking Corporation (NABC) to cover such losses as may arise in connection with certain credits.

UTILIZATION OF INVESTMENT AND WORK ENVIRONMENT RESERVES	1981 SEK Million	Change from 1980 SEK Million
Utilization of:		
Special investment reserve	—	— 0.9
Temporary profit reserve	11.2	+ 11.2
	11.2	+ 10.3
Utilization for investments in		
Owned premises	4.3	+ 3.4
Rented premises	6.9	+ 6.9
	11.2	+ 10.3
TAXES	117.0	+57.0
RESERVES		
<i>A. For loans</i>		
Balance at beginning of year	2,567.3	+394.7
Recoveries	10.5	+ 0.4
Loan losses	96.9	+ 50.2
Allocation in Statement of Income		
Provision for loan losses based on a five year average loss experience	50.3	+ 19.0
Additional allocation	645.0	+245.0
Balance at year-end	3,176.2	+608.9
<i>B. For foreign exchange</i>		
Balance at beginning of year	200.3	—
Devaluation gain	3.3	+ 3.3
Balance at year-end	203.6	+ 3.3
<i>C. For bonds</i>		
Balance at beginning of year	1,208.4	+127.4
Realized losses (net)	101.0	+ 53.4
Allocation in Statement of Income ..	175.0	—
Balance at year-end	1,282.4	+ 74.0
Required to cover the difference between cost and market value	1,006.8	—414.5
The market value exceeds the book value	275.6	+488.5
The highest value permitted under the Banking Act exceeds the book value by	984.6	+ 89.4

The investments primarily consist of new construction or total renovation of Bank premises. SEK 1 million refers to improvements increasing the value of real property.

The tax burden for 1981 is expected to be substantially over the 1980 level due to the increase in the balance after appropriations. Also, the deduction for local taxes paid in 1980 is low.

The provision for loan losses, reported as an operating expense, is calculated as actual losses less recoveries in relation to the average loan volume—monthly averages—to the general public and foreign banks over the period 1977–1981. The resulting percentage figure is applied to the corresponding average volume for 1981.

The allocation to the reserve for loans is split into two items: provision for loan losses based on a five-year average loss experience and additional allocation.

The reserve for foreign exchange is a contingency for abnormal foreign exchange losses.

The devaluation gain is the net of foreign exchange gains and losses in connection with the 10% devaluation of the Swedish krona in September, 1981.

On the Balance Sheet bonds are carried at cost less the reserve for bonds. The costs, book value and market value of the bond portfolio are shown on page 36.

At year end 1980 the market value for bonds fell short of the book value by SEK 212.9 million. Thus, the increase in excess value as compared to 1980 is larger than SEK 275.6 million.



In the province of Hälsingland, decorating the chip-baskets became popular in the middle of the 19th century.

Notes to the Balance Sheet

Principles for valuation of assets and liabilities in foreign currency

Foreign banknotes	Buying rates for banknotes at year-end
Due to and from foreign banks	Spot rates (average of buy and sell rates for each currency as per official quotation at year-end)
Loans in foreign currency	Spot rates
Capital notes	Lower of cost and market (computed on a spot rate basis)
Deposits in foreign currency	Spot rates
Certificates of Deposit in foreign currency	Par value at spot rates for each currency
Bonds in foreign currency issued by the Bank	Par value at spot rates for each currency
Debenture loans	Higher of cost and market
Foreign exchange forward contracts	Spot rates (taking into account remaining contract life)

ASSETS	1981 SEK Million	Change from 1980 SEK Million
<i>Cash</i>		
Banknotes and coins	657	- 49
Checks and cashier's checks	1,395	+ 496
Total cash	2,052	+ 447
<i>Domestic financial institutions</i>		
The Riksbank		
Balance according to cash reserve requirement	453	+ 75
Foreign currency balance	585	+ 585
Other	15	- 38
Total, the Riksbank	1,053	+ 621
National Debt Office	101	+ 101
Banks	706	- 107
Savings and cooperative banks	7	- 4
Other, in foreign currency	664	+ 417
in Swedish kronor	1,497	+1,095
Total, domestic financial institutions	4,028	+2,122
<i>Foreign banks</i>		
In foreign currency	9,078	+1,190
In Swedish kronor	826	- 780
Total, foreign banks	9,904	+ 410

The cash reserve requirement was 2% at year-end 1981 as well as 1980.

The increase is primarily an increase in loans to finance companies.

<i>Government securities and bonds</i>	1981 SEK Million	Change from 1980 SEK Million
A. At cost		
Issued by		
The Government	17,628	+6,966
Mortgage institutions	7,669	+ 658
Local authorities and institutions financing local authorities	76	+ 26
Corporations and institutions financing corporations	487	+ 153
Total domestic	25,861	+7,803
Foreign	133	+ 34
Total, at cost	25,994	+7,837
less reserve for bonds	1,282	+ 74
Total book value	24,711	+7,763
B. Market value		
Issued by:		
The Government	17,520	+7,234
Mortgage institutions	6,807	+ 805
Local authorities and institutions financing local authorities	70	+ 24
Corporations and institutions financing corporations	464	+ 158
Total domestic	24,860	+8,221
Foreign	126	+ 31
Total market value	24,987	+8,251
C. Value accounted on ten years average yield according to banking law	25,696	+7,852
Loans		
Amount utilized		
Priority construction loans	3,521	- 758
Non-priority lending		
in foreign currency	15,468	+5,692
in Swedish kronor	24,000	+2,331
Total loans	42,989	+7,265
whereof checking account facilities	4,803	+ 109
Committed amount	48,104	+7,261
whereof checking account facilities	9,917	+ 105
Investments and capital notes		
Current assets		
Inventory stocks in the brokerage business	8	+ 2
Capital notes	9	- 6
Total current assets	17	- 4

The entire growth in domestic deposits was placed in Government securities due to the increased liquidity requirement and the limited possibilities of lending in Swedish kronor.

The holdings of housing bonds was increased in accordance with the agreement with the Delegation for Housing Financing.

The Government bond share of the bond portfolio amounts to 68% (1980 59%) and the housing bond share is 30% (1980 39%).

Priority housing loans declined as a result of sharply increased take-outs by housing financing institutions towards the end of the year. Credits financed abroad continued to grow rapidly, by 58%. Non-priority lending in Swedish kronor rose by 11%. During the first half of the year credit was controlled by the lending ceiling imposed by the Riksbank. During the autumn credit demand was weak, but it increased towards the end of the year.

	1981 SEK Million	Change from 1980 SEK Million
<i>Fixed Assets</i>		
<i>Investments and participations</i>		
Subsidiaries in Sweden	150	—
Subsidiaries abroad	116	+ 45
Residential property participations ..	2	+ 0
Domestic financial institutions	74	+ 10
Foreign banks	152	+ 24
Other companies	10	+ 1
Total	505	+ 80
<i>Capital notes and special guarantees</i>		
Subsidiaries in Sweden	39	— 1
Total fixed assets	544	+ 79
Total investments and capital notes .	560	+ 74
<i>Equipment</i>		
Book value at beginning of year	85	+ 4
Additions	56	+ 12
Equipment sold	9	+ 9
Depreciation	41	+ 1
Book value at year-end	90	+ 6
<i>Real estate</i>		
At cost value	346	+ 8
Accumulated depreciation	49	+ 7
Accumulated writedown	38	+ 1
Book value	259	+ 1
Tax assessment value	305	+ 68
<i>Other Assets</i>		
Accrued interest and commissions ..	2,692	+ 886
Sundry accounts	1,615	+ 167
Total other assets	4,308	+1,053
<i>Collateral pledged</i>	9,121	+2,662
LIABILITIES		
<i>Deposits</i>		
Special deposits	7,161	+ 717
Foreign currency accounts	1,865	+ 585
Other deposits:		
Checking accounts	2,818	— 128
Universal accounts	18,291	+5,243
Other	8,314	—1,391
Total other deposits	29,423	+3,724
Total deposits	38,448	+5,026

Specification of investments and participations (fixed assets), see page 41.

Subscription to new issue of stock in Svenska Handelsbanken S.A., LUF 250 million.

Subscription to new issue of stock in Svensk Exportkredit, SEK 10 million.

Subscription to new issue of stock in Nordic Bank PLC, GBP 2.5 million.

Equipment is depreciated by 20% of cost value.

Real estate consists of bank premises, i.e. buildings acquired for bank branch offices. Additionally, five buildings were taken over by default, book value SEK 2.0 million, tax assessment value SEK 2.6 million. The increase in at cost value consists of capitalized rebuilding costs. One property was sold during the year. Real estate has been depreciated by for tax purposes highest permitted amounts.

Writedown against profit reserve has been effected by SEK 1.0 million.

Sundry accounts consist of temporary clearing accounts for securities transactions, etc.

Collateral pledged: SEK 8,990 million refers to bonds deposited with the Riksbank as security for short term borrowings amounting to SEK 214 million at year-end 1981.

The Universal Account—Allkonto—introduced in late 1979, has continued to grow rapidly and now constitutes 62% of "Other deposits". There has thus been a concentration to a smaller number of accounts.

	1981 SEK Million	Change from 1980 SEK Million
<i>Certificates of Deposit</i>		
in foreign currency	941	+ 137
in Swedish kronor	5,846	+1,700
Total Certificates of Deposit	6,787	+1,837
<i>Domestic financial institutions</i>		
The Riksbank	381	-1,053
The National Debt Office	0	- 301
Banks	2,436	+1,807
Savings and cooperative banks	728	+ 595
Other, in foreign currency	38	+ 38
in Swedish kronor	1,895	+ 926
Total Domestic financial institutions	5,478	+2,011
<i>Foreign banks</i>		
in foreign currency	21,147	+5,645
in Swedish kronor	938	- 16
Commercial Paper	419	+ 366
Rediscounted bills of exchange	34	+ 12
Total foreign banks	22,538	+6,008
<i>Long-term borrowings</i>		
Bonds		
in foreign currency	879	+ 579
in Swedish kronor	15	+ 9
Total bonds	894	+ 589
Debenture loans		
in foreign currency	775	+ 424
in Swedish kronor	211	- 17
Total debenture loans	986	+ 408
Refinancing loans from the National Pension Fund	3,760	+ 370
Refinancing of export credits with the National Pension Fund and AB Svensk Exportkredit		
in foreign currency	379	+ 288
in Swedish kronor	316	- 76
Total refinancing of export credits	695	+ 213
Mortgage loans in own real estate ..	117	- 2
Total long-term borrowings	6,451	+1,576
<i>Other liabilities</i>		
Accrued interest and commissions ..	940	+ 399
Taxes due	35	+ 35
Bank Giro	693	+ 9
Temporary clearing accounts	2,618	+1,354
Total other liabilities	4,286	+1,797

Certificates of Deposit in foreign currency are denominated in USD. Svenska Handelsbanken's share of the domestic CD market at year-end was 44%.

Short-term loans from the Riksbank amounted to SEK 214 million (1980 SEK 1,369 million).

SEK 871 million of liabilities to other financial institutions was in the form of deposits on special terms (1980 SEK 295 million).

A major portion of the liabilities in foreign currency refers to refinancing of credits in foreign currency.

Bonds in foreign currency consist of a fixed rate loan of SDR 15 million maturing in 1985, four USD Floating Rate Certificates of Deposit loans totalling USD 125 million, USD 50 million due in 1983 and USD 75 million due in 1984 and also a fixed rate loan of CHF 35 million maturing in 1986.

A specification of debenture loans is found on page 40.

	1981 SEK Million	Change from 1980 SEK Million
<i>Reserves for loans and foreign exchange</i>	3,380	+ 612
<i>Investment reserves</i>		
Temporary profit reserve	14	— 11
Total investment reserves	14	— 11
<i>Equity</i>		
Common stock	516	—
Index stock	65	—
Preferred stock	50	—
Statutory reserve	315	—
Retained earnings	181	+ 9
Net income for the year	187	+ 46
Total equity	1,314	+ 55
<i>Guarantee obligations</i>		
Guarantees	5,864	+1,287
Special guarantees	111	+ 16
Acceptance liability	92	+ 11
Total guarantee obligations	6,067	+1,314
<i>Commitments to foreign central banks</i>	—	—
<i>Pension liability</i>		
Capitalized value of pension commitments	712	+ 78
Net assets in the Bank's pension funds (book value)	664	+ 68

Data about the Bank's ownership is found in page 26.

The guarantee obligations have been issued in favor of domestic financial institutions—BOFAB, Industrikredit, Företagskapital.

Svenska Handelsbanken, Den norske Creditbank, Kansallis-Osake-Pankki and Copenhagen Handelsbank have on behalf of the Nordic Bank branch office in Singapore undertaken towards the Monetary Authority of Singapore to supply the office with currencies in its Asian Currency Unit when required. On December 31, 1981 the branch office reported borrowings equivalent to SEK 808 million and outstanding loans equivalent to SEK 932 million.

Pension liabilities include commitments to employees and pensioners in the Bank and its Swedish subsidiaries.

The net worth of the Bank's pension funds exceeds the book value and amply covers the pension commitments.

DEBENTURE LOANS December 31, 1981

Year of issue/ conversion/maturity	Loan amount SEK Thousand	Repayment period	Outstanding amount SEK Thousand	Interest rate %
In Swedish kronor				
1962/72/82	30,000	1968–82	1,976	5.5
1963/73/83	35,000	1964–83	3,424	5.75
1964/74/84	40,000	1965–84	4,831	6.25
1965/75/85	40,000	1966–85	7,688	6.75
1966/76/86	35,000	1967–86	8,404	6.75
1967/77/87	40,000	1968–87	11,971	6.25
1967/77/87	40,000	1968–87	12,000	7.0
1974/89	75,000	1975–89	48,574	8.5
1975/90	75,000	1976–90	45,829	9.5
1977/92	100,000	1978–92	66,255	10.0
Total			210,952	
In foreign currency				
1975/82	CHF	50,000	1980–82 CHF 15,000 = SEK 46,387	8,375
1976/86	USD	30,000	1977–86 USD 24,838 = SEK 138,317	9.25
1980/87	USD	35,000	1987 USD 35,000 = SEK 194,906	Floating
1981/88	USD	45,000	1988 USD 44,417 = SEK 247,347	13.75
1981/87	DEM	60,000	1987 DEM 60,000 = SEK 147,660	10.25
Total			SEK 774,617	
Total debentures			985,569	



Baskets have always been widely used but have largely remained anonymous and seldom decoratively adorned. This example in juniper has been used by fishermen in Bohuslän, a western Swedish province. This

modern woolen cardigan is inspired by the old knitting tradition in Halland just south of Bohuslän.

Specification of investments and participations

December 31, 1981	Nominal value ¹ SEK Thousand	Book value SEK Thousand	Dividend SEK Thousand	The Bank's voting power %
SUBSIDIARIES IN SWEDEN				
Svenska Finans AB (financing company) . . .	95,000	69,405	23,040	80
Sigab (mortgage company)	51,000	65,000	26,010	100
AB Oktogonen (bank real estate company) .	10,500	10,444	950	100
Fastighets AB Filia (bank real estate company)	4,500	4,810	1,350	100
Handelsbankens Fondservice AB (investment fund management company) . .	500	351	200	100
	161,500	150,011	51,550	
SUBSIDIARY OUTSIDE SWEDEN				
Svenska Handelsbanken S.A., Luxembourg	99,450	116,222	—	100
RESIDENTIAL PROPERTY PARTICIPATIONS				
	2,193	2,193	—	
SWEDISH CREDIT INSTITUTIONS				
AB Svensk Exportkredit	50,000	50,000	2,200	10.0
Svensk Bostadsfinansiering AB BOFAB . . .	8,157	9,462	897	16.3
AB Industri kredit	8,650	8,803	606	10.8
Kommunlåneinstitutet AB	3,625	2,958	471	14.5
Företagskapital AB	2,299	2,699	—	11.5
	72,731	73,923	4,174	
FOREIGN BANKS				
Nordic Bank PLC	105,975	108,638	5,373	25.0
Nordic American Banking Corp. (NABC) . .	22,275	32,373	—	25.0
Nordfinanz-Bank Zürich	10,051	4,445	—	5.0
Manufacturers Hanover Banque Nordique .	6,323	6,094	522	10.0
Adela Investment Co S.A.	2,924	0	—	0.9
Banco Urquijo	2,042	0	267	0.4
Finska Industrialiseringsfonden	402	432	36	0.8
Development Bank of Singapore	391	0	34	0.1
	150,383	151,982	6,232	
OTHER COMPANIES				
Köpkort AB	7,750	5,391	525	22.7
BankomatCentralen AB	1,600	1,920	40	16.0
AB Giro (affiliated with the Bank Giro Center)	1,090	1,090	65	21.8
Värdepapperscentralen VPC AB	450	540	36	15.0
Upplysningscentralen UC AB	221	265	—	22.1
Euroclear Clearance System Ltd	174	148	16	1.3
Society for World Interbank Financial Telecommunication (SWIFT)	71	114	—	2.0
Miscellaneous	3,969	765	—	
	15,325	10,234	682	
TOTAL INVESTMENTS AND PARTICIPATIONS	501,582	504,564	62,637	

¹Investments in foreign subsidiaries have been converted into Swedish kronor at the average buy and sell rate at year end.

Consolidated Accounts

THE SVENSKA HANDELSBANKEN GROUP

The consolidated accounts include the Bank and companies in which the Bank's ownership is more than 50%. Sigab, Svenska Finans AB with its subsidiary Kundkredit AB, Handelsbankens Fondservice AB and two real estate companies are active in Sweden. Svenska Handelsbanken S.A. (SHL) is a wholly owned subsidiary conducting banking operations in Luxembourg.

Consolidated total assets amounted to SEK 103 billion at year-end 1981, an increase compared with the year before of SEK 20 billion, or 24%.

The Bank is actively involved in the international banking market through the so-called Nordic group of banks. This consortium includes Svenska Handelsbanken, Den norske Creditbank, Copenhagen Handelsbank and Kansallis-Osake-Pankki. The cooperating banks own one quarter each of Nordic American Banking Corporation in New York and Nordic Bank PLC, London, with its subsidiary bank, Nordfinanz-Bank Zürich, Zurich. Manufacturers Hanover Banque Nordique, Paris, is an affiliate, 60% owned by Manufacturers Hanover Trust Company and 10% each by the four cooperating banks. Since 1980, the Nordic group is active in leasing through Nordic Leasing International with head office in the Hague and subsidiaries in several countries in Western Europe.

Total assets of the above-mentioned affiliate companies corresponded to SEK 30 billion at year-end 1981.

ACCOUNTING PRINCIPLES

The Consolidated Balance Sheet has been prepared in accordance with the purchase method of accounting. Group equity thus consists of the Parent Company's equity plus that portion of subsidiary equity which has been added in these companies after the date of acquisition.

In converting foreign subsidiary accounts to Swedish kronor, monetary assets and liabilities have been valued at the year-end rates of exchange. Equipment and equity have been valued at the rate prevailing at the time of investment. The Statements of Income have been converted at the average rate of exchange during the year, with the exception of depreciation of equipment, for which the rate prevailing at the time of acquisition has been used.

When converting from local currency to Swedish kronor, a negative difference arises in the 1981 accounts constituting a foreign exchange loss of SEK 7.1 million. This loss has been eliminated against an unrealized gain arising from a hedging loan in the same currency.

CONSOLIDATED RESULT

Consolidated operating income for 1981 amounted to SEK 1,359 million. Compared to the year before this constitutes an increase of SEK 394 million, or 41%. The return after tax on adjusted equity rose from 15.3% to 19.3%.

The schedule below shows the consolidated result divided by entities:

	1980 SEK Million	1981 SEK Million	Change SEK Million
Svenska Handelsbanken	783	1,112	+329
Svenska Finans	75	118	+ 44
Sigab	83	99	+ 16
SHL, Luxembourg	20	24	+ 4
Other	4	6	+ 2
	965	1,359	+394

Before allocations to statutory reserves, the Group's available surplus amounts to SEK 410 million. The average number of employees in the Group was 5,475 against 5,408 the year before. 5,445 (last year 5,377) of the employees were employed in Sweden and 30 (last year 31) abroad.

SUBSIDIARIES IN SWEDEN

SIGAB	1980 SEK Million	1981 SEK Million	Change SEK Million
Total assets	7,068	7,220	+ 152
Equity	95	108	+ 13
Reserves	140	145	+ 5
Operating income	82.9	99.0	+16.1
Transfer to Parent Company	25.0	—	—25.0
Taxes	30.4	57.9	+27.5
Net income	20.3	36.1	+15.9
Dividend	23.0	26.0	+ 3.1
Number of employees	18	21	+ 3

Sigab—Svenska Intecknings Garanti AB, a subsidiary of the Bank since 1955, is active in real estate financing. During the period 1962–1972 Sigab's share of the domestic mortgage financing market was about 10%. This business was subsequently transferred to AB BOFAB, a mortgage institution jointly owned by the Government and the commercial banks. Sigab's current operations consist of managing the existing mortgage portfolio and providing financing in connection with changes of ownership, renovation or alteration of residential properties, primarily single family homes. In 1981 new loans were granted in a total amount of SEK 514 million. So as to increase Sigab's lending capacity, the company currently does not make a group contribution to the Bank.

THE SVENSKA FINANS GROUP	1980 SEK Million	1981 SEK Million	Change SEK Million
Total assets	5,000	5,274	+274
Equity	177	224	+ 47
Reserves	61	119	+ 57
Operating income	74.5	118.1	+ 43.6
Taxes	17.6	3.2	— 14.3
Net income	21.1	57.8	+ 36.7
Dividend	21.0	28.8	+ 7.8
Number of employees	427	507	+ 80

Svenska Finans AB with its subsidiaries, Kundkredit AB and Kredit-Inkasso AB is Sweden's largest finance company. The operations include factoring, leasing, instalment credit financing, and other forms of corporate finance as well as administrative and collection services.

Together with finance companies in the Nordic group, Nordic Leasing International was formed in 1980 in the Hague. This company is the parent company of Industrileasing AB, ILAB. The company is active in international leasing and has its own subsidiaries in eight European nations.

Svenska Finans is 80% owned by Svenska

Handelsbanken and 20% by the staff-owned Oktogonen foundation. The credit volume, including leasing objects, increased by 5% to SEK 4,866 million. The strong increase in earnings was due to the fact that the average credit volume rose at a more rapid rate than from year-end to year-end. The interest margin also rose.

HANDELSBANKENS FONDSERVICE AB	1980 SEK Million	1981 SEK Million	Change SEK Million
Equity	0.5	0.8	+ 0.3
Operating income	0.0	0.8	+ 0.8
Funds managed:			
Handelsbankens Fond- förvaltning			
Handelsbankens Aktiefond	84	122	+ 38
Koncentra Reinvest	37	47	+ 10
Handelsbankens Skatte- fondförvaltning AB			
Handelsbankens skattefond	67	304	+ 237
Corporate mutual funds	3	85	+ 82
Number of employees	6	14	+ 8

Handelsbankens Fondservice AB provides administrative services to Handelsbankens Fondförvaltning AB and Handelsbankens Skattefondförvaltning AB.

Guidelines for investments and policy matters are decided by the boards of the investment fund management companies. These boards include representatives elected by the investors.

Operations show strong expansion during the year. The number of accounts in Handelsbankens Skattefond increased from 10,000 to 48,000. Additionally, the company has undertaken the management of 13 corporate mutual funds with a total of 17,300 accounts.

THE REAL ESTATE COMPANIES FILIA AND OKTOGONEN	1980 SEK Million	1981 SEK Million	Change SEK Million
Equity	19.7	18.9	—0.8
Operating income	4.4	5.4	+1.0
Taxes	2.6	3.2	+0.7
Net income	1.8	2.2	+0.3
Dividend	3.0	2.3	—0.7
Number of employees	4	4	—

Fastighets AB Filia owns 11 properties in different parts of the country, in which the Bank rents premises. AB Oktogonen owns 4 similar properties in Stockholm. Total rental revenue amounted to SEK 13.4 million.

SUBSIDIARY OUTSIDE SWEDEN

SVENSKA HANDELS- BANKEN S.A., LUXEMBOURG	1980 SEK Million	1981 SEK Million	Change SEK Million
Total assets	2,854	4,279	+1,425
Equity	74	122	+ 47
Operating income	19.6	23.6	+ 4.0
Allocations	13.7	19.2	+ 5.6
Taxes	3.2	2.3	- 0.9
Net income	2.7	2.2	- 0.6
Number of employees	19	17	- 2

Svenska Handelsbanken S.A. has now been in operation for three and a half years. The bank constitutes a complement to the Bank in Sweden when it comes to assisting Swedish companies in need of short- and medium-term international financing in connection with export transactions. The bank's share capital was increased at the turn of the year 1981/82 from LUF 500 million to LUF 750 million by way of new issues of stock. The outstanding credit volume rose by 40% to LUF 20.7 billion, corresponding to SEK 3.0 billion.

AFFILIATED BANKS

	Nordic Bank PLC 1981 SEK Million	Nord- finanz- Bank Zürich 1981 SEK Million	Nordic American Banking Corporation 1981 SEK Million	Manufacturers Hanover Banque Nordique 1981 SEK Million
Total assets	13,796	7,470	3,022	6,817
Capital base ¹	1,363	542	152	165
Number of employees	297	162	105	159
Svenska Handelsbanken's participation	25%	20% ²	25%	10%

¹ Equity, reserves, subordinated debt and similar items.

² 5% hereof is owned by Svenska Handelsbanken directly and 15% via Nordic Bank.

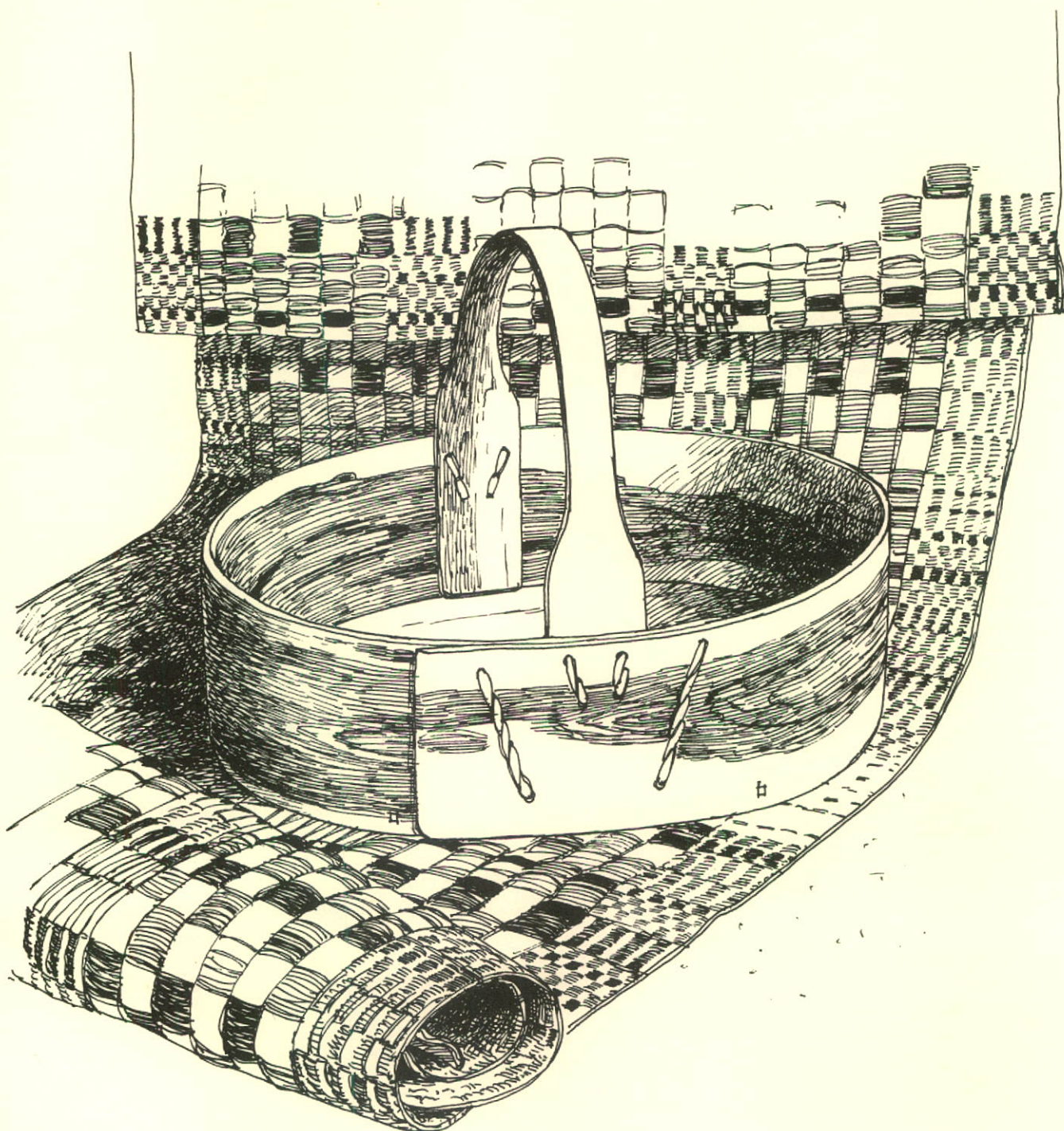
Nordic Bank PLC, London, has increased its share capital during the year by GBP 10 million to GBP 40 million by conversion of subordinated debt and, to a lesser degree, issuing new stock. The development of the Investment Banking Division has been particularly satisfying. The division has participated in issues totalling over USD 1 billion since inception in 1980. The bank has become an important factor in the market for Nordic related dollar issues.

Nordfinanz-Bank Zürich shows a continued positive development.

Nordic American Banking Corporation, New York, has increased its portfolio during the year,

primarily adding Nordic-related business. In its effort to develop a comprehensive Corporate Finance Division, the bank has assisted several clients in purchases and sales of U.S. entities.

Manufacturers Hanover Banque Nordique, Paris, has fully utilized the opportunities for limited expansion within the framework of the French credit restrictions. The uncertainty regarding the future ownership structure of French banks after the change in presidency in May, 1981, has now cleared. It now appears that foreign owned French banks will not be nationalized, at least not within one year.



Västerbotten in the northern part of the country is where this weave was used. It served as a lining for sheep-skins which were used as bedding in the cold climate.

Consolidated Statement of Income

SEK Million

	1980	1981	Change from 1980
OPERATING REVENUE			
Interest, net ¹	1,761.5	2,243.2	+481.7
Commissions	528.2	649.4	+121.2
Miscellaneous revenue	40.9	51.2	+ 10.3
TOTAL OPERATING REVENUE	2,330.6	2,943.8	+613.2
OPERATING EXPENSE			
Personnel	716.8	774.4	+ 57.6
Other expenses excl. depreciation	383.4	453.2	+ 69.8
Depreciation ¹	216.4	272.7	+ 56.3
TOTAL EXPENSE	1,316.6	1,500.4	+183.7
Provision for loan losses based on a five-year average loss experience	49.2	75.1	+ 25.9
Currency losses on debenture loans		9.2	+ 9.2
TOTAL OPERATING EXPENSE	1,365.8	1,584.7	+218.9
NET OPERATING INCOME	964.7	1,359.1	+394.3
Extraordinary income	1.4	2.6	+ 1.2
Extraordinary expense	55.6	42.4	- 13.2
Net income before allocations and taxes	910.5	1,319.3	+408.8
Allocations to reserves	627.5	901.3	+273.9
Allocation to profit reserve	25.0	-	- 25.0
Utilization of investment and work environment reserves	0.9	11.2	+ 10.3
Corresponding depreciation	0.9	11.2	+ 10.3
Taxes	113.8	184.2	+ 70.4
Minority interest	4.2	11.6	+ 7.3
NET INCOME	140.0	222.2	+ 82.2

All individual items have been rounded. In some instances the subtotals do therefore not balance.
Notes to items marked¹, see below

NET INTEREST INCOME	1980	1981	Change from 1980	DEPRECIATION	1980	1981	Change from 1980	
	SEK Million	SEK Million	SEK Million		SEK Million	SEK Million	SEK Million	
Svenska Handelsbanken ..	1,323.6	1,665.3	+341.7	Leasing objects	162.0	218.0	+56.0	005
Sigab	86.0	103.0	+ 17.0	Machinery and equipment	44.4	44.8	+ 0.4	
Svenska Finans ²	311.8	434.5	+122.7	Real estate	8.0	7.9	- 0	
Other	40.1	40.4	+ 0.3	Goodwill	2.1	2.1	-	
Total net interest income ..	1,761.5	2,243.2	+481.7	Total depreciation	216.4	272.7	+ 56.3	

²Net interest income includes leasing fees.

Consolidated Balance Sheet December 31,

SEK Million

ASSETS	1980	1981	Change from 1980
Cash	1,605	2,052	+ 447
Banks and other financial institutions	11,593	14,380	+ 2,787
Bonds	16,382	24,235	+ 7,852
Loans ¹	48,364	55,996	+ 7,632
Leasing objects ¹	784	1,011	+ 226
Investments and participations	228	260	+ 31
Equipments	104	111	+ 7
Real estate ¹	304	315	+ 11
Other assets ¹	3,537	4,599	+ 1,062
TOTAL ASSETS	82,903	102,960	+20,057
LIABILITIES AND STOCKHOLDERS' EQUITY			
Cashier's checks	428	389	- 38
Deposits and CDs	41,941	48,204	+ 6,263
Banks and other financial institutions	21,714	31,155	+ 9,441
Long-term debt ¹	11,331	13,118	+ 1,787
Other liabilities	3,114	4,930	+ 1,816
Reserves ¹	2,988	3,680	+ 692
Investment and work environment reserves	25	14	- 11
Minority interest	35	45	+ 9
Share capital	631	631	-
Statutory reserves	373	384	+ 11
Free reserves	182	187	+ 5
Net income for the year	140	222	+ 82
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	82,903	102,960	+20,057

All individual items have been rounded. In some instances the subtotals do therefore not balance.

Notes to items marked ¹ see below.

LOANS AND LEASING OBJECTS	1980	1981	Change from 1980	LONG-TERM DEBT	1980	1981	Change from 1980
	SEK Million	SEK Million	SEK Million		SEK Million	SEK Million	SEK Million
Svenska Handelsbanken	35,678	42,167	+6,489	Svenska Handelsbanken	4,853	6,390	+1,537
Sigab	6,803	6,947	+ 144	Sigab	5,898	6,030	+ 132
Svenska Finans	4,613	4,866	+ 253	Svenska Finans	547	571	+ 24
Other	2,054	3,027	+ 973	Other	33	127	+ 94
Total loans and leasingobjects ..	49,148	57,007	+7,859	Total long-term debt	11,331	13,118	+1,787
REAL ESTATE	1981	1981	1981	RESERVES FOR LOANS, FOREIGN EXCHANGE AND LEASING OBJECTS			
	At cost	Book value	Tax assess- ment value				
	SEK	SEK	SEK				
	Million	Million	Million				
Svenska Handelsbanken ..	346	259	305	Balance at beginning of year	2,562	2,988	+ 425
Svenska Finans	11	20	21	Recoveries	10	11	+ 0
Real estate companies	45	36	53	Loan losses	77	120	+ 43
Total real estate	402	315	379	Retransferred accumulated depre- ciation	9	-	- 9
				Allocation in Statement of Income			
				Provision for loan losses	49	75	+ 26
				Additional allocation	453	726	+ 274
				Balance at year-end	2,988	3,680	+ 692

OTHER ASSETS

The figure for 1981 includes SEK 12.5 Million relating to consolidated goodwill (1980 SEK 14.7 Million).

Svenska Handelsbanken

Auditors' Report for 1981

In our capacity as Auditors of Svenska Handelsbanken, we present the following Report for 1981.

We have examined the Annual Report of the Board of Directors, studied accounts, minutes, instructions of the Board concerning the Bank's lending policy and other documents of importance for judging the financial position and the conducting of the business of the Bank. We have also scrutinized major credits and other dispositions of the assets of the Bank. All Regional Units have been visited. We have also taken such other steps as we have deemed necessary for carrying out the audit.

The Internal Audit Department of the Bank has examined the internal controls and accounts. In connection with this the department has carried out inventories and other audit measures in accordance with the instructions in force. We have reviewed the reports of these examinations.

The audit has given no reason for comments as regards documents submitted to us, the book-keeping of the Bank, inventories of its assets, internal control, administration costs, or the conducting of the business of the Bank.

We recommend the Annual General Meeting of Shareholders

that they adopt the Balance Sheet presented by the Board of Directors and countersigned by us as per December 31, 1981,
that they grant the Directors a discharge from liability for their administration during 1981 and that they allocate the profit at their disposal, which amounts to SEK 367,930,923.03 in accordance with the recommendation of the Board of Directors.

Stockholm, February 17, 1982

STEN KÄLLENIUS

Chairman

LENNART DAHLSTRÖM

SVEN-ERIK JOHANSSON

SUNE CARLSSON

Authorized Public Accountant

PER V A HANNER

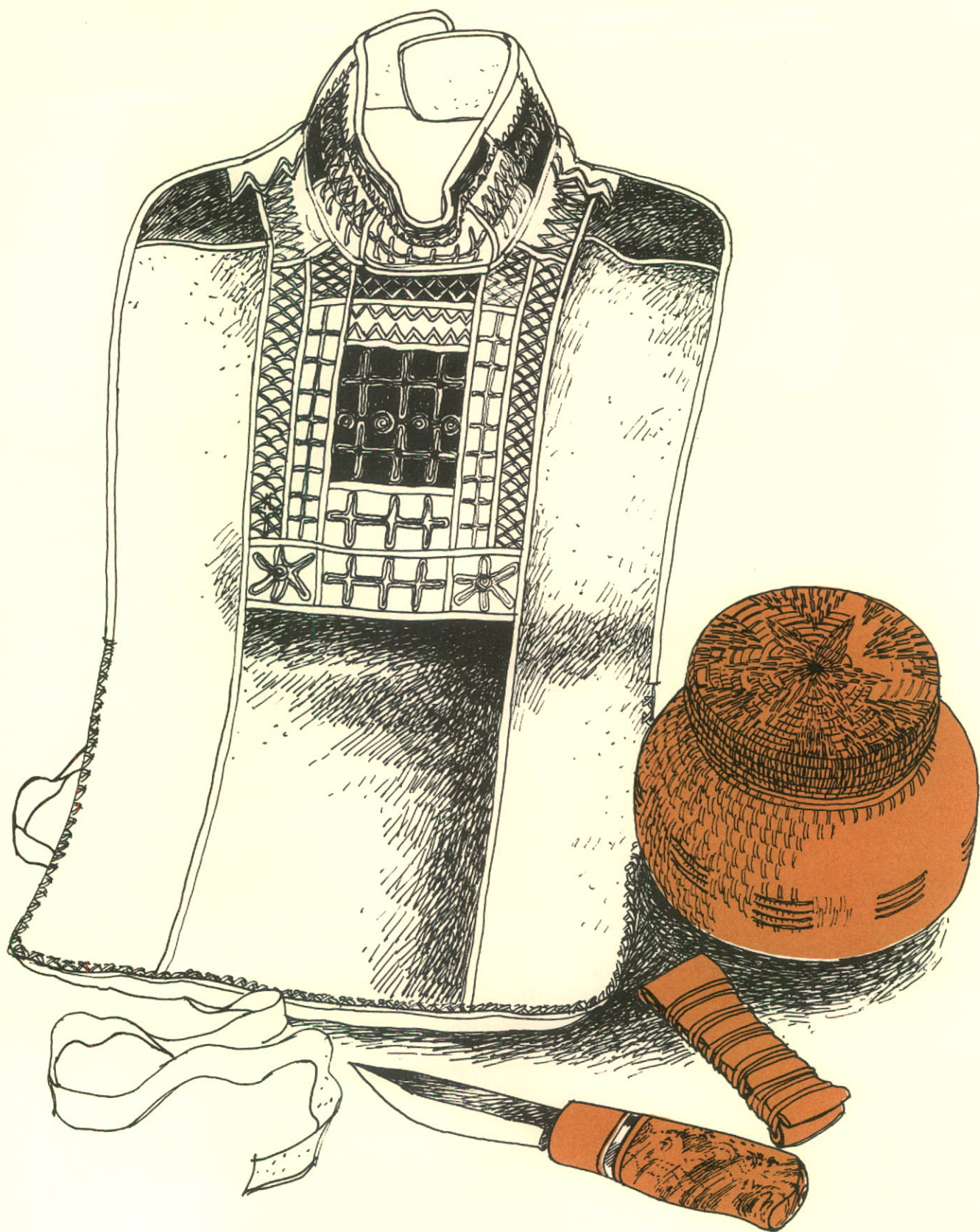
Authorized Public
Accountant
Appointed by the Royal
Bank Inspection Board

INGMAR LIDBECK

Appointed by
the Royal Bank
Inspection Board

LENNART SVENSSON

Authorized Public
Accountant
Appointed by the Royal
Bank Inspection Board



Marquette

Frock in bright colors with pewter embroidery. The handle of the knife is made of willow-wood with inlays in reindeer horn and pewter, the latter said to stave off perils.

Board of Directors

Dr JAN WALLANDER

Chairman

Dr TORE BROWALDH

First Vice Chairman

MATTS CARLGREN

Chairman, Mo och Domsjö AB, Second Vice Chairman

TORKEL CARLSSON

President, Rederi AB Transatlantic

JAN EKMAN

President

PER EKSTRÖM

Chairman, ret.

ERIK GRAFSTRÖM

Appointed by the Government

RUNE GUSTAVSSON

Appointed by the Government

TOM HEDELIUS

President

GUNNAR HINDEMARK

President, ret.

NILS HOLGERSON

President, Pripps Bryggerier AB

ULF LAURIN

President, PLM AB

PER LINDBERG

President, AB Industrivärden

INGE NYBERG

Member of the Board, The Oktogonen Foundation

PETER POLLAK

Representative of the Oktogonen Foundation

BO RYDIN

President, Svenska Cellulosa AB SCA

SVEN ÅGRUP

President, AGA AB

Deputies

CARL-ERIK FEINSILBER

President, Investment AB Promotion

KLAS HOLMBERG

President, J. S. Saba AB

BENGT KARLSON

President, Investment AB Asken

GÖRAN SUNDBLAD

President, Almedahl-Dalsjöfors AB

KARL ERIK ÅMAN

President, Alfort & Cronholm AB

Auditors

STEN KÄLLENUS

Chairman

SUNE CARLSSON

Authorized Public Accountant

LENNART DAHLSTRÖM

President, ret.

PER V A HANNER

Authorized Public Accountant

Appointed by the Royal Bank Inspection Board

SVEN-ERIK JOHANSSON

Professor, Stockholm School of Economics

INGMAR LIDBECK

Supreme Administrative Court Justice

Appointed by the Royal Bank Inspection Board

LENNART SVENSSON

Authorized Public Accountant

Appointed by the Royal Bank Inspection Board

Deputies

SUZANNE BONNIER

President, Sweden-America Foundation

BO FRIDMAN

Authorized Public Accountant

CARL-FREDRIK GADDE

Deputy General Manager, ret.

DAG HASSLEGREN

Authorized Public Accountant

Management

Presidents

JAN EKMAN

TOM HEDELIUS

Executive Vice Presidents

At the Regional Units:

HOLGER CLARKSON

Stockholm City

NILS DAHLBOM

Eastern Sweden

OLOF HYLTÉN-CAVALLIUS

Central Sweden

GÖRAN PALM

Southern Sweden

BJÖRN ROSÉN

Western Sweden

GÖRAN RUNDSTRÖM

Northern Norrland

JÖRGEN SETTERBERG

Greater Stockholm

JAN ÅSMAN

Southern Norrland

At the Central Head Office:

MORGAN ABRAHAMSSON

Central Administration Department

BO DAMBERG

Central Finance and Investment Division

LENNART JOHANSSON

Controller

At the Central International Division:

ANDERS LJUNGH

*Markets and Banking Relations,
Control and Administration*

LEON ODNEVALL

Credits and Finance

SVANTE WIKSTRÖM

Foreign Exchange and Short Term Credits

Subsidiaries in Sweden

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SVENSKA FINANS AB
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Telephone: +4687886000

HANDELSBANKENS FONDSERVICE AB
Jan-Magnus Hagman, *President*
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Telephone: +4687691000

Subsidiary Bank

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Einar Mogård, *verkst dir* (to March, 1982),
Ulf Hedbäck (from March, 1982)
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Telephone: +3524759611
Telex 2405
Cables: SHB LX

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RCA 236656, WU 125533
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Switzerland
Telephone: +41 1 211 6800
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Telex 887654/5
Cables: Nordbank
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Jan Ekman
Tom Hedelius

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Anders Ljungh
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