

Fact book
2016

Q4

Contents

■ This is Handelsbanken	3
■ Income statement	
○ Income statement – Handelsbanken Group	4
○ EPS - Earnings Per Share	4
○ Consolidated statement of comprehensive income	5
○ Key figures	6
○ Calculation of key figures	7
○ One-offs and special items	8
○ Fees for the Stabilisation Fund, etc.	8
○ Exchange rates	9
○ Notes	
▪ Net interest income	10
▪ Net fee and commission income	10
▪ Net gains/losses on financial transactions	11
▪ Other expenses	11
▪ Loan losses	12
▪ Impaired loans	12
■ Segment information	13
▪ Handelsbanken Sweden	14
▪ Handelsbanken UK	15
▪ Handelsbanken Denmark	16
▪ Handelsbanken Finland	17
▪ Handelsbanken Norway	18
▪ Handelsbanken Netherlands	19
▪ Handelsbanken Capital Markets	20
▪ Other	22
■ Balance sheet	23
■ Business volumes	24
○ Lending to the public	
▪ By sector	24
▪ Credit risk exposure	25
▪ By country, end of period	26
○ Savings and deposits	
▪ Assets under management	27
▪ Deposits and borrowing from the public by country	27
■ Own funds and capital requirement	29
■ Funding	33
■ Liquidity	37
■ Share and shareholders	40
■ Definitions and explanations	42
■ Contacts and Financial calendar	45

This is Handelsbanken

Founded in 1871, Handelsbanken is one of the leading banks in the Nordic region, with more than 800 branches in more than 20 countries. The Bank regards Sweden, Denmark, Finland, Norway, Great Britain and the Netherlands as its domestic markets.

HANDELSBANKEN'S GOAL

Handelsbanken's financial goal is to have higher profitability than the average of its competitors through having more satisfied customers and lower costs (including loan losses) than its competitors. This goal has been reached every year since 1972, or for 45 consecutive years.

BUSINESS PHILOSOPHY

Decentralisation – the branch is the bank

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

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

Focus on customers, not on products

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

Not a mass market bank

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

No sales targets

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

No bonuses

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

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

No budgets

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

Credit policy

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

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

Low risk tolerance

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

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

Follow-up and business control

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

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

Income statement

Income statement - Svenska Handelsbanken Group

SEK m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Interest income	10,220	9,943	9,451	10,336	10,540	10,436	10,646	11,430
Interest expense	-2,921	-2,902	-2,643	-3,541	-3,569	-3,602	-3,627	-4,514
Net interest income	7,299	7,041	6,808	6,795	6,971	6,834	7,019	6,916
Net fee and commission income	2,447	2,259	2,280	2,170	2,343	2,308	2,359	2,310
Net gains/losses on financial transactions	269	1,112	523	1,162	1,503	226	451	428
Risk result - insurance	6	25	35	76	36	40	55	26
Other dividend income	2	1	222	3	2	1	275	3
Share of profit of associates	0	10	13	2	-11	18	9	1
Other income	102	25	41	35	65	34	53	61
Total income	10,125	10,473	9,922	10,243	10,909	9,461	10,221	9,745
Staff costs	-2,981	-2,941	-2,952	-3,668	-3,353	-2,953	-3,149	-3,126
Other expenses	-1,518	-1,234	-1,346	-1,303	-1,442	-1,197	-1,336	-1,228
Depreciation, amortisation and impairments of property, equipment and intangible assets	-114	-137	-119	-125	-112	-126	-122	-127
Total expenses	-4,613	-4,312	-4,417	-5,096	-4,907	-4,276	-4,607	-4,481
Profit before loan losses	5,512	6,161	5,505	5,147	6,002	5,185	5,614	5,264
Net loan losses	-832	-476	-229	-187	-475	-458	-359	-305
Gains/losses on disposal of property, equipment and intangible assets	18	6	1	7	6	4	1	-4
Operating profit	4,698	5,691	5,277	4,967	5,533	4,731	5,256	4,955
Taxes	-1,254	-1,127	-1,091	-929	-1,076	-1,028	-1,110	-1,063
Profit for the period from continuing operations	3,444	4,564	4,186	4,038	4,457	3,703	4,146	3,892
Profit for the period pertaining to discontinued operations, after tax	-	-	8	5	44	55	27	19
Profit for the period	3,444	4,564	4,194	4,043	4,501	3,758	4,173	3,911
Attributable to								
Shareholders in Svenska Handelsbanken AB	3,444	4,564	4,194	4,042	4,501	3,757	4,173	3,911
Minority interest	0	0	0	1	0	1	0	0

Earnings per share

	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Profit for the year, attributable to shareholders in Svenska Handelsbanken AB	3,444	4,564	4,194	4,042	4,501	3,757	4,173	3,911
- of which interest expense on convertible subordinated loan after tax	-25	-27	-41	-46	-46	-46	-52	-55
Average number of outstanding shares, million	1,943.4	1,937.6	1,919.9	1,907.0	1,907.0	1,907.0	1,907.0	1,907.0
Average number of outstanding shares after dilution, million	1,974.5	1,975.8	1,976.2	1,972.7	1,972.9	1,973.4	1,974.0	1,971.9
Earnings per share, continuing operations, SEK	1.77	2.36	2.18	2.12	2.34	1.94	2.18	2.04
- after dilution	1.76	2.32	2.14	2.07	2.28	1.90	2.13	2.00
Earnings per share, discontinued operations, SEK	-	-	0.01	0.00	0.02	0.03	0.01	0.01
- after dilution	-	-	0.01	0.00	0.02	0.03	0.01	0.01
Earnings per share, total operations, SEK	1.77	2.36	2.19	2.12	2.36	1.97	2.19	2.05
- after dilution	1.76	2.32	2.15	2.07	2.30	1.93	2.14	2.01

A stock split 3:1 was carried out in May 2015. The comparison figures in the above table have been adjusted for the new number of shares.

Consolidated statement of other comprehensive income

SEK m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Profit for the period	3,444	4,564	4,194	4,043	4,501	3,758	4,173	3,911
Other comprehensive income								
Items that may not subsequently be reclassified to profit or loss								
Defined-benefit plans	4,998	91	-2,597	1,501	495	-2,382	-2,500	1,235
Taxes on items that cannot be reclassified into profit or loss	-1,096	-20	568	-328	-107	523	548	-276
Total items that may not subsequently be reclassified to profit or loss	3,902	71	-2,029	1,173	388	-1,859	-1,952	959
Items that can be reclassified into profit or loss								
Cash flow hedges	-6,875	-1,238	1,442	3,526	-1,691	2,792	-2,853	1,251
Available-for-sale instruments	-23	-565	529	-1,101	-947	196	18	1,415
Translation differences for the period <i>of which hedging net investment in foreign operations</i>	168 255	970 -179	1,063 -10	-1,018 -208	-2,034 -669	-879 -349	-596 -266	1,796 890
Taxes on items that can be reclassified into profit or loss <i>of which cash flow hedges</i>	1,457 1,512	364 273	-316 -317	-672 -776	616 372	-544 -614	689 627	-546 -275
<i>of which available-for-sale instruments</i> <i>of which hedging net investment in foreign operations</i>	1 -56	52 39	-1 2	58 46	97 147	-7 77	3 59	-75 -196
Total items that can be reclassified into profit or loss	-5,273	-469	2,718	735	-4,056	1,565	-2,742	3,916
Total other comprehensive income for the period	-1,371	-398	689	1,908	-3,668	-294	-4,694	4,875
Total comprehensive income for the period	2,073	4,166	4,883	5,951	833	3,464	-521	8,786
Attributable to								
Shareholders in Svenska Handelsbanken AB	2,073	4,166	4,883	5,950	834	3,463	-521	8,786
Minority interest	0	0	0	1	-1	1	0	0

Handelsbanken Group - Key figures

	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Return on equity, total operations	10.6%	14.7%	14.2%	13.1%	14.8%	12.7%	14.5%	12.9%
Return on equity, continuing operations*	10.6%	14.7%	14.2%	13.1%	14.7%	12.5%	14.4%	12.8%
C/I ratio, continuing operations	45.6%	41.2%	44.5%	49.8%	45.0%	45.2%	45.1%	46.0%
C/I ratio, continuing operations, incl. loan losses	53.8%	45.7%	46.8%	51.6%	49.3%	50.0%	48.6%	49.1%
Adjusted equity per share, SEK	69.28	65.49	62.83	60.88	65.14	64.02	63.32	62.41
Common equity tier 1 ratio, CRD IV	25.1%	24.0%	23.0%	22.7%	21.2%	21.4%	21.3%	21.1%
Total capital ratio, CRD IV	31.4%	30.1%	28.9%	28.8%	27.2%	27.4%	28.4%	28.2%
Own funds in relation to capital requirement according to Basel I floor	148%	144%	142%	139%	137%	140%	149%	153%
Average number of employees, continuing operations	11,615	11,859	11,716	11,835	11,825	12,137	11,696	11,618
Number of branches & meeting places, Sweden	435	463	472	473	474	474	474	474
Number of branches & meeting points, Great Britain	207	206	205	201	198	196	188	181
Number of branches in Denmark	57	57	57	57	57	57	57	57
Number of branches in Finland	45	45	45	46	46	46	46	46
Number of branches in Norway	50	50	50	50	50	51	51	51
Number of branches in the Netherlands	25	25	23	23	23	23	22	22
Number of branches in other countries	13	13	13	13	13	17	17	17
Total number of branches and meetingpoints	832	859	865	863	861	864	855	848

Average number of employees

	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Sweden	6,888	7,108	7,011	7,175	7,194	7,486	7,174	7,196
UK	2,090	2,097	2,068	2,022	1,993	1,959	1,863	1,800
Norway	747	767	746	752	754	783	765	761
Denmark	660	677	677	678	682	693	693	692
Finland	598	620	622	613	611	629	620	597
The Netherlands	256	208	202	196	188	174	164	155
Total in home markets	11,239	11,477	11,326	11,436	11,422	11,724	11,279	11,201
Greater China (Incl. Hong Kong)	73	71	74	73	73	73	72	69
USA	66	69	68	67	68	72	73	73
Luxembourg	57	56	55	59	59	60	63	65
Germany	43	42	46	50	51	53	54	56
Poland	41	40	41	43	42	42	42	43
Singapore	40	40	38	38	38	39	38	38
Estonia	19	20	20	20	18	18	18	18
France	11	16	18	17	19	21	22	21
Latvia	7	8	8	8	10	10	10	10
Lithuania	5	5	5	6	7	7	7	7
Austria	4	5	4	5	5	5	5	4
Other countries (Representative office)	10	10	13	13	13	13	13	13
Total	11,615	11,859	11,716	11,835	11,825	12,137	11,696	11,618

Calculation of key figures

For definitions, please see page 42-44

Return on equity

= Profit for the period on a full-year basis in relation to average adjusted equity

SEK m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Equity	136,381	134,085	129,582	122,777	128,268	127,435	123,971	124,492
Adjustment defined benefit pension plans	-1,656	2,246	2,317	288	1,461	1,849	-10	-1,962
Adjustment fair value reserve	-974	-996	-1,509	-981	-2,024	-2,874	-2,685	-2,664
Adjustment hedge reserve	-2,487	-7,850	-8,815	-7,690	-4,940	-6,259	-4,082	-6,306
Reversed weighted dividend	0	0	0	9,556	0	0	0	10,383
Total adjusted equity	131,264	127,485	121,575	123,951	122,765	120,151	117,195	123,942
Adjusted equity, average *	129,375	124,530	117,985	123,358	121,458	118,673	115,377	121,556
Adjustment for impact of conversions on adjusted equity, quarterly average	-2,370	-2,090	-961	0	-1	-1	-1	-1
Actual quarterly average of converted shares	2,430	2,033	856	0	1	1	1	0
Capital Markets's holdings of SHB shares, average	0	0	0	0	0	0	0	0
Adjusted equity, quarterly average	129,435	124,473	117,880	123,358	121,458	118,673	115,377	121,555
Profit for the period	3,444	4,564	4,194	4,043	4,501	3,758	4,173	3,911
Return on equity, total operations	10.6%	14.7%	14.2%	13.1%	14.8%	12.7%	14.5%	12.9%

* Opening balance for the period adjusted for weighted dividend.

Adjusted equity per share

= Total adjusted equity in relation to the number of outstanding shares after dilution

SEK m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Equity	136,381	134,085	129,582	122,777	128,268	127,435	123,971	124,492
Adjustment minority share	-6	-6	-5	-5	-4	-5	-4	-4
Adjustment hedge reserve	-2,487	-7,850	-8,815	-7,690	-4,940	-6,259	-4,082	-6,306
Outstanding convertible loan (included in subordinated liabilities item)	2,882	3,073	3,374	5,237	5,183	5,129	5,075	5,023
Total adjusted equity	136,770	129,302	124,136	120,319	128,507	126,300	124,960	123,205
Number of outstanding shares after dilution (millions)	1,974	1,975	1,976	1,976	1,973	1,973	1,973	1,974
Adjusted shareholders' equity per share, SEK	69.28	65.49	62.83	60.88	65.14	64.02	63.32	62.41

Loan loss ratio

= Loan losses on a full-year basis in relation to lending at the start of the year

SEK m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Loan losses	-832	-476	-229	-187	-475	-458	-359	-305
Loans to the public, at beginning of year	1,866,467	1,866,467	1,866,467	1,866,467	1,807,836	1,807,836	1,807,836	1,807,836
Loans to other credit institutions excl. banks, at beginning of year	26,941	26,941	26,941	26,941	45,606	45,606	45,606	45,606
Guarantees (loans), at beginning of year	9,750	9,750	9,750	9,750	10,335	10,335	10,335	10,335
Assets repossessed for protection of claims, carrying amount	460	460	460	460	488	488	488	488
Total lending at beginning of year	1,903,618	1,903,618	1,903,618	1,903,618	1,864,265	1,864,265	1,864,265	1,864,265
Loan loss ratio	0.17%	0.10%	0.05%	0.04%	0.10%	0.10%	0.08%	0.07%

One-offs and special items in Operating profit

SEK m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Special items								
Benchmark effect in Stadshypotek	37	-51	-29	35	-56	-36	5	-18
Oktogonen (The Bank's profit-sharing system)					-438	-22	-199	-199
Performance-related remuneration	-33	-12	-25	-31	-20	-19	-39	-36
Total Special items	4	-63	-54	4	-514	-77	-233	-253
One-offs								
Fee to the Swedish Financial Supervisory Authority							-35	
Capital gains from the sale of shares in SCA					1,207			
Capital gains from the sale of shares, MasterCard & VISA				827				
Provision for early retirement of staff				-700				
Dividend and capital gains from the sale of shares in VISA Europe			145					
Capital gains from the sale of shares in Industrivären		764						
Total One-offs		764	145	127	1,207		-35	
Total	4	701	91	131	693	-77	-268	-253

Fees for the Resolution Fund etc.

SEK m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Swedish Resolution Fund								
Handelsbanken Sweden (NII)	-100	-102	-98	-106	-115	-111	-107	-105
Handelsbanken UK (NII)	-19	-17	-16	-17	-20	-18	-17	-16
Handelsbanken Denmark (NII)	-7	-7	-7	-8	-8	-8	-7	-8
Handelsbanken Finland (NII)	-9	-11	-10	-11	-8	-10	-10	-10
Handelsbanken Norway (NII)	-15	-20	-20	-21	-17	-20	-20	-19
Handelsbanken the Netherlands (NII)	-2	-2	-2	-2	-3	-2	-1	-2
Handelsbanken Capital Markets (NII)	-9	-18	-18	-19	18	-14	-16	-15
Other (NII)	-79	-68	-65	-71	65	-63	-58	-59
Total fees for the Swedish Resolution Fund *	-240	-245	-236	-255	-88	-246	-236	-234
Swedish deposit guarantee								
Handelsbanken Sweden (NII)	-64	-63	-63	-63	-58	-52	-61	-62
Handelsbanken UK (NII)	-6	-5	-5	-5	-4	-4	-5	-4
Handelsbanken Denmark (NII)	-2	-4	-4	-4	-4	-3	-3	-4
Handelsbanken Finland (NII)	-3	-3	-3	-3	-3	-3	-4	-3
Handelsbanken Norway (NII)	-3	-5	-5	-5	-7	-4	-5	-5
Handelsbanken the Netherlands (NII)	-1	0	0	0	0	-	0	0
Handelsbanken Capital Markets (NII)	0	0	-1	0	0	-	-1	0
Other (NII)	-	-	-	-	-	-	-	-
Total fees for Swedish deposit guarantee	-79	-80	-81	-80	-76	-66	-79	-78
Danish deposit guarantee								
Handelsbanken Denmark (NII)	-	-	-	-	-2	-3	-3	-3
Handelsbanken Denmark (expenses)	-	-	-	-	-	-	-	-
Total fees to Danish deposit guarantee	-	-	-	-	-2	-3	-3	-3
Norwegian deposit guarantee								
Handelsbanken Norway (NII)	-1	-1	-1	-1	-1	-1	-1	-1
State fees outside home markets								
Handelsbanken Capital Markets (NII)	-	-	-	0	0	0	0	0
Total	-320	-326	-318	-336	-167	-316	-319	-316

* The figures up to Q4 2015 refer to fees for the Swedish Stabilisation fund.

Exchange rates

SEK, End of period (Balance sheet)	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	Change y/y	Change q/q
DKK	1.2890	1.2928	1.2675	1.2385	1.2295	5%	0%
EUR	9.5830	9.6283	9.4303	9.2267	9.1745	4%	0%
GBP	11.1729	11.1535	11.3964	11.6337	12.4468	-10%	0%
NOK	1.0545	1.0739	1.0129	0.9769	0.9606	10%	-2%
USD	9.0751	8.5897	8.4966	8.0962	8.4015	8%	6%

SEK, Average as from 1 Jan (Income statement)	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	Change y/y	Change q/q
DKK	1.2723	1.2589	1.2485	1.2503	1.2545	1%	1%
EUR	9.4723	9.3753	9.3011	9.3279	9.3569	1%	1%
GBP	11.5685	11.6804	11.9436	12.0964	12.8998	-10%	-1%
NOK	1.0205	1.0004	0.9876	0.9797	1.0470	-3%	2%
USD	8.5654	8.4002	8.3350	8.4591	8.4396	1%	2%

The effect of exchange rate movements - Home markets outside Sweden

Jan - Dec 2016 vs. same period last year

SEK m	GB	DK	FI	NO	NL	HCM	Total
Net interest income	-463	23	16	-76	4	4	-492
Net fee and commission income	-47	6	5	-11	0	3	-44
Net result of financial transactions	-20	0	1	-2	0	0	-21
Other income	-1	0	0	-1	0	0	-2
Total income	-531	29	22	-90	4	7	-559
Staff costs	203	-10	-5	20	-2	-4	202
Other administrative expenses	82	-6	-5	12	-1	-2	80
Depreciation and amortisation	3	0	0	0	0	0	3
Total expenses	288	-16	-10	32	-3	-6	285
Net loan losses	23	-4	-1	5	0	0	23
Operating profit	-220	9	11	-53	1	1	-251

Q4 2016 vs. previous quarter

SEK m	GB	DK	FI	NO	NL	HCM	Total
Net interest income	4	11	8	44	3	3	73
Net fee and commission income	0	2	3	6	0	2	13
Net result of financial transactions	0	1	0	1	0	1	3
Other income	0	0	0	0	0	0	0
Total income	4	14	11	51	3	6	89
Staff costs	-2	-4	-2	-9	-1	-4	-22
Other administrative expenses	-1	-3	-2	-6	-1	-2	-15
Depreciation and amortisation	0	0	0	0	0	0	0
Total expenses	-3	-7	-4	-15	-2	-6	-37
Net loan losses	0	-5	0	-4	0	-1	-10
Operating profit	1	2	7	32	1	-1	42

Net interest income

SEK m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Interest income								
Loans to credit institutions and central banks	228	322	391	481	330	333	323	370
Loans to the public	9,962	9,800	9,759	9,812	9,971	10,274	10,616	11,102
Interest-bearing securities eligible as collateral with central banks	-99	101	109	118	126	192	217	116
Interest-bearing securities	191	167	232	193	172	186	363	194
Derivative instruments	-331	-661	-1,218	-419	-253	-645	-878	-610
Other interest income	346	331	329	311	345	335	358	339
Total interest income	10,297	10,060	9,602	10,496	10,691	10,675	10,999	11,511
on financial transactions	77	117	151	160	151	239	353	81
Interest income according to income statement	10,220	9,943	9,451	10,336	10,540	10,436	10,646	11,430
Interest expense								
Due to credit institutions and central banks	-293	-250	-261	-282	-226	-204	-237	-241
Deposits and borrowing from the general public	-288	-349	-382	-404	-377	-425	-484	-595
Issued securities	-4,361	-4,405	-4,582	-4,392	-4,421	-4,502	-4,408	-4,835
Derivative instruments	2,651	2,697	3,210	2,213	2,027	2,238	2,268	1,831
Subordinated liabilities	-388	-373	-384	-389	-425	-457	-438	-375
Other interest expense	-346	-384	-442	-407	-225	-428	-566	-355
Total interest expense	-3,025	-3,064	-2,841	-3,661	-3,647	-3,778	-3,865	-4,570
Of which interest expense reported in Net gains/losses on financial transactions	-104	-162	-198	-120	-78	-176	-238	-56
Interest expense according to income statement	-2,921	-2,902	-2,643	-3,541	-3,569	-3,602	-3,627	-4,514
Net interest income	7,299	7,041	6,808	6,795	6,971	6,834	7,019	6,916

Net fee and commission income

SEK m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Brokerage and other securities commissions	256	198	229	233	266	212	271	322
Mutual funds	835	776	717	695	743	743	775	726
Custody and other asset management fees	183	145	148	147	150	147	156	147
Advisory services	59	56	98	104	89	96	91	50
Insurance	163	162	151	158	155	158	145	181
Payments	857	815	795	718	852	890	848	774
Loans and deposits	309	293	290	280	296	257	266	277
Guarantees	107	108	108	99	108	102	103	108
Other	126	116	127	119	122	117	118	114
Total fee and commission income	2,895	2,669	2,663	2,553	2,781	2,722	2,773	2,699
Securities	-74	-50	-70	-66	-59	-51	-69	-65
Payments	-355	-341	-293	-300	-359	-347	-326	-305
Other	-19	-19	-20	-17	-20	-16	-19	-19
Total fee and commission expense	-448	-410	-383	-383	-438	-414	-414	-389
Net fee and commission income	2,447	2,259	2,280	2,170	2,343	2,308	2,359	2,310

Net gains/losses on financial transactions

SEK m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Trading, derivatives, FX effect etc	940	249	-90	-267	719	32	1,212	2
Other financial instruments at fair value in profit/loss	-641	77	447	583	-416	225	-775	469
of which interest-bearing securities	-627	89	455	585	-346	241	-773	477
of which loans	-14	-12	-8	-2	-70	-16	-2	-8
Financial instruments at amortised cost	29	61	56	36	-38	53	47	-9
of which loans	114	119	127	86	94	154	135	99
of which liabilities	-85	-58	-71	-50	-132	-101	-88	-108
Financial instruments available for sale	4	769	89	827	1,192	0	-5	16
Hedge accounting	-14	-25	36	0	93	-48	-16	-50
of which net gains/losses on fair value hedges	1	-21	10	2	72	-49	-20	-56
Gains/losses on unbundled insurance contracts	-49	-19	-15	-17	-47	-36	-12	0
Net gains/losses on financial transactions	269	1,112	523	1,162	1,503	226	451	428

Other expenses

SEK m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Property and premises	-319	-304	-303	-308	-320	-304	-314	-305
External IT costs	-476	-394	-420	-408	-438	-373	-421	-391
Communication	-79	-73	-80	-85	-89	-82	-83	-88
Travel and marketing	-96	-57	-85	-68	-103	-67	-93	-72
Purchased services	-338	-259	-298	-264	-304	-239	-249	-235
Supplies	-43	-42	-43	-45	-47	-45	-43	-47
Other administrative expenses	-167	-105	-117	-125	-141	-87	-133	-90
Other expenses	-1,518	-1,234	-1,346	-1,303	-1,442	-1,197	-1,336	-1,228

Loan losses

SEK m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Specific provision for individually assessed loans								
Provision for the period	-826	-432	-297	-344	-494	-499	-430	-409
Reversal of previous provisions	202	42	76	57	102	114	61	95
Total	-624	-390	-221	-287	-392	-385	-369	-314
Collective provisions								
Net provision for the period for individually assessed loans	-24	-41	-4	7	-15	-38	15	38
Net provision for the period for homogeneous loans	0	-11	0	1	-7	6	0	-2
Total	-24	-52	-4	8	-22	-32	15	36
Off-balance sheet items								
Losses on off-balance sheet items	-12	0	-2	-2	0	0	0	0
Reversal of previous losses on off-balance-sheet items	0	0	2	-	0	-	-	-
Change in collective provision for off-balance-sheet items	-23	-8	-10	15	-6	-3	1	-25
Total	-35	-8	-10	13	-6	-3	1	-25
Write-offs								
Actual loan losses for the period	-628	-198	-142	-1,215	-296	-235	-228	-205
Utilised share of previous provisions	427	127	114	1,195	195	150	153	161
Recoveries	52	45	34	99	46	47	69	42
Total	-149	-26	6	79	-55	-38	-6	-2
Net loan losses	-832	-476	-229	-187	-475	-458	-359	-305

Impaired loans

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

SEK m	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015
Impaired loans	7,746	7,710	7,427	7,390	8,844	8,863	8,979	8,903
Specific provision for individually assessed loans	-4,188	-3,972	-3,671	-3,517	-4,444	-4,320	-4,077	-3,888
Provision for collectively assessed homogeneous groups of loans with limited value	-107	-107	-94	-93	-94	-88	-93	-93
Collective provisions for individually assessed loans	-348	-310	-279	-272	-278	-266	-230	-246
Impaired loans, net	3,103	3,321	3,383	3,508	4,028	4,189	4,579	4,676
Total impaired loans reserve ratio	59.9%	56.9%	54.4%	52.5%	54.5%	52.7%	49.0%	47.5%
Proportion of impaired loans	0.16%	0.17%	0.17%	0.18%	0.21%	0.22%	0.24%	0.25%
Impaired loans reserve ratio excl. collective provisions	55.4%	52.9%	50.7%	48.8%	51.3%	49.7%	46.4%	44.7%
Loan loss ratio as a % of loans, quarterly	0.17%	0.10%	0.05%	0.04%	0.10%	0.10%	0.08%	0.07%
Loans past due > 60 days	4,123	4,928	4,629	4,473	4,657	5,286	5,737	6,389
Loans past due > 60 days, which are not impaired	1,061	1,381	1,229	1,270	1,218	1,504	1,853	1,989

Segment information

Operating profit per segment, quarterly

SEK m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Handelsbanken Sweden	3,291	3,832	3,132	2,317	2,779	3,006	3,102	3,223
Handelsbanken UK	472	518	568	536	559	561	610	473
Handelsbanken Denmark	-236	70	216	246	207	72	273	264
Handelsbanken Finland	236	211	225	183	238	251	211	260
Handelsbanken Norway	604	591	628	492	566	565	583	535
Handelsbanken the Netherlands	73	41	25	28	17	25	16	14
Capital Markets	272	298	417	365	316	335	399	483
Other	215	199	127	854	831	-43	123	-255
Adjustments & eliminations	-229	-69	-61	-54	20	-41	-61	-42
Operating profit, Group	4,698	5,691	5,277	4,967	5,533	4,731	5,256	4,955

Total income per segment

SEK m	Q4 2016	Q3 2016	Change	Q4 2015	Change	Full year 2016	Full year 2015	Change	Full year 2015
Handelsbanken Sweden	5,332	5,147	4%	4,984	7%	20,524	20,341	1%	20,341
Handelsbanken UK	1,320	1,239	7%	1,372	-4%	5,155	5,223	-1%	5,223
Handelsbanken Denmark	566	540	5%	547	3%	2,155	2,208	-2%	2,208
Handelsbanken Finland	442	421	5%	457	-3%	1,734	1,831	-5%	1,831
Handelsbanken Norway	1,066	984	8%	913	17%	3,931	3,768	4%	3,768
Handelsbanken the Netherlands	180	134	34%	94	91%	521	356	46%	356
Handelsbanken Capital Markets	1,136	1,160	-2%	1,199	-5%	4,772	5,006	-5%	5,006
Other	83	848	-90%	1,343	-94%	1,971	1,603	23%	1,603
Adjustments & eliminations	-	-	-	-	-	-	-	-	-
Total income	10,125	10,473	-3%	10,909	-7%	40,763	40,336	1%	40,336

Total expenses per segment

SEK m	Q4 2016	Q3 2016	Change	Q4 2015	Change	Full year 2016	Full year 2015	Change	Full year 2015
Handelsbanken Sweden	-1,860	-1,188	57%	-1,889	-2%	-7,536	-7,466	1%	-7,466
Handelsbanken UK	-775	-701	11%	-755	3%	-2,903	-2,784	4%	-2,784
Handelsbanken Denmark	-325	-281	16%	-282	15%	-1,150	-1,101	4%	-1,101
Handelsbanken Finland	-220	-194	13%	-206	7%	-843	-788	7%	-788
Handelsbanken Norway	-355	-320	11%	-317	12%	-1,269	-1,303	-3%	-1,303
Handelsbanken the Netherlands	-107	-92	16%	-77	39%	-354	-282	26%	-282
Handelsbanken Capital Markets	-856	-818	5%	-888	-4%	-3,371	-3,469	-3%	-3,469
Other	114	-649	-	-513	-	-599	-954	-37%	-954
Adjustments & eliminations	-229	-69	-232%	20	-	-413	-124	233%	-124
Total expenses	-4,613	-4,312	7%	-4,907	-6%	-18,438	-18,271	1%	-18,271

Operating profit per segment

SEK m	Q4 2016	Q3 2016	Change	Q4 2015	Change	Full year 2016	Full year 2015	Change	Full year 2015
Handelsbanken Sweden	3,291	3,832	-14%	2,779	18%	12,572	12,110	4%	12,110
Handelsbanken UK	472	518	-9%	559	-16%	2,094	2,203	-5%	2,203
Handelsbanken Denmark	-236	70	-	207	-	296	816	-64%	816
Handelsbanken Finland	236	211	12%	238	-1%	855	960	-11%	960
Handelsbanken Norway	604	591	2%	566	7%	2,315	2,249	3%	2,249
Handelsbanken the Netherlands	73	41	78%	17	329%	167	72	132%	72
Handelsbanken Capital Markets	272	298	-9%	316	-14%	1,352	1,533	-12%	1,533
Other	215	199	8%	831	-74%	1,395	656	113%	656
Adjustments & eliminations	-229	-69	-232%	20	-	-413	-124	-233%	-124
Operating profit	4,698	5,691	-17%	5,533	-15%	20,633	20,475	1%	20,475

Handelsbanken Sweden

SEK m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Net interest income	4,018	3,929	3,813	3,759	3,775	3,717	3,900	3,886
Net fee and commission income	1,102	1,047	1,080	1,004	1,143	1,154	1,187	1,135
Net gains/losses on financial transactions	184	167	242	132	50	94	138	101
Other income	28	4	4	11	16	5	5	35
Total income	5,332	5,147	5,139	4,906	4,984	4,970	5,230	5,157
Staff costs	-867	-278	-920	-1,606	-908	-910	-922	-880
Other expenses	-302	-261	-310	-280	-324	-266	-303	-270
Internal purchased and sold services	-680	-630	-677	-658	-636	-630	-646	-683
Depreciation, amortisation and impairments of property, equipment and intangible assets	-11	-19	-17	-20	-21	-22	-21	-24
Total expenses	-1,860	-1,188	-1,924	-2,564	-1,889	-1,828	-1,892	-1,857
Profit before loan losses	3,472	3,959	3,215	2,342	3,095	3,142	3,338	3,300
Net loan losses	-180	-128	-84	-24	-317	-136	-236	-74
Gains/losses on disposal of property, equipment and intangible assets	-1	1	1	-1	1	0	0	-3
Operating profit	3,291	3,832	3,132	2,317	2,779	3,006	3,102	3,223
Profit allocation	300	271	224	202	236	279	224	196
Operating profit after profit allocation	3,591	4,103	3,356	2,519	3,015	3,285	3,326	3,419
Cost/income ratio, %	33.0	21.9	35.9	50.2	36.2	34.8	34.7	34.7
Loan loss ratio, %	0.06	0.04	0.03	0.01	0.11	0.05	0.08	0.03
Allocated capital	77,800	72,997	68,642	74,375	71,894	68,490	65,768	71,297
Return on allocated capital, %	14.4	17.5	15.3	10.6	13.1	15.0	15.8	15.0
Average number of employees	4,109	4,352	4,300	4,412	4,427	4,713	4,385	4,348
Number of branches and meeting points	435	463	472	473	474	474	474	474

Business volumes, Handelsbanken Sweden

Average volumes, SEK bn	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Loans to the public*								
Household	757	748	736	721	709	693	680	668
of which mortgage loans	705	695	681	667	654	639	626	615
Corporate	473	479	481	482	478	475	476	478
of which mortgage loans	269	270	272	274	273	270	268	269
Total	1,230	1,227	1,217	1,203	1,187	1,168	1,156	1,146
Deposits and borrowing from the public								
Household	306	302	291	281	276	269	258	248
Corporate	209	199	200	197	199	194	193	187
Total	515	501	491	478	475	463	451	435

* Excluding loans to the National Debt Office.

Handelsbanken UK

SEK m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Net interest income	1,111	1,085	1,102	1,116	1,193	1,180	1,140	1,057
Net fee and commission income	147	121	132	119	130	114	105	103
Net gains/losses on financial transactions	59	34	76	50	47	44	54	49
Other income	3	-1	0	1	2	1	2	2
Total income	1,320	1,239	1,310	1,286	1,372	1,339	1,301	1,211
Staff costs	-470	-444	-462	-473	-480	-482	-463	-445
Other expenses	-143	-109	-105	-106	-135	-104	-99	-91
Internal purchased and sold services	-151	-137	-137	-120	-129	-116	-109	-101
Depreciation, amortisation and impairments of property, equipment and intangible assets	-11	-11	-11	-13	-11	-9	-5	-5
Total expenses	-775	-701	-715	-712	-755	-711	-676	-642
Profit before loan losses	545	538	595	574	617	628	625	569
Net loan losses	-73	-20	-26	-41	-57	-65	-7	-95
Gains/losses on disposal of property, equipment and intangible assets	0	0	-1	3	-1	-2	-8	-1
Operating profit	472	518	568	536	559	561	610	473
Profit allocation	9	11	7	8	9	8	8	9
Operating profit after profit allocation	481	529	575	544	568	569	618	482
Cost/income ratio, %	58.3	56.1	54.3	55.0	54.7	52.8	51.6	52.6
Loan loss ratio, %	0.15	0.04	0.05	0.08	0.13	0.15	0.02	0.22
Allocated capital	11,426	10,582	10,263	10,911	10,452	10,723	10,527	9,798
Return on allocated capital, %	13.1	15.6	17.5	15.6	17.0	16.5	18.3	15.3
Average number of employees	1,980	1,987	1,957	1,912	1,883	1,850	1,755	1,689
Number of branches and meeting points	207	206	205	201	198	196	188	181

Handelsbanken UK, in local currency

GBP m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Net interest income	98.7	97.1	93.4	92.3	92.5	89.7	88.4	83.7
Net fee and commission income	13.1	10.8	11.2	9.8	10.2	8.6	8.2	8.1
Net gains/losses on financial transactions	5.2	3.1	6.5	4.1	3.6	3.3	4.1	4.0
Other income	0.2	0.0	0.0	0.1	0.1	0.1	0.2	0.1
Total income	117.2	111.0	111.1	106.3	106.4	101.7	100.9	95.9
Staff costs	-41.8	-39.7	-39.2	-39.1	-37.3	-36.6	-35.9	-35.2
Other expenses	-12.8	-9.6	-8.9	-8.8	-10.4	-7.9	-7.7	-7.2
Internal purchased and sold services	-13.2	-12.4	-11.5	-10.0	-10.2	-8.8	-8.3	-8.1
Depreciation, amortisation and impairments of property, equipment and intangible assets	-1.0	-1.0	-1.0	-1.0	-0.8	-0.7	-0.4	-0.4
Total expenses	-68.8	-62.7	-60.6	-58.9	-58.7	-54.0	-52.3	-50.9
Profit before loan losses	48.4	48.3	50.5	47.4	47.7	47.7	48.6	45.0
Net loan losses	-6.3	-1.9	-2.2	-3.4	-4.4	-4.9	-0.5	-7.5
Gains/losses on disposal of property, equipment and intangible assets	0.0	0.0	-0.1	0.3	0.0	-0.2	-0.6	-0.1
Operating profit	42.1	46.4	48.2	44.3	43.3	42.6	47.5	37.4
Profit allocation	0.8	1.0	0.5	0.7	0.7	0.6	0.6	0.7
Operating profit after profit allocation	42.9	47.4	48.7	45.0	44.0	43.2	48.1	38.1

Business volumes, Handelsbanken UK

Average volumes, GBP m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Loans to the public								
Household	5,754	5,609	5,456	5,288	5,094	4,900	4,709	4,532
Corporate	11,418	11,196	10,847	10,566	10,357	10,136	9,913	9,697
Total	17,172	16,805	16,303	15,854	15,451	15,036	14,622	14,229
Deposits and borrowing from the public								
Household	3,039	2,751	2,425	2,060	1,948	1,832	1,681	1,526
Corporate	7,550	7,526	7,051	6,744	6,744	6,828	6,628	6,105
Total	10,589	10,277	9,476	8,804	8,692	8,660	8,309	7,631

Handelsbanken Denmark

SEK m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Net interest income	447	425	405	409	418	417	424	419
Net fee and commission income	95	93	93	98	102	92	114	128
Net gains/losses on financial transactions	21	19	18	17	24	18	22	13
Other income	3	3	6	3	3	4	5	5
Total income	566	540	522	527	547	531	565	565
Staff costs	-177	-164	-155	-159	-160	-162	-152	-155
Other expenses	-66	-43	-41	-44	-46	-42	-44	-46
Internal purchased and sold services	-78	-71	-69	-69	-70	-64	-73	-72
Depreciation, amortisation and impairments of property, equipment and intangible assets	-4	-3	-4	-3	-6	-2	-3	-4
Total expenses	-325	-281	-269	-275	-282	-270	-272	-277
Profit before loan losses	241	259	253	252	265	261	293	288
Net loan losses	-478	-194	-38	-6	-63	-190	-22	-24
Gains/losses on disposal of property, equipment and intangible assets	1	5	1	0	5	1	2	0
Operating profit	-236	70	216	246	207	72	273	264
Profit allocation	22	26	18	19	19	18	17	18
Operating profit after profit allocation	-214	96	234	265	226	90	290	282
Cost/income ratio, %	55.3	49.6	49.8	50.4	49.8	49.2	46.7	47.5
Loan loss ratio, %	2.26	0.92	0.18	0.03	0.31	0.94	0.11	0.12
Allocated capital	6,221	6,412	6,146	6,023	6,219	6,281	6,387	5,951
Return on allocated capital, %	-10.7	4.6	11.9	13.7	11.3	4.5	14.1	14.8
Average number of employees	617	627	626	626	630	640	630	625
Number of branches	57	57	57	57	57	57	57	57

Handelsbanken Denmark, in local currency

DKK m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Net interest income	340	333	325	327	335	329	341	332
Net fee and commission income	73	72	75	78	81	73	91	102
Net gains/losses on financial transactions	16	15	15	13	19	15	17	11
Other income	3	2	4	3	3	3	4	4
Total income	432	422	419	421	438	420	453	449
Staff costs	-136	-127	-125	-127	-128	-128	-122	-123
Other expenses	-50	-34	-33	-35	-37	-33	-36	-36
Internal purchased and sold services	-60	-55	-56	-55	-57	-51	-58	-57
Depreciation, amortisation and impairments of property, equipment and intangible assets	-3	-3	-2	-3	-5	-1	-2	-4
Total expenses	-249	-219	-216	-220	-227	-213	-218	-220
Profit before loan losses	183	203	203	201	211	207	235	229
Net loan losses	-374	-154	-31	-4	-50	-152	-17	-19
Gains/losses on disposal of property, equipment and intangible assets	1	3	1	0	5	1	1	0
Operating profit	-190	52	173	197	166	56	219	210
Profit allocation	17	20	15	15	15	14	14	14
Operating profit after profit allocation	-173	72	188	212	181	70	233	224

Business volumes, Handelsbanken Denmark

Average volumes, DKK bn	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Loans to the public								
Household	42.5	41.3	40.1	39.1	37.9	37.0	36.3	35.6
Corporate	29.0	28.7	28.8	28.7	28.2	29.9	30.3	27.3
Total	71.5	70.0	68.9	67.8	66.1	66.9	66.6	62.9
Deposits and borrowing from the public								
Household	12.4	12.1	12.0	11.3	11.5	11.5	11.3	10.1
Corporate	16.2	15.7	13.5	17.1	16.7	18.4	16.6	15.7
Total	28.6	27.8	25.5	28.4	28.2	29.9	27.9	25.8

Handelsbanken Finland

SEK m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Net interest income	302	304	294	318	345	333	341	342
Net fee and commission income	116	108	102	93	93	96	98	100
Net gains/losses on financial transactions	21	8	45	13	12	10	16	22
Other income	3	1	3	3	7	3	7	6
Total income	442	421	444	427	457	442	462	470
Staff costs	-101	-94	-95	-90	-90	-92	-94	-93
Other expenses	-53	-37	-50	-70	-46	-35	-42	-38
Internal purchased and sold services	-62	-59	-60	-58	-66	-57	-61	-63
Depreciation, amortisation and impairments of property, equipment and intangible assets	-4	-4	-3	-3	-4	-2	-3	-2
Total expenses	-220	-194	-208	-221	-206	-186	-200	-196
Profit before loan losses	222	227	236	206	251	256	262	274
Net loan losses	14	-16	-11	-23	-13	-5	-51	-14
Gains/losses on disposal of property, equipment and intangible assets	0	0	0	0	0	0	0	-
Operating profit	236	211	225	183	238	251	211	260
Profit allocation	38	31	30	32	32	26	27	25
Operating profit after profit allocation	274	242	255	215	270	277	238	285
Cost/income ratio, %	45.8	42.9	43.9	48.1	42.1	39.7	40.9	39.6
Loan loss ratio, %	-0.05	0.05	0.04	0.08	0.04	0.02	0.17	0.05
Allocated capital	6,252	5,937	5,568	5,970	6,186	6,014	5,983	5,995
Return on allocated capital, %	13.7	12.7	14.3	11.2	13.6	14.4	12.4	14.8
Average number of employees	482	500	496	489	491	508	502	481
Number of branches	45	45	45	46	46	46	46	46

Handelsbanken Finland, in local currency

EUR m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Net interest income	30.9	31.9	31.7	34.1	37.1	35.3	36.7	36.4
Net fee and commission income	11.9	11.3	11.1	9.9	10.0	10.2	10.6	10.6
Net gains/losses on financial transactions	2.1	0.8	4.9	1.4	1.2	1.2	1.7	2.3
Other income	0.3	0.1	0.3	0.3	0.8	0.2	0.6	0.8
Total income	45.2	44.1	48.0	45.7	49.1	46.9	49.6	50.1
Staff costs	-10.3	-9.9	-10.2	-9.6	-9.8	-9.7	-10.0	-10.0
Other expenses	-5.3	-3.9	-5.4	-7.5	-4.9	-3.7	-4.5	-4.1
Internal purchased and sold services	-6.4	-6.1	-6.6	-6.2	-7.0	-6.1	-6.7	-6.6
Depreciation, amortisation and impairments of property, equipment and intangible assets	-0.4	-0.4	-0.4	-0.3	-0.3	-0.3	-0.3	-0.2
Total expenses	-22.4	-20.3	-22.6	-23.6	-22.0	-19.8	-21.5	-20.9
Profit before loan losses	22.8	23.8	25.4	22.1	27.1	27.1	28.1	29.2
Net loan losses	1.5	-1.7	-1.1	-2.5	-1.5	-0.5	-5.4	-1.5
Gains/losses on disposal of property, equipment and intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Operating profit	24.3	22.1	24.3	19.6	25.6	26.6	22.7	27.7
Profit allocation	3.9	3.2	3.2	3.5	3.4	2.8	2.9	2.7
Operating profit after profit allocation	28.2	25.3	27.5	23.1	29.0	29.4	25.6	30.4

Business volumes, Handelsbanken Finland

Average volumes, EUR m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Loans to the public								
Household	3,997	3,998	3,952	3,952	3,962	3,959	3,948	3,918
Corporate	8,822	8,747	8,733	8,742	8,657	8,556	8,558	8,704
Total	12,819	12,745	12,685	12,694	12,619	12,515	12,506	12,622
Deposits and borrowing from the public								
Household	1,508	1,485	1,432	1,381	1,363	1,386	1,366	1,353
Corporate	2,211	1,933	1,766	2,052	1,886	2,205	2,384	2,431
Total	3,719	3,418	3,198	3,433	3,249	3,591	3,750	3,784

Handelsbanken Norway

SEK m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Net interest income	933	856	797	769	788	785	840	835
Net fee and commission income	107	99	91	84	89	103	103	100
Net gains/losses on financial transactions	21	25	30	38	22	29	14	29
Other income	5	4	68	4	14	8	6	3
Total income	1,066	984	986	895	913	925	963	967
Staff costs	-180	-175	-158	-163	-169	-177	-183	-184
Other expenses	-62	-46	-50	-48	-52	-48	-54	-53
Internal purchased and sold services	-107	-96	-90	-86	-93	-85	-95	-97
Depreciation, amortisation and impairments of property, equipment and intangible assets	-6	-3	4	-3	-3	-3	-4	-3
Total expenses	-355	-320	-294	-300	-317	-313	-336	-337
Profit before loan losses	711	664	692	595	596	612	627	630
Net loan losses	-107	-73	-64	-103	-30	-53	-44	-95
Gains/losses on disposal of property, equipment and intangible assets	0	0	0	0	0	6	-	-
Operating profit	604	591	628	492	566	565	583	535
Profit allocation	30	22	16	23	20	14	15	8
Operating profit after profit allocation	634	613	644	515	586	579	598	543
Cost/income ratio, %	32.4	31.8	29.3	32.7	34.0	33.3	34.4	34.6
Loan loss ratio, %	0.20	0.14	0.12	0.20	0.06	0.10	0.09	0.19
Allocated capital	15,883	14,441	12,870	13,383	12,966	13,007	12,858	13,901
Return on allocated capital, %	12.4	13.2	15.6	12.0	14.1	13.9	14.5	12.2
Average number of employees	667	681	658	665	666	691	673	673
Number of branches	50	50	50	50	50	51	51	51

Handelsbanken Norway, in local currency

NOK m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Net interest income	867	835	801	785	789	763	774	776
Net fee and commission income	98	98	92	85	89	100	95	93
Net gains/losses on financial transactions	19	24	30	39	23	27	13	27
Other income	3	3	69	4	12	9	5	3
Total income	987	960	992	913	913	899	887	899
Staff costs	-167	-171	-159	-166	-169	-172	-169	-171
Other expenses	-58	-44	-51	-49	-51	-47	-49	-50
Internal purchased and sold services	-98	-95	-90	-88	-92	-84	-87	-90
Depreciation, amortisation and impairments of property, equipment and intangible assets	-6	-3	4	-3	-4	-3	-3	-3
Total expenses	-329	-313	-296	-306	-316	-306	-308	-314
Profit before loan losses	658	647	696	607	597	593	579	585
Net loan losses	-100	-71	-64	-105	-32	-51	-41	-88
Gains/losses on disposal of property, equipment and intangible assets	0	0	0	0	1	5	-	-
Operating profit	558	576	632	502	566	547	538	497
Profit allocation	28	21	17	23	20	14	13	8
Operating profit after profit allocation	586	597	649	525	586	561	551	505

Business volumes, Handelsbanken Norway

Average volumes, NOK bn	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Loans to the public								
Household	87.6	86.4	85.3	84.3	83.4	82.0	80.5	79.5
Corporate	146.1	144.3	142.7	139.4	127.1	120.3	118.2	116.3
Total	233.7	230.7	228.0	223.7	210.5	202.3	198.7	195.8
Deposits and borrowing from the public								
Household	19.7	20.0	19.1	18.6	17.8	17.9	17.1	16.6
Corporate	54.2	45.8	44.2	40.8	47.4	47.2	54.6	55.5
Total	73.9	65.8	63.3	59.4	65.2	65.1	71.7	72.1

Handelsbanken the Netherlands

SEK m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Net interest income	126	117	100	95	88	84	81	75
Net fee and commission income	49	15	6	5	5	6	5	7
Net gains/losses on financial transactions	2	2	0	1	1	3	1	0
Share of profits associated companies	2	0	-	-	-	-	-	-
Other income	1	0	-	-	-	-	-	-
Total income	180	134	106	101	94	93	87	82
Staff costs	-65	-56	-45	-44	-43	-41	-36	-38
Other expenses	-16	-20	-16	-8	-11	-8	-10	-8
Internal purchased and sold services	-24	-14	-19	-20	-22	-19	-21	-22
Depreciation, amortisation and impairments of property, equipment and intangible assets	-2	-2	-2	-1	-1	-1	-1	0
Total expenses	-107	-92	-82	-73	-77	-69	-68	-68
Profit before loan losses	73	42	24	28	17	24	19	14
Net loan losses	0	-1	1	0	0	1	-3	0
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-
Operating profit	73	41	25	28	17	25	16	14
Profit allocation	1	0	2	0	0	0	0	0
Operating profit after profit allocation	74	41	27	28	17	25	16	14
Cost/income ratio, %	59.1	68.7	75.9	72.3	81.9	74.2	78.2	82.9
Loan loss ratio, %	0.00	0.02	-0.02	0.00	0.00	-0.02	0.06	0.00
Allocated capital	1,251	1,131	956	921	851	906	846	893
Return on allocated capital, %	18.6	11.2	8.6	9.8	6.4	8.5	5.8	4.9
Average number of employees	245	198	188	181	175	162	153	145
Number of branches	25	25	23	23	23	23	22	22

Handelsbanken in the Netherlands, in local currency

Euro m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Net interest income	12.9	12.3	10.8	10.2	9.5	8.9	8.7	8.0
Net fee and commission income	5.1	1.6	0.6	0.6	0.5	0.6	0.5	0.8
Net gains/losses on financial transactions	0.4	0.2	0.0	0.1	0.1	0.3	0.1	0.0
Other income	0.3	0.0	-	-	-	-	-	-
Total income	18.7	14.1	11.4	10.9	10.1	9.8	9.3	8.8
Staff costs	-6.8	-5.8	-4.9	-4.7	-4.6	-4.3	-3.9	-4.0
Other expenses	-1.6	-2.1	-1.7	-0.9	-1.2	-0.9	-1.0	-0.9
Internal purchased and sold services	-2.3	-1.6	-2.0	-2.2	-2.3	-2.0	-2.3	-2.4
Depreciation, amortisation and impairments of property, equipment and intangible assets	-0.3	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1	0.0
Total expenses	-11.0	-9.7	-8.8	-7.9	-8.2	-7.3	-7.3	-7.3
Profit before loan losses	7.7	4.4	2.6	3.0	1.9	2.5	2.0	1.5
Net loan losses	0.0	-0.1	0.1	0.0	0.0	0.1	-0.3	0.0
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-
Operating profit	7.7	4.3	2.7	3.0	1.9	2.6	1.7	1.5
Profit allocation	0.1	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Operating profit after profit allocation	7.8	4.3	2.9	3.0	1.9	2.6	1.7	1.5

Business volumes, Handelsbanken the Netherlands

Average volumes, EUR m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Loans to the public								
Household	1,629	1,502	1,367	1,238	1,141	1,067	980	900
Corporate	1,667	1,741	1,397	1,273	1,233	1,117	1,132	1,116
Total	3,296	3,243	2,764	2,511	2,374	2,184	2,112	2,016
Deposits and borrowing from the public								
Household	73	65	58	53	47	48	47	48
Corporate	455	378	440	408	600	703	698	811
Total	528	443	498	461	647	751	745	859

Handelsbanken Capital Markets

Handelsbanken Capital Markets

SEK m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Net interest income	151	135	134	137	187	143	148	163
Net fee and commission income	815	753	771	742	758	734	744	736
Net gains/losses on financial transactions	162	244	338	240	214	249	330	433
Risk result - insurance	6	25	35	76	36	40	55	26
Other income	2	3	1	2	4	3	2	1
Total income	1,136	1,160	1,279	1,197	1,199	1,169	1,279	1,359
Staff costs	-581	-580	-597	-610	-590	-596	-629	-632
Other expenses	-239	-203	-217	-212	-228	-198	-215	-216
Internal purchased and sold services	-17	-17	-22	0	-46	-12	-22	-6
Depreciation, amortisation and impairments of property, equipment and intangible assets	-19	-18	-19	-20	-24	-18	-18	-19
Total expenses	-856	-818	-855	-842	-888	-824	-884	-873
Profit before loan losses	280	342	424	355	311	345	395	486
Net loan losses	-8	-44	-7	10	5	-10	4	-3
Operating profit	272	298	417	365	316	335	399	483
Profit allocation	-400	-361	-297	-284	-317	-345	-291	-256
Operating profit after profit allocation	-128	-63	120	81	-1	-10	108	227
Cost/income ratio, %	116.3	102.4	87.1	92.2	100.7	100.0	89.5	79.1
Loan loss ratio, %	0.07	0.37	0.06	-0.08	-0.04	0.07	-0.03	0.02
Allocated capital	5,033	4,807	5,038	4,981	5,671	5,183	5,572	6,243
Return on allocated capital, %	-8.0	-4.1	7.5	5.0	-0.1	-0.6	6.1	11.4
Average number of employees	1,636	1,674	1,681	1,720	1,737	1,785	1,761	1,783

Business volumes, Handelsbanken International

Average volumes, SEK bn	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Loans to the public								
Household	5.4	5.1	4.9	4.9	4.9	4.7	4.6	4.4
Corporate	31.7	30.2	30.1	30.4	30.3	29.4	28.1	30.5
Total	37.1	35.3	35.0	35.3	35.2	34.1	32.7	34.9
Deposits and borrowing from the public								
Household	3.6	3.8	3.7	2.8	3.1	3.8	3.6	3.1
Corporate	46.5	45.3	44.5	37.9	43.5	48.6	57.6	62.5
Total	50.1	49.1	48.2	40.7	46.6	52.4	61.2	65.6

Markets & Asset Management

SEK m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Net interest income	16	3	6	2	41	3	13	11
Net fee and commission income	565	524	548	521	538	524	544	496
Net gains/losses on financial transactions	181	249	333	253	232	277	308	420
Other income	1	3	-3	1	0	0	0	0
Total income	763	779	884	777	811	804	865	927
Staff costs	-277	-239	-304	-309	-288	-298	-322	-313
Other expenses	-256	-298	-240	-240	-261	-223	-254	-227
Total expenses	-533	-537	-544	-549	-549	-521	-576	-540
Profit before loan losses	230	242	340	228	262	283	289	387
Net loan losses	-	-	-	-	-	-	-	-
Operating profit	230	242	340	228	262	283	289	387
Operating profit after profit allocation	-72	-22	115	11	7	14	50	174
Average number of employees	496	541	571	575	598	605	595	596

Pension & Life, International and Business Support

SEK m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Net interest income	135	132	128	135	146	140	135	152
Net fee and commission income	250	229	223	221	220	210	200	240
Net gains/losses on financial transactions	-19	-5	5	-13	-18	-28	22	13
Other income	7	25	39	77	40	43	57	27
Total income	373	381	395	420	388	365	414	432
Staff costs	-304	-341	-293	-301	-302	-298	-307	-319
Other expenses	-19	60	-18	8	-37	-5	-1	-14
Total expenses	-323	-281	-311	-293	-339	-303	-308	-333
Profit before loan losses	50	100	84	127	49	62	106	99
Net loan losses	-8	-44	-7	10	5	-10	4	-3
Operating profit	42	56	77	137	54	52	110	96
Operating profit after profit allocation	-56	-41	5	70	-8	-24	58	53
Average number of employees	1,140	1,133	1,110	1,145	1,139	1,180	1,166	1,187
Number of branches	13	13	13	13	13	17	17	17

Handelsbanken Liv

SEK m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Statutory Profit/loss, according to the alternative income statement								
Administration result	211	204	182	172	157	178	174	153
Risk result	6	25	35	76	36	40	55	26
Financial result	-49	-20	-15	-17	-49	-36	-28	16
<i>of which deferred capital contribution</i>	-49	-19	-15	-17	-47	-36	-12	0
Other	46	40	35	25	39	30	51	28
Operating profit	214	249	237	256	183	212	252	223
AUM, SEK bn, end of period	123	120	111	109	111	106	112	113
<i>of which unit-linked</i>	93	90	83	81	82	78	82	83
<i>of which portfolio bond</i>	21	21	20	20	19	19	20	20
Premiums paid, SEK m	2,991	2,938	3,818	3,313	2,835	2,840	4,417	4,253
of which portfolio bond	959	909	1,086	1,235	803	653	976	1,459
of which unit-linked	1,891	1,877	2,583	1,928	1,883	2,021	3,279	2,627
of which occupational pensions	558	600	459	469	468	497	561	452
New sales mutual funds & custody, Sweden, SEK m	593	444	757	892	591	518	900	920

Other and Adjustments & eliminations

Other

SEK m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Net interest income	211	190	163	192	177	175	145	139
Net fee and commission income	16	23	5	25	23	9	3	1
Net gains/losses on financial transactions	-201	613	-226	671	1,133	-221	-124	-219
Share of profit of associates	-2	10	13	2	-11	18	9	1
Other income	59	12	181	14	21	11	301	12
Total income	83	848	136	904	1,343	-8	334	-66
Staff costs	-323	-1,084	-459	-469	-933	-452	-609	-657
Other expenses	-637	-515	-557	-535	-600	-496	-569	-506
Internal purchased and sold services	1,119	1,024	1,074	1,011	1,062	983		
Depreciation, amortisation and impairments of property, equipment and intangible assets	-45	-74	-67	-62	-42	-69	-67	-70
Total expenses	114	-649	-9	-55	-513	-34	-218	-189
Profit before loan losses	197	199	127	849	830	-42	116	-255
Net loan losses								
Gains/losses on disposal of property, equipment and intangible assets	18	0	0	5	1	-1	7	-
Operating profit	215	199	127	854	831	-43	123	-255
Profit allocation	-	-	-	-	1	0	0	0
Operating profit after profit allocation	215	199	127	854	832	-43	123	-255
Average number of employees	1,879	1,840	1,810	1,830	1,816	1,788	1,837	1,874

Adjustments & eliminations

SEK m	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Net interest income	-	-	-	-	-	-	-	-
Net fee and commission income	-	-	-	-	-	-	-	-
Net gains/losses on financial transactions	-	-	-	-	-	-	-	-
Risk result - insurance	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-
Total income	-	-	-	-	-	-	-	-
Staff costs	-217	-66	-61	-54	20	-41	-61	-42
Other expenses	-	-	-	-	-	-	-	-
Depreciation, amortisation and impairments of property, equipment and intangible assets	-12	-3	-	-	-	-	-	-
Total expenses	-229	-69	-61	-54	20	-41	-61	-42
Profit before loan losses	-229	-69	-61	-54	20	-41	-61	-42
Net loan losses	-	-	-	-	-	-	-	-
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-
Operating profit	-229	-69	-61	-54	20	-41	-61	-42

Balance sheet

Balance sheet - Svenska Handelsbanken Group

SEK m	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015
Assets								
Cash and balances with central banks	199,362	353,680	501,744	463,957	202,630	452,271	447,289	498,865
Other loans to central banks	25,527	103,113	81,267	43,790	34,118	74,145	106,646	31,529
Interest-bearing securities eligible as collateral with central banks	97,205	119,532	117,753	95,474	74,777	102,824	73,071	68,064
Loans to other credit institutions	31,347	41,410	48,479	47,442	49,656	63,130	87,250	79,633
Loans to the public	1,963,622	1,965,649	1,937,155	1,902,479	1,866,467	1,855,311	1,851,432	1,826,323
Value change of interest-hedged item in portfolio hedge	35	51	45	36	27	40	42	42
Bonds and other interest-bearing securities	63,909	53,855	46,223	53,856	44,513	62,017	56,502	64,830
Shares	20,412	35,964	52,541	39,318	30,387	61,462	73,395	66,793
Investments in associates	255	259	257	248	245	257	303	300
Assets where the customer bears the value change risk	118,646	115,532	107,004	104,316	105,146	100,539	105,786	106,851
Derivative instruments	82,633	78,688	92,381	73,885	85,347	98,674	91,099	127,267
Reinsurance assets	9	10	10	10	10	6	6	6
Intangible assets	9,393	9,293	8,450	8,304	8,254	8,230	8,192	8,145
Property and equipment	2,387	2,323	2,264	2,262	2,348	2,336	2,179	2,171
Current tax assets	38	2,409	1,575	588	143	1,064	558	100
Deferred tax assets	962	1,978	1,979	1,262	1,489	1,503	921	396
Net pension assets	-	-	-	-	-	-	-	-
Assets held for sale	1	2	-	1,671	1,442	1,512	1,393	1,291
Other assets	5,615	19,496	25,810	12,106	8,887	52,405	23,664	29,284
Prepaid expenses and accrued income	6,222	5,691	5,708	5,839	6,247	5,895	6,081	7,129
Total assets	2,627,580	2,908,935	3,030,645	2,856,843	2,522,133	2,943,621	2,935,809	2,919,019
Liabilities and equity								
Due to credit institutions	178,781	205,274	207,312	192,902	163,770	222,941	218,571	220,675
Deposits and borrowing from the public	829,336	1,009,427	1,134,500	1,042,076	753,855	1,049,202	1,093,551	1,055,140
Liabilities where the customer bears the value change risk	118,745	115,600	107,054	104,392	105,225	100,617	105,848	106,896
Issued securities	1,261,765	1,315,684	1,320,083	1,258,169	1,245,367	1,258,088	1,214,721	1,206,189
Derivative instruments	31,738	33,296	37,283	44,302	40,592	46,252	54,533	73,441
Short positions	1,572	11,441	8,581	10,181	2,416	21,027	20,421	21,338
Insurance liabilities	574	583	591	603	607	616	628	675
Current tax liabilities	514	1,657	1,008	460	996	1,358	842	764
Deferred tax liabilities	7,875	9,788	10,006	9,578	8,844	9,762	9,191	9,930
Provisions	731	734	773	796	113	99	98	91
Net pension liabilities	2,161	6,547	6,544	3,824	5,314	5,282	2,899	337
Liabilities related to assets held for sale	-	-	-	843	759	746	713	682
Other liabilities	9,427	16,452	18,817	12,527	14,206	41,220	30,962	37,615
Accrued expenses and deferred income	14,580	15,359	15,608	19,427	17,585	18,615	19,149	20,442
Subordinated liabilities	33,400	33,008	32,903	33,986	34,216	40,361	39,711	40,312
Total liabilities	2,491,199	2,774,850	2,901,063	2,734,066	2,393,865	2,816,186	2,811,838	2,794,527
Minority interest	6	6	5	5	4	5	4	4
Share capital	3,013	3,008	3,001	2,956	2,956	2,956	2,956	2,956
Share premium	5,628	5,410	5,081	3,204	3,204	3,204	3,204	3,204
Reserves	9,268	10,639	11,037	10,348	8,440	12,107	12,401	17,095
Retained earnings	102,222	102,222	102,222	102,222	97,322	97,322	97,322	97,322
Profit for the period, attributable to shareholders in Svenska Handelsbanken AB	16,244	12,800	8,236	4,042	16,342	11,841	8,084	3,911
Total equity	136,381	134,085	129,582	122,777	128,268	127,435	123,971	124,492
Total liabilities and equity	2,627,580	2,908,935	3,030,645	2,856,843	2,522,133	2,943,621	2,935,809	2,919,019

Business volumes – Lending to the public

CREDIT POLICY

Credit process

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

Basic guidelines

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

Loans to the public by sector

Loans net	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015
SEK m, end of period								
Private individuals	981,895	969,723	949,129	925,114	911,762	895,445	882,123	866,036
<i>of which mortgage loans in Stadshypotek</i>	<i>800,059</i>	<i>788,838</i>	<i>771,987</i>	<i>749,851</i>	<i>736,737</i>	<i>720,243</i>	<i>708,134</i>	<i>693,007</i>
<i>of which other mortgage loans</i>	<i>119,975</i>	<i>119,872</i>	<i>117,379</i>	<i>114,867</i>	<i>107,445</i>	<i>107,600</i>	<i>105,804</i>	<i>103,598</i>
<i>of which other loans to private individuals</i>	<i>61,861</i>	<i>61,013</i>	<i>59,763</i>	<i>60,396</i>	<i>67,580</i>	<i>67,602</i>	<i>68,185</i>	<i>69,431</i>
Housing co-operative associations	186,996	182,501	178,746	174,547	169,575	164,010	160,368	156,195
<i>of which mortgage loans in Stadshypotek</i>	<i>156,823</i>	<i>154,492</i>	<i>152,507</i>	<i>150,913</i>	<i>148,057</i>	<i>143,983</i>	<i>141,527</i>	<i>138,308</i>
Property management, Note 1	539,503	537,654	533,445	518,058	510,611	500,822	496,023	493,320
Manufacturing	27,111	28,483	31,990	31,268	31,998	35,498	36,145	36,873
Retail	21,677	23,943	24,229	24,327	23,969	25,926	25,367	25,950
Hotels and restaurants	8,484	8,724	8,619	8,819	8,951	8,865	9,308	8,947
Shipping, passenger & goods transport by sea	8,131	8,974	9,200	9,300	9,811	10,750	10,964	12,089
Other transport and communication	14,578	14,675	14,485	13,334	11,135	10,726	15,174	15,834
Construction	17,942	18,001	16,511	16,009	15,408	17,021	15,324	15,682
Electricity, gas, water	25,185	24,447	24,070	26,670	26,508	25,213	25,420	25,023
Agriculture, hunting and forestry	11,696	12,492	12,344	11,335	11,303	11,107	11,387	11,025
Other service industry	19,495	21,115	20,839	20,336	19,723	19,757	19,973	20,167
Holding companies, insurance companies, funds etc.	66,414	64,761	68,525	73,205	70,897	76,499	72,350	75,896
State & municipalities	15,891	18,659	16,180	18,982	22,452	24,555	34,601	26,858
Other corporate lending	18,972	31,807	29,122	31,447	22,642	29,383	37,135	36,674
Total loans to the public, before taking into account collective provisions	1,963,970	1,965,959	1,937,434	1,902,751	1,866,745	1,855,577	1,851,662	1,826,569
Collective provisions	-348	-310	-279	-272	-278	-266	-230	-246
Total loans to the public	1,963,622	1,965,649	1,937,155	1,902,479	1,866,467	1,855,311	1,851,432	1,826,323

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

	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015
SEK m, end of period								
Lending in Sweden								
State-owned property companies	3,228	3,630	5,040	5,040	5,042	5,041	5,181	5,231
Municipal-owned property companies	9,771	9,792	9,890	11,025	12,242	13,920	14,589	16,959
Residential property companies	99,572	93,412	93,243	93,468	91,449	87,349	86,117	86,151
<i>of which mortgage loans in Stadshypotek</i>	85,133	78,029	77,872	77,688	77,363	71,905	70,178	69,598
Other property companies	127,448	131,743	136,648	136,938	136,262	136,982	133,628	132,715
<i>of which mortgage loans in Stadshypotek</i>	52,923	56,911	58,361	59,838	61,986	65,427	66,572	64,622
Total lending in Sweden	240,019	238,577	244,821	246,471	244,995	243,292	239,515	241,056
Lending outside Sweden								
Denmark	19,637	17,736	16,726	16,299	13,727	14,307	13,906	14,105
Finland	33,887	33,094	32,117	28,708	28,682	28,045	27,507	27,676
Norway	103,659	107,813	99,509	91,472	85,729	78,617	81,569	82,659
Great Britain	111,511	109,312	110,629	111,147	115,261	115,567	115,138	109,623
The Netherlands	23,194	21,970	20,935	16,051	14,539	13,496	11,854	11,334
Other countries	7,596	9,152	8,708	7,910	7,678	7,498	6,534	6,867
Total lending outside Sweden	299,484	299,077	288,624	271,587	265,616	257,530	256,508	252,264
Total lending - Property management	539,503	537,654	533,445	518,058	510,611	500,822	496,023	493,320

Credit risk exposure

	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015
SEK m								
Loans to the public	1,963,622	1,965,649	1,937,155	1,902,479	1,866,467	1,855,311	1,851,432	1,826,323
<i>of which reverse repos</i>	7,493	14,041	11,360	14,279	7,742	15,803	16,428	20,799
Loans to other credit institutions	31,347	41,410	48,479	47,442	49,656	63,130	87,250	79,633
<i>of which reverse repos</i>	4,088	16,984	19,330	20,592	23,394	36,719	48,227	48,719
Interest-bearing securities eligible as collateral with c	97,205	119,532	117,753	95,474	74,777	102,824	73,071	68,064
Bonds and other interest-bearing securities	63,909	53,855	46,223	53,856	44,513	62,017	56,502	64,830
Derivative instruments*	82,633	78,688	92,381	73,885	85,347	98,674	91,099	127,267
Contingent liabilities	78,530	82,361	78,459	74,351	77,457	75,592	77,141	79,549
<i>of which guarantees, credits</i>	9,643	10,110	10,440	9,209	9,750	8,682	10,632	10,262
<i>of which guarantees, other</i>	63,108	67,122	63,551	60,672	61,274	61,588	59,694	61,813
<i>of which letters of credit</i>	5,779	5,129	4,468	4,470	6,433	5,322	6,815	7,474
Other commitments	425,267	431,564	425,390	416,763	420,857	419,933	409,997	393,877
<i>Unutilised part of granted overdraft facilities</i>	128,967	128,930	130,525	127,904	129,216	125,876	107,218	101,604
<i>Loan commitments</i>	272,729	274,810	268,866	257,692	267,200	266,098	279,578	268,801
<i>of which other</i>	23,571	27,824	25,999	31,167	24,441	27,959	23,201	23,472
Total	2,742,513	2,773,059	2,745,840	2,664,250	2,619,074	2,677,481	2,646,492	2,639,543

* Refers to the total of positive market values.

Credit risk exposure by country

	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015
SEK m								
Sweden	1,742,100	1,763,980	1,764,419	1,721,052	1,676,054	1,721,177	1,672,841	1,682,746
Great Britain	244,673	237,156	236,586	236,303	247,000	247,151	242,448	232,106
Denmark	122,596	120,933	115,758	110,259	107,472	111,200	117,961	114,223
Finland	153,775	154,931	153,295	145,638	144,656	148,411	145,220	143,850
Norway	316,807	319,013	297,666	282,159	267,697	259,705	278,868	270,172
The Netherlands	39,720	40,948	38,398	32,459	29,837	28,572	26,914	25,917
Other countries	122,842	136,098	139,718	136,380	146,358	161,265	162,240	170,529
Total	2,742,513	2,773,059	2,745,840	2,664,250	2,619,074	2,677,481	2,646,492	2,639,543

Loans to the public - by country *

SEK bn, end of period	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015
Handelsbanken Sweden	1,231	1,227	1,224	1,206	1,193	1,176	1,159	1,152
Handelsbanken UK	193	190	188	189	194	195	192	185
Handelsbanken Denmark	96	93	90	87	84	85	83	80
Handelsbanken Finland	120	121	118	115	115	116	114	113
Handelsbanken Norway	245	249	233	220	210	203	211	210
Handelsbanken the Netherlands	32	31	30	24	22	21	20	19
Handelsbanken International	35	36	36	35	35	35	32	33
Other	10	16	16	23	11	21	26	28
Total	1,963	1,963	1,935	1,899	1,863	1,851	1,837	1,820

* Excluding loans to the National Debt Office.

Loans to households - by country

SEK bn, end of period	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015
Handelsbanken Sweden	760	754	745	728	714	701	689	674
<i>of which mortgages</i>	710	700	690	673	662	646	633	620
Handelsbanken UK	65	64	63	63	64	64	62	59
Handelsbanken Denmark	56	55	52	49	48	47	45	45
Handelsbanken Finland	36	37	35	35	35	36	35	35
Handelsbanken Norway	93	93	87	83	81	82	86	86
Handelsbanken the Netherlands	16	15	14	12	11	10	10	9
Handelsbanken International	5	5	5	5	5	5	5	5
Other	3	2	2	2	2	1	2	1
Total	1,034	1,025	1,003	977	960	946	933	914

Corporate lending - by country *

SEK bn, end of period	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015
Handelsbanken Sweden	471	473	479	478	478	475	470	478
<i>of which mortgages</i>	273	268	270	272	275	271	269	267
Handelsbanken UK	128	126	125	126	130	131	130	126
Handelsbanken Denmark	40	38	38	38	36	38	38	35
Handelsbanken Finland	84	84	83	80	80	80	79	78
Handelsbanken Norway	152	156	146	137	129	121	125	124
Handelsbanken the Netherlands	16	16	16	12	11	11	10	10
Handelsbanken International	30	31	31	30	30	30	27	28
Other	7	14	14	21	9	19	25	27
Total	929	938	932	922	903	905	904	906

* Excluding loans to the National Debt Office.

Business volumes – Savings and deposits

Assets under management, Handelsbanken Group

SEK bn, end of period	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015
Mutual funds, excl. PPM and Unit-linked	308	299	284	282	282	270	272	277
PPM	26	24	22	21	22	19	21	22
Unit-linked insurance	93	90	83	80	82	78	82	83
<i>of which external mutual funds</i>	-2	-2	-2	-2	-2	-2	-2	-2
Total mutual funds	425	411	387	381	384	365	373	380
Structured products	17	17	17	18	18	21	21	22
Portfolio bond insurance	21	21	20	20	19	19	20	20
<i>of which in mutual funds and structured products</i>	-8	-8	-7	-7	-7	-7	-8	-7
Traditional insurance	8	8	9	9	9	9	9	10
<i>of which in mutual funds and structured products</i>	-1	-1	0	0	-1	0	-1	-1
Discretionary and Institutional assets, excl. insurance	207	206	178	180	174	161	198	199
<i>of which in mutual funds and structured products</i>	-127	-119	-117	-117	-105	-97	-92	-93
Total assets under management, excl. securities in custody	542	535	487	484	491	471	520	530
Securities in custody, excl. mutual funds	332	326	309	308	312	303	306	325
Securities in custody, excl. mutual funds, foundations associated with Handelsbanken	52	46	44	45	53	53	57	63

* Including the whole volume managed by Heartwood and Optimix, of which SEK 21 bn in Heartwoods mutual funds and SEK 11 bn in Optimix' mutual funds.

Deposits and borrowing from the public - by country

SEK bn, end of period	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015
Handelsbanken Sweden	508	512	500	481	470	463	465	443
Handelsbanken UK	117	111	111	103	102	110	107	98
Handelsbanken Denmark	37	35	34	30	31	38	35	27
Handelsbanken Finland	36	33	29	30	30	31	36	31
Handelsbanken Norway	65	79	62	61	57	57	67	81
Handelsbanken the Netherlands	3	7	3	6	3	6	6	6
Handelsbanken International	31	54	45	44	25	48	58	64
Other	32	179	351	288	36	296	321	306
Total	829	1,009	1,135	1,042	754	1,049	1,094	1,055

Deposits and borrowing from households - by country

SEK bn, end of period	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015
Handelsbanken Sweden	309	308	305	288	280	275	271	253
Handelsbanken UK	37	31	30	25	26	24	23	20
Handelsbanken Denmark	16	16	15	14	14	14	14	12
Handelsbanken Finland	14	14	14	13	13	13	13	12
Handelsbanken Norway	21	21	20	18	18	17	19	18
Handelsbanken the Netherlands	0.8	0.7	0.6	0.5	0.5	0.5	0.5	0.5
Handelsbanken International	4	4	4	4	3	4	4	3
Other	2	4	3	3	2	4	5	5
Total	404	399	392	365	356	351	349	324

Deposits and borrowing from corporates - by country

SEK bn, end of period	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015
Handelsbanken Sweden	199	204	195	193	191	188	194	190
Handelsbanken UK	80	80	81	78	76	86	84	78
Handelsbanken Denmark	21	19	19	16	17	24	21	15
Handelsbanken Finland	22	19	15	17	17	18	23	19
Handelsbanken Norway	44	58	42	43	39	40	48	63
Handelsbanken the Netherlands	2	6	2	5	2	5	5	5
Handelsbanken International	27	50	41	40	22	44	54	61
Other	30	175	348	285	34	293	316	301
Total	425	611	743	677	398	698	745	731

Own funds and capital requirement

Own funds CRD IV

SEK m	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015
TIER 1 CAPITAL								
Equity, Group	136,381	134,085	129,582	122,777	128,268	127,435	123,971	124,492
Accrued unpaid dividend last year	-	-	-	-	-	-	-	-
Accrued dividend current year	-9,721	-6,400	-4,118	-2,021	-11,442	-8,657	-6,084	-2,718
Adjustment of Group result	3,829	-162	34	-202	-748	-597	-433	-202
Adjustment of Group equity	-593	3,532	3,518	1,731	172	135	97	58
Minority interests	-6	-6	-5	-5	-4	-5	-4	-4
Equity (consolidated entities)	129,890	131,049	129,011	122,280	116,246	118,311	117,547	121,626
Deducted items								
Goodwill and other intangible assets	-9,355	-9,268	-8,433	-8,293	-8,246	-8,223	-8,184	-8,136
Value adjustments (fair value)	-645	-637	-685	-665	-553	-534	-430	-351
Special deduction for IRB institutions	-1,527	-1,567	-1,543	-1,452	-1,395	-1,577	-1,668	-2,132
Positions in securitisation	-	-	-	-	-	-	-	-
Net pension assets	-	-	-	-	-	-	-	-
Own shares	-636	-593	-529	-556	-577	-595	-462	-500
Adjustments in accordance with stability filter								
Cash flow hedges	-2,487	-7,850	-8,815	-7,690	-4,940	-6,259	-4,082	-6,306
Unrealised accumulated gains, shares	-	-	-	-	-	-	-	-
Common equity tier 1 capital, gross	115,240	111,134	109,006	103,624	100,535	101,123	102,721	104,201
Threshold deductions								
Capital contributions to unconsolidated financial entities >10% CET1	-	-	-	-	-	-	-	-
Deferred tax assets >10% CET1	-	-	-	-	-	-	-	-
Amount of capital contributions and deferred tax assets >15%	-	-	-	-	-	-	-	-
Common equity tier 1 capital	115,240	111,134	109,006	103,624	100,535	101,123	102,721	104,201
Additional tier 1 instruments	12,768	12,156	12,045	11,570	11,933	11,955	17,766	18,317
Total tier 1 capital	128,008	123,290	121,051	115,194	112,468	113,078	120,487	122,518
TIER 2 CAPITAL								
Subordinated loans	17,354	17,392	17,135	17,111	17,150	17,622	17,275	17,455
Deducted items								
Tier 2 contribution in unconsolidated financial entities	-1,129	-1,129	-1,129	-1,129	-1,129	-1,129	-1,129	-1,129
Total tier 2 capital	16,225	16,263	16,006	15,982	16,021	16,493	16,146	16,326
Total own funds	144,233	139,553	137,057	131,176	128,489	129,571	136,633	138,844

Available Distributable Items (ADI)

SEK m	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015
Available Distributable Items (ADI)	115,240	96,742	109,006	103,624	100,535	89,515	90,291	104,201
Deducted dividend	9,721	5,020	4,118	2,021	11,442	3,787	2,501	2,718
Minimum capital requirement	-20,645	-20,001	-21,352	-20,525	-21,291	-20,500	-20,820	-22,184
Capital conservation buffer	-11,470	-11,112	-11,862	-11,403	-11,828	-11,389	-11,566	-12,324
Countercyclical capital buffer	-4,039	-4,162	-4,269	-2,728	-2,827	-2,818	-504	0
Systemic risk buffer	-13,764	0	-14,235	-13,683	-14,194	-	-	-14,789
Total Available Distributable Items	75,043	66,487	61,406	57,306	61,837	58,595	59,902	57,622

The numbers are calculated both for the consolidated situation and the parent company. The ADI equals the lower of the two numbers.

Common equity tier 1 ratio, CRD IV

= Common Equity Tier 1 capital in relation to Risk Exposure Amount

	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
SEK m								
Credit risk according to standardised approach	80,896	79,204	77,323	74,358	80,406	76,583	73,825	74,506
Credit risk according to IRB approach	299,370	305,951	320,041	304,506	315,310	320,101	329,926	339,396
Market risk	10,910	10,216	8,890	9,954	10,318	10,612	12,110	13,178
Credit value adjustment risk (CVA)	7,429	8,122	8,064	7,104	8,911	8,056	7,086	7,701
Operational risk	60,182	60,182	60,182	60,182	58,187	58,187	58,187	58,187
Total risk exposure amount	458,787	463,675	474,500	456,104	473,132	473,539	481,134	492,968
Common equity tier 1 capital	115,240	111,134	109,006	103,624	100,535	101,123	102,721	104,201
Common equity tier 1 ratio, CRD IV	25.1%	24.0%	23.0%	22.7%	21.2%	21.4%	21.3%	21.1%

Capital adequacy analysis

	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015
Common equity tier 1 ratio, CRD IV	25.1%	24.0%	23.0%	22.7%	21.2%	21.4%	21.3%	21.1%
Tier 1 ratio, CRD IV	27.9%	26.6%	25.5%	25.3%	23.8%	23.9%	25.0%	24.9%
Total capital ratio, CRD IV	31.4%	30.1%	28.9%	28.8%	27.2%	27.4%	28.4%	28.2%
Own funds in relation to capital requirement according to Basel I floor	148%	144%	142%	139%	137%	140%	149%	153%

Capital requirement

	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015
SEK m								
Credit risk according to standardised approach	6,472	6,336	6,186	5,949	6,433	6,127	5,906	5,960
Credit risk according to IRB approach	23,950	24,476	25,603	24,360	25,225	25,608	26,394	27,152
Market risks	873	817	711	796	825	849	968	1,054
Credit value adjustment risk (CVA)	594	650	645	568	713	645	567	617
Operational risk	4,815	4,815	4,815	4,815	4,655	4,655	4,655	4,655
Total capital requirement	36,704	37,094	37,960	36,488	37,851	37,884	38,490	39,438
Adjustment according to Basel I floor	61,531	61,134	59,499	58,870	56,982	55,659	54,309	52,771
Capital requirement, Basel I floor	98,235	98,228	97,459	95,358	94,833	93,543	92,799	92,209
Total own funds, Basel I floor	145,760	141,120	138,600	132,628	129,884	131,148	138,301	140,976

Capital requirement market risks

	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015
SEK m								
Position risk in the trading book	864	810	703	789	819	844	963	1,045
Interest rate risk	855	801	694	778	804	826	946	1,033
of which general risk	598	651	534	598	512	489	603	704
of which specific risk	256	149	158	179	290	335	341	327
of which positions in securitisation instruments	-	-	-	-	-	-	-	0
of which non-delta risk	1	1	2	1	2	2	2	2
Equity price risk	9	9	9	11	15	18	17	12
of which general risk	1	1	1	1	1	3	2	2
of which specific risk	3	4	3	4	4	7	5	5
of which mutual funds	0	0	1	1	2	0	1	0
of which non-delta risk	5	4	4	5	8	8	9	5
Exchange rate risk	-	-	-	-	-	-	-	-
of which non-delta risk	-	-	-	-	-	-	-	-
Commodities risk	9	7	8	7	6	5	5	8
of which non-delta risk	0	0	0	0	0	0	0	0
Settlement risk	0	0	0	0	0	0	0	1
Total capital requirement for market risks	873	817	711	796	825	849	968	1,054

Credit risks IRB approach

Exposure amount

SEK m	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015
Corporates	821,000	839,228	846,280	827,328	821,795	819,465	811,894	817,121
Corporate lending	798,330	810,827	807,327	795,311	796,198	784,060	782,191	775,906
<i>of which other loans foundation approach *</i>	116,048	121,732	125,156	120,994	124,939	125,062	117,231	111,821
<i>of which other loans advanced approach *</i>	682,282	689,095	682,171	674,317	671,259	658,998	664,960	664,085
<i>of which large companies</i>	126,774	139,070	137,163	137,862	137,749	137,548	144,899	147,773
<i>of which medium-sized companies</i>	81,640	78,575	77,698	75,268	76,639	76,627	76,664	76,425
<i>of which property companies</i>	473,868	471,450	467,310	461,187	456,871	444,823	443,397	439,887
Counterparty risk	22,670	28,401	38,953	32,017	25,597	35,405	29,703	41,215
Housing co-operative associations	187,897	183,160	179,807	175,518	170,587	165,197	161,566	156,785
Households	982,270	975,181	957,893	930,869	918,324	906,016	895,842	877,351
Private individuals	955,346	947,847	930,268	903,907	891,487	878,808	868,620	849,954
<i>of which property loans</i>	874,253	865,890	849,302	825,270	810,312	796,954	785,267	766,964
<i>of which other loans</i>	81,093	81,957	80,966	78,637	81,175	81,854	83,353	82,990
Small companies	26,924	27,334	27,625	26,962	26,837	27,208	27,222	27,397
Institutions	105,185	106,414	118,989	101,166	117,263	133,181	150,101	152,016
Lending to institutions	20,066	15,985	17,370	17,179	19,203	17,466	33,633	20,241
Counterparty risk	85,119	90,429	101,619	83,987	98,060	115,715	116,468	131,775
<i>of which repos and securities loans</i>	14,070	27,810	33,206	32,894	31,143	45,654	57,694	62,231
<i>of which derivatives</i>	71,049	62,619	68,413	51,093	66,917	70,061	58,774	69,544
Equity exposures	1,340	1,352	5,420	5,046	5,229	8,133	8,176	7,785
<i>of which listed shares</i>	-	-	4,090	4,220	4,418	7,291	7,139	7,232
<i>of which other shares</i>	1,340	1,352	1,330	826	811	842	1,037	553
Non credit-obligation assets	2,387	2,323	2,264	2,261	2,348	2,336	2,179	2,170
Securitisation positions	22	22	23	24	28	31	34	242
Total IRB approach	2,100,101	2,107,680	2,110,676	2,042,212	2,035,574	2,034,359	2,029,792	2,013,470

Risk-weighted exposure amount

SEK m	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015
Corporates	194,650	202,371	205,130	198,346	204,181	201,053	206,485	221,403
Corporate lending	190,709	197,569	199,669	193,624	199,470	195,536	201,417	213,949
<i>of which other loans foundation approach *</i>	35,946	36,719	38,484	36,953	37,805	37,662	37,014	36,789
<i>of which other loans advanced approach *</i>	154,763	160,850	161,185	156,671	161,665	157,874	164,403	177,160
<i>of which large companies</i>	57,176	63,228	63,008	59,851	61,130	57,055	63,126	70,516
<i>of which medium-sized companies</i>	32,486	31,333	32,544	31,570	32,888	35,025	34,411	34,773
<i>of which property companies</i>	65,101	66,289	65,634	65,250	67,647	65,794	66,866	71,872
Counterparty risk	3,941	4,802	5,461	4,722	4,711	5,517	5,068	7,454
Housing co-operative associations	7,555	7,062	6,904	6,439	6,248	6,035	6,052	5,723
Households	72,398	72,933	71,701	66,476	66,245	66,909	67,137	68,553
Private individuals	65,258	65,599	64,283	58,972	58,841	59,699	59,761	61,052
<i>of which property loans</i>	48,178	48,064	47,020	43,965	43,517	43,693	43,539	42,382
<i>of which other loans</i>	17,080	17,535	17,263	15,007	15,324	16,006	16,222	18,670
Small companies	7,140	7,334	7,418	7,504	7,404	7,210	7,376	7,501
Institutions	17,397	16,256	17,258	15,686	20,471	19,506	23,531	18,506
Lending to institutions	6,175	5,047	5,664	5,749	6,767	6,180	11,352	6,180
Counterparty risk	11,222	11,209	11,594	9,937	13,704	13,326	12,179	12,326
<i>of which repos and securities loans</i>	631	559	795	766	424	1,369	772	1,348
<i>of which derivatives</i>	10,591	10,650	10,799	9,171	13,280	11,957	11,407	10,978
Equity exposures	4,959	5,004	16,782	15,296	15,815	24,260	24,539	23,019
<i>of which listed shares</i>	-	-	11,860	12,239	12,811	21,145	20,703	20,973
<i>of which other shares</i>	4,959	5,004	4,922	3,057	3,004	3,115	3,836	2,046
Exposures without a counterparty	2,387	2,323	2,264	2,261	2,348	2,336	2,179	2,171
Securitisation positions	24	2	2	2	2	2	3	21
Total IRB approach	299,370	305,951	320,041	304,506	315,310	320,101	329,926	339,396

* The foundation approach refers to the IRB Approach without own estimates of LGD and CF. The advanced approach refers to the IRB Approach with own estimates of LGD and CF.

Capital requirement								
	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015
SEK m								
Corporates	15,572	16,190	16,410	15,869	16,334	16,084	16,519	17,712
Corporate lending	15,257	15,806	15,974	15,490	15,957	15,643	16,114	17,116
<i>of which other loans foundation approach *</i>	2,876	2,938	3,079	2,956	3,024	3,013	2,961	2,943
<i>of which other loans advanced approach *</i>	12,381	12,868	12,895	12,534	12,933	12,630	13,153	14,173
<i>of which large companies</i>	4,574	5,058	5,041	4,788	4,890	4,564	5,051	5,641
<i>of which medium-sized companies</i>	2,599	2,507	2,603	2,526	2,631	2,802	2,753	2,782
<i>of which property companies</i>	5,208	5,303	5,251	5,220	5,412	5,264	5,349	5,750
Couterparty risk	315	384	436	379	377	441	405	596
Housing co-operative associations	604	565	552	515	500	483	484	458
Households	5,792	5,835	5,736	5,318	5,300	5,353	5,371	5,484
Private individuals	5,221	5,248	5,143	4,718	4,707	4,776	4,781	4,884
<i>of which property lending</i>	3,854	3,845	3,762	3,517	3,481	3,495	3,483	3,391
<i>of which other lending</i>	1,367	1,403	1,381	1,201	1,226	1,281	1,298	1,493
Small companies	571	587	593	600	593	577	590	600
Institutions	1,392	1,300	1,381	1,255	1,638	1,560	1,883	1,480
Lending to institutions	494	404	453	460	541	493	908	494
Couterparty risk	898	897	928	795	1,096	1,067	975	986
<i>of which repos and securities loans</i>	50	45	64	61	34	110	62	108
<i>of which derivatives</i>	848	852	864	734	1,062	957	913	878
Equity exposures	397	400	1,343	1,223	1,265	1,941	1,963	1,842
<i>of which listed shares</i>	-	-	949	979	1,025	1,692	1,656	1,678
<i>of which other shares</i>	397	400	394	244	240	249	307	164
Exposures without a counterparty	191	186	181	180	188	187	174	174
Securitisation positions	2	0	0	0	0	0	0	2
Total IRB approach	23,950	24,476	25,603	24,360	25,225	25,608	26,394	27,152

Average risk weight, %								
	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015
SEK m								
Corporates	23.7	24.1	24.2	24.0	24.8	24.5	25.4	27.1
Corporate lending	23.9	24.4	24.7	24.3	25.1	24.9	25.8	27.6
<i>of which other loans foundation approach *</i>	31.0	30.2	30.7	30.5	30.3	30.1	31.6	32.9
<i>of which other loans advanced approach *</i>	22.7	23.3	23.6	23.2	24.1	24.0	24.7	26.7
<i>of which large companies</i>	45.1	45.5	45.9	43.4	44.4	41.5	43.6	47.7
<i>of which medium-sized companies</i>	39.8	39.9	41.9	41.9	42.9	45.7	44.9	45.5
<i>of which property companies</i>	13.7	14.1	14.0	14.1	14.8	14.8	15.1	16.3
Couterparty risk	17.4	16.9	14.0	14.7	18.4	15.6	17.1	18.1
Housing co-operative associations	4.0	3.9	3.8	3.7	3.7	3.7	3.7	3.7
Households	7.4	7.5	7.5	7.1	7.2	7.4	7.5	7.8
Private individuals	6.8	6.9	6.9	6.5	6.6	6.8	6.9	7.2
<i>of which property lending</i>	5.5	5.6	5.5	5.3	5.4	5.5	5.5	5.5
<i>of which other lending</i>	21.1	21.4	21.3	19.1	18.9	19.6	19.5	22.5
Small companies	26.5	26.8	26.9	27.8	27.6	26.5	27.1	27.4
Institutions	16.5	15.3	14.5	15.5	17.5	14.6	15.7	12.2
Lending to institutions	30.8	31.6	32.6	33.5	35.2	35.4	33.8	30.5
Couterparty risk	13.2	12.4	11.4	11.8	14.0	11.5	10.5	9.4
<i>of which repos and securities loans</i>	4.5	2.0	2.4	2.3	1.4	3.0	1.3	2.2
<i>of which derivatives</i>	14.9	17.0	15.8	17.9	19.8	17.1	19.4	15.8
Equity exposures	370.0	370.0	309.6	303.1	302.4	298.3	300.1	295.7
<i>of which listed shares</i>	-	-	290.0	290.0	290.0	290.0	290.0	290.0
<i>of which other shares</i>	370.0	370.0	370.0	370.0	370.0	370.0	370.0	370.0
Exposures without a counterparty	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Securitisation positions	105.9	7.4	7.4	7.4	7.4	7.4	7.4	8.8
Total IRB approach	14.3	14.5	15.2	14.9	15.5	15.7	16.3	16.9

* The foundation approach refers to the IRB Approach without own estimates of LGD and CF. The advanced approach refers to the IRB Approach with own estimates of LGD and CF.

Funding

Handelsbanken is a regular issuer in both the domestic and international markets of short- as well as long-term debt. The objective is to have a well diversified funding structure in terms of currency, market and product. The Central Treasury Department has the overall responsibility for the Group's liquidity and funding. Both the maturity structure of the funding and the liquidity position are monitored closely.

Short-term funding is mainly raised through commercial paper programmes in Sweden, Europe and the United States. These programmes are supplemented by borrowing in the international interbank market.

Long-term funding is, among other things, raised through issuance of covered bonds in the name of Stadshypotek, mainly in Swedish kronor in the domestic market, and utilisation of other available funding programmes of the bank.

In order to ensure flexibility and efficient access to the various markets, a number of funding programmes have been established. They constitute the framework for the Group's funding operations.

The Bank is aiming at having a well-balanced funding mix between covered and senior, unsecured bonds.

Funding

SEK m (Carrying amount)	31 Dec 2016	of which up to 12 mths	Other maturities	Unspec. maturity
Deposits and borrowing from the public	829,336	44,315	9,218	775,803
Due to credit institutions	178,781	150,284	9,553	18,944
Issued securities	1,261,765	528,907	732,858	
<i>of which Bonds</i>	896,195			
<i>of which covered bonds (Stadshypotek)</i>	612,787			
<i>of which other bonds</i>	283,408			
<i>of which Certificates</i>	365,570			
<i>of which Certificate of deposits (CD:s)</i>	271,948			
<i>of which Commercial paper (CP:s)</i>	87,859			
Total	2,269,882	723,506	751,629	794,747
Subordinated liabilities	33,400			
Equity	136,381			
Total funding	2,439,663			

During the fourth quarter of 2016, the issued bond volume was SEK 19 billion. The whole volume consisted of covered bonds. Maturing bond volume during the quarter was SEK 5 billion. The volume of so called CD's (Certificates of Deposit) in USD amounted to USD 23.5 billion at the 31 of December 2016.

Long-term funding

SEK bn	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Issued during the quarter								
Senior bonds		23	6	21	12	18	1	1
Covered bonds	19	36	44	49	50	27	38	24
Total bonds	19	59	50	70	62	45	39	25
Extendible notes								
Total issued	19	59	50	70	62	45	39	25
Maturing during the quarter	-5	-65	-11	-54	-68	-27	-16	-43
Net	14	-6	39	16	-6	18	23	-18

Funding programmes as of December 31, 2016 – The Group

Programme (in millions)	Currency	Programme size	Utilised amount	Countervalue SEK m
ECP*	EUR	15,000	3,093	29,640
ECP (Stadshypotek)*	EUR	4,000	0	0
Franska certifikat	EUR	7,500	1,913	18,332
Svenska certifikat	SEK	25,000	0	0
Svenska certifikat (Stadshypotek)	SEK	90,000	0	0
USCP	USD	15,000	4,401	39,940
AMTN	AUD	5,000	1,275	8,362
AMTCN (Stadshypotek)	AUD	5,000	750	4,919
EMTN*	USD	50,000	21,759	197,465
EMTCN (Stadshypotek)*	EUR	20,000	11,002	105,432
US 144A/3(a)(2)	USD	20,000	11,900	107,994
Stadshypotek US 144A	USD	15,000	3,750	34,032
Samurai	JPY	400,000	160,700	12,482
MTN*	SEK	100,000	13,334	13,334
Övrig funding >1 år*	USD	15,000	1,231	11,171
Extendible Notes	USD	15,000	7	64
Total				583,167
Total programme (or limited) amounts, SEK m		1,937,028		
Unutilised amount, SEK m		1,353,861		
Available amount		70%		

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

Selection of international issues during last 12 months

January 2016	GBP 250 m 6Y FXD G +110 bps
February 2016	EUR 1.25 bn 7Y FXD Covered bond MS +19 bps
February 2016	AUD 500 m 5Y FXD BBSW +150bps
February 2016	AUD 125 m 10Y FXD BBSW +156bps
March 2016	USD 1.5 bn 5Y FXD T+110 bps
March 2016	USD 250 m 5Y FRN 3m \$L+115 bps
June 2016	EUR 1 bn 6Y FXD Covered bond MS +3 bps
August 2016	USD 1 bn 5Y FXD T+78 bps
August 2016	USD 1 bn 3Y FXD T+68 bps
August 2016	USD 500 m 3Y FRN 3m \$L+49 bps
September 2016	EUR 500 m 10Y FXD Covered bond MS +0 bps

Maturity profile

31 December 2016							
SEK bn	2017	2018	2019	2020	2021	2022	2023-
Senior bonds	59	38	64	48	45	31	4
Covered bonds	106	192	104	73	75	27	19
Total	165	230	168	121	120	58	23

Non-Encumbered Assets (NEA)

31 December 2016		
SEK bn	NEA	Accumulated coverage ratio in % of unsecured funding*
Holdings with central banks and securities in the liquidity portfolio	382	46%
Mortgage loans	470	102%
Other household lending	182	124%
Property company lending lowest risk class (1-3)	260	155%
Other corporate lending lowest risk class (1-3)	144	172%
Loans to credit institutions lowest risk class (1-3)	32	176%
Other corporate lending	241	205%
Other assets	44	210%
Total non-encumbered assets (NEA)	1,755	210%
Encumbered assets without underlying liabilities**	61	
Encumbered assets with underlying liabilities	812	
Total assets, Group	2,628	

31 December 2015		
SEK bn	NEA	Accumulated coverage ratio in % of unsecured funding*
Holdings with central banks and securities in the liquidity portfolio	352	42%
Mortgage loans	453	96%
Other household lending	203	120%
Property company lending lowest risk class (1-3)	238	148%
Other corporate lending lowest risk class (1-3)	150	166%
Loans to credit institutions lowest risk class (1-3)	46	171%
Other corporate lending	228	198%
Other assets	39	203%
Total non-encumbered assets (NEA)	1,709	203%
Encumbered assets without underlying liabilities**	57	
Encumbered assets with underlying liabilities	756	
Total assets, Group	2,522	

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

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

Assets pledged

31 December 2016								
SEK m	Central bank funding	Payment systems/ securities settlement	Repos	Covered bonds	Derivatives	Securities loans	Leases	Insurance agreements
Cash		2,324		5,000	7,279			3,266
Government instruments and bonds		45,017	928		4,101	476		6,525
Loans to the public		3,788		662,920			10,034	
Equities						6,002		644
Other								115,053
Total		51,129	928	667,920	11,380	6,478	10,034	125,488

Assets pledged according to CSA agreements for outstanding derivatives since 1 January 2012: Max: 19,030 Min: 5,160 Average: 10,879

The column "Payment systems/securities settlement" refers to securities provided as collateral with central banks for the Bank's undertakings within the payment systems and collateral for securities settlement. Repos refer to securities sold under binding repurchase agreements and which are reported in the balance sheet. Covered bonds mainly consist of loans to the public which are included in the registered cover pool in favour of holdings of covered bonds issued by Stadshypotek. The amount also includes OC (over-collateralization – extra assets in addition to those which are needed to cover the issued bonds). Derivatives comprise cash and bonds provided as a pledge due to the Bank's outstanding undertakings under derivative contracts. Securities loans comprise securities which have been lent and also securities provided as a pledge for the Bank's overall undertakings under securities loan agreements. Leases comprise leased assets which have been pledged in favour of a third party. The assets are reported under loans to the public in the balance sheet. Insurance agreements comprise registered assets in the insurance operations and endowment insurance pledged in favour of employees or former employees.

STADSHYPOTEK

Of the total lending to the public in the Handelsbanken Group about 58% constitutes mortgage lending in Stadshypotek.

More than half of Stadshypotek's funding consists of covered bonds issued in the Swedish domestic covered bond market. This market is the core funding source for Stadshypotek.

The Swedish market is one of the largest covered bond markets in Europe. Bonds are issued on-tap on a continuous basis in a few benchmarks per issuer. Stadshypotek has seven outstanding benchmark loans, which mature between 2017 and 2022. These loans are arranged by five market makers and are non-callable bullet bonds with a fixed annual coupon. Only a small number of separate bond loans are issued, with respective final maturity dates set at intervals of about nine months. Concentrating large volumes into a small number of loans in this manner achieves good market liquidity.

Stadshypotek also issue covered bonds on the Norwegian market, and since 2016 also on the Euro market with assets in the new Finnish cover pool.

At the end of the quarter, the non-domestic share of the outstanding covered bonds was 29%. The ratio of non-encumbered assets to unsecured wholesale funding was 210% at the end of the fourth quarter compared to 221% at the end of the previous quarter and 203% one year ago.

Covered Bonds, outstanding issues

	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015
SEK bn (nominal amount)					
Swedish cover pool	562	550	564	552	530
<i>of which issues in SEK</i>	425	413	429	416	400
<i>of which issues in other currencies</i>	137	137	135	136	130
Norwegian cover pool	29	29	27	22	16
<i>of which issues in NOK</i>	29	29	27	22	16
Finnish cover pool	5				
<i>of which issues in EUR</i>	5				
Total	596	579	591	574	546

Cover Pool Data, Sweden

SEK m	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015
Stadshypotek total lending to the public in Sweden	983,160	967,739	959,874	944,891	936,504	916,432	901,819	886,542
Assets available for Cover Pool	902,862	895,299	885,148	871,766	859,398	818,000	804,302	800,230
Assets utilized for Cover Pool	626,458	616,378	635,616	629,118	600,025	603,410	590,722	577,939
WA Max-LTV Cover Pool, as defined by ASCB	50.0%	51.3%	51.1%	54.0%	53.6%	49.6%	49.5%	49.2%
LTV-mid	25.2%	25.9%	25.8%	27.3%	27.1%	25.0%	24.9%	24.9%
LTV-distribution								
0-10%	25.5%	24.8%	24.8%	23.4%	23.5%	23.9%	24.2%	24.0%
10-20%	21.3%	20.9%	20.9%	19.9%	20.1%	20.9%	20.9%	21.0%
20-30%	17.4%	17.2%	17.2%	16.8%	16.8%	18.0%	17.9%	18.1%
30-40%	13.7%	13.7%	13.8%	13.7%	13.7%	15.1%	15.0%	15.2%
40-50%	10.2%	10.4%	10.5%	10.8%	10.8%	12.4%	12.3%	12.3%
50-60%	6.9%	7.3%	7.3%	8.2%	8.0%	9.8%	9.8%	9.5%
60-70%	4.0%	4.5%	4.3%	5.5%	5.4%	0.0%	0.0%	0.0%
70-75%	1.1%	1.3%	1.2%	1.7%	1.7%	0.0%	0.0%	0.0%
WA loan size, SEK	647,500	642,700	640,800	637,100	625,700	586,600	569,100	644,500
WA seasoning of Cover Pool, months*	93	92	90	42	42	41	42	41
Interest index distribution								
Floating	47.0%	45.9%	49.8%	47.0%	45.0%	50.0%	49.0%	52.0%
Fixed rate	53.0%	54.2%	50.2%	53.0%	55.0%	50.0%	51.0%	48.0%

* As of Q2 2016 calculated from the date of granting of the loan instead of from the most recent reset date.

Liquidity

The Bank has a strong liquidity position. Balances with central banks and banks, as well as securities that are eligible as collateral with central banks, totaled SEK 382 billion (see table below). In addition, there was an unutilised issue amount for covered bonds and other liquidity-creating measures.

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

Market value					
SEK m	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015
Cash and balances with and other lending to central banks	224,533	456,491	582,590	506,949	236,359
Balances with banks and the National Debt Office, overnight	7,712	803	1,807	3,618	1,180
Securities issued by governments and public entities	96,217	106,938	104,133	83,145	63,136
Covered bonds	53,647	53,458	50,101	52,096	50,096
Securities issued by non-financial companies	27	797	614	782	637
Securities issued by financial companies	124	242	142	102	233
Total	382,260	618,729	739,387	646,692	351,641
<i>of which in SEK</i>	<i>126,241</i>	<i>192,224</i>	<i>160,997</i>	<i>116,992</i>	<i>89,695</i>
<i>of which in EUR</i>	<i>108,380</i>	<i>135,707</i>	<i>83,698</i>	<i>70,363</i>	<i>55,471</i>
<i>of which in USD</i>	<i>47,449</i>	<i>179,920</i>	<i>366,669</i>	<i>348,004</i>	<i>114,702</i>
<i>of which in other currencies</i>	<i>100,190</i>	<i>110,878</i>	<i>128,023</i>	<i>111,333</i>	<i>91,773</i>

31 December 2016					
Market value, SEK m	SEK	EUR	USD	Other	Total
Cash and balances with and other lending to central banks	4,821	99,487	30,460	89,765	224,533
Balances with other banks and the National Debt Office, overnight	7,567	22	23	100	7,712
Securities issued by governments	70,483	6,430	12,519	-	89,432
Securities issued by municipalities and other public entities	2,051	287	4,447	-	6,785
Covered bonds, external issuers	36,631	2,108	-	10,306	49,045
Own covered bonds	4,602	-	-	-	4,602
Securities issued by non-financial companies	1	26	-	-	27
Securities issued by financial companies	85	20	-	19	124
Total	126,241	108,380	47,449	100,190	382,260

Liquidity Coverage Ratio (LCR)

Liquidity coverage ratio (LCR), %	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015
EUR	136	178	181	134	161
USD	322	164	121	161	429
Total*	126	162	139	151	137

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

MATURITY ANALYSIS

Maturities for financial assets and liabilities

31 December 2016 SEK m	Up to 1 mth	1 - 6 mths	6 - 12 mths	1 - 2 yrs	2 - 5 yrs	5 yrs -	Unspec. maturity	Total
Assets								
Cash and balances with central banks	224,889	-	-	-	-	-	-	224,889
central banks	97,205	-	-	-	-	-	-	97,205
Bonds and other interest-bearing securities	63,909	-	-	-	-	-	-	63,909
Loans to credit institutions	24,312	2,404	363	17	825	3,426	-	31,347
-of which reverse repos	4,088	-	-	-	-	-	-	4,088
Loans to the public	55,850	247,108	166,303	173,487	351,025	969,849	-	1,963,622
-of which reverse repos	7,493	-	-	-	-	-	-	7,493
Other	22,769	-	-	-	-	-	223,839	246,608
-of which shares and participating interests	20,412	-	-	-	-	-	-	20,412
-of which claims on investment banking settlements	2,357	-	-	-	-	-	-	2,357
Total	488,934	249,512	166,666	173,504	351,850	973,275	223,839	2,627,580
Liabilities								
Due to credit institutions	98,317	47,860	4,107	4,535	12	5,006	18,944	178,781
-of which repos	-	-	-	-	-	-	-	0
-of which deposits from central banks	30,528	34,116	1,275	-	-	-	1,868	67,787
Deposits and borrowing from the public	17,669	21,050	5,596	908	2,754	5,556	775,803	829,336
-of which repos	2	-	-	-	-	-	-	2
Issued securities	102,126	348,837	77,944	233,408	417,484	81,966	-	1,261,765
-of which covered bonds	-	95,615	11,530	194,577	255,043	46,990	-	603,755
-of which certificates and other securities with original maturity of less than one year	101,502	221,614	25,363	-	-	-	-	348,479
original maturity of more than one year	624	31,608	41,051	38,831	162,441	34,976	-	309,531
Subordinated liabilities	-	-	2,965	-	30,435	-	-	33,400
Other	4,105	-	-	-	-	-	320,193	324,298
-of which short positions	1,572	-	-	-	-	-	-	1,572
-of which investment banking settlement debts	2,533	-	-	-	-	-	-	2,533
Total	222,217	417,747	90,612	238,851	450,685	92,528	1,114,940	2,627,580

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

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

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

Maturities for assets and liabilities in USD

31 December 2016 SEK m	Up to 1 mth	1 - 6 mths	6 - 12 mths	1 - 2 yrs	2 - 5 yrs	5 yrs -	Unspec. maturity	Total
Cash and balances with central banks	30,463	-	-	-	-	-	-	30,463
Bonds and other interest-bearing securities	32,578	-	-	-	-	-	-	32,578
Loans to credit institutions	8,984	1,361	27	-	648	3,107	-	14,127
Loans to the public	3,455	12,630	2,013	2,241	7,720	577	-	28,636
Other, including derivatives	68,721	140,599	4,340	28,018	125,464	4,010	-	371,152
Total assets	144,201	154,590	6,380	30,259	133,832	7,694	-	476,956
Due to credit institutions	9,235	17,179	741	-	-	-	613	27,768
Deposits and borrowing from the public	2,794	2,620	199	36	58	-	17,474	23,181
Issued securities	57,699	170,246	42,846	20,411	114,084	-	-	405,286
Subordinated liabilities	-	-	-	-	10,815	-	-	10,815
Other, including derivatives	-	-	-	-	-	-	9,803	9,803
Total liabilities	69,728	190,045	43,786	20,447	124,957	-	27,890	476,853

Maturities for assets and liabilities in EUR

31 December 2016 SEK m	Up to 1 mths	1 - 6 mths	6 - 12 mths	1 - 2 yrs	2 - 5 yrs	5 yrs -	Unspec. maturity	Total
Cash and balances with central banks	99,547	-	-	-	-	-	-	99,547
Bonds and other interest-bearing securities	8,612	-	-	-	-	-	-	8,612
Loans to credit institutions	6,448	84	118	17	147	169	-	6,983
Loans to the public	5,894	19,856	12,144	20,042	58,556	71,157	-	187,649
Other, including derivatives	-	17,053	10,957	24,140	59,400	32,568	-	144,118
Total assets	120,501	36,993	23,219	44,199	118,103	103,894	-	446,909
Due to credit institutions	56,167	14,454	1,471	-	12	195	901	73,200
Deposits and borrowing from the public	6,457	2,467	1,297	2	-	-	68,513	78,736
Issued securities	18,141	60,250	10,213	25,804	76,232	49,591	-	240,231
Subordinated liabilities	-	-	-	-	14,355	-	-	14,355
Other, including derivatives	10,094	9,395	-	-	-	-	20,712	40,201
Total liabilities	90,859	86,566	12,981	25,806	90,599	49,786	90,126	446,723

Maturities for assets and liabilities in SEK

31 December 2016 SEK m	Up to 1 mths	1 - 6 mths	6 - 12 mths	1 - 2 yrs	2 - 5 yrs	5 yrs -	Unspec. maturity	Total
Cash and balances with central banks	4,960	-	-	-	-	-	-	4,960
Bonds and other interest-bearing securities	116,147	-	-	-	-	-	-	116,147
Loans to credit institutions	7,506	124	0	-	-	0	-	7,630
Loans to the public	28,523	151,733	103,753	92,031	157,430	686,705	-	1,220,175
Total assets	157,136	151,857	103,753	92,031	157,430	686,705	-	1,348,912
Due to credit institutions	7,510	5,837	205	4,447	-	4,720	13,911	36,630
Deposits and borrowing from the public	5,525	6,219	3,805	830	2,688	5,555	479,268	503,890
Issued securities	340	80,694	9,147	175,258	182,836	15,429	-	463,704
Subordinated liabilities	-	-	2,894	-	5,336	-	-	8,230
Other, including derivatives	48,099	84,280	5,111	20,182	83,783	21,454	74,617	337,526
Total liabilities	61,474	177,030	21,162	200,717	274,643	47,158	567,796	1,349,980

Share and shareholders

The Handelsbanken share

	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015
Market capitalisation, end of period, SEK bn	246	229	197	197	215	229	231	247
Share price SHB class A, end of period, SEK	126.60	117.90	101.80	103.30	112.90	119.90	121.00	129.77
Ordinary dividend, SEK	5.00	-	-	-	4.50	-	-	-
Total dividend	5.00	-	-	-	6.00	-	-	-
Number of converted shares	3,294,729	5,009,634	28,800,955	-	3,614	-	4,475	10,836
Number of repurchased shares	-	-	-	-	-	-	-	-
Holding of own shares in trading book, end of period	-	-	-	-	-	-	-	-
Number of outstanding shares after repurchases and deduction for trading book, end of period	1,944,151,400	1,940,856,671	1,935,847,037	1,907,046,082	1,907,046,082	1,907,042,468	1,907,042,468	1,907,037,993
Number of outstanding shares after dilution, end of period	1,974,290,244	1,974,528,804	1,975,789,501	1,976,193,169	1,972,745,117	1,972,887,071	1,973,425,509	1,974,008,668
Average number of shares converted during the period	36,343,029	30,547,119	12,852,916	-	17,236	15,311	12,841	2,529
Average holdings of own shares (repurchased and holdings in trading book)	-	-	-	-	-	-	-	-
Average number of outstanding shares	1,943,389,111	1,937,593,201	1,919,898,998	1,907,027,157	1,907,044,393	1,907,042,468	1,907,039,998	1,907,029,686
- after dilution	1,974,528,804	1,975,789,501	1,976,193,169	1,972,726,192	1,972,887,071	1,973,425,509	1,974,008,668	1,971,862,552

A stock split 3:1 was carried out in May 2015. The comparison figures in the above table have been adjusted for the new number of shares.

Share information

Name	SHB A
ISIN	SE0007100599
Currency	SEK
Market name	OMX STO Equities
Reuters	SHBa.ST
Bloomberg	SHBA SS

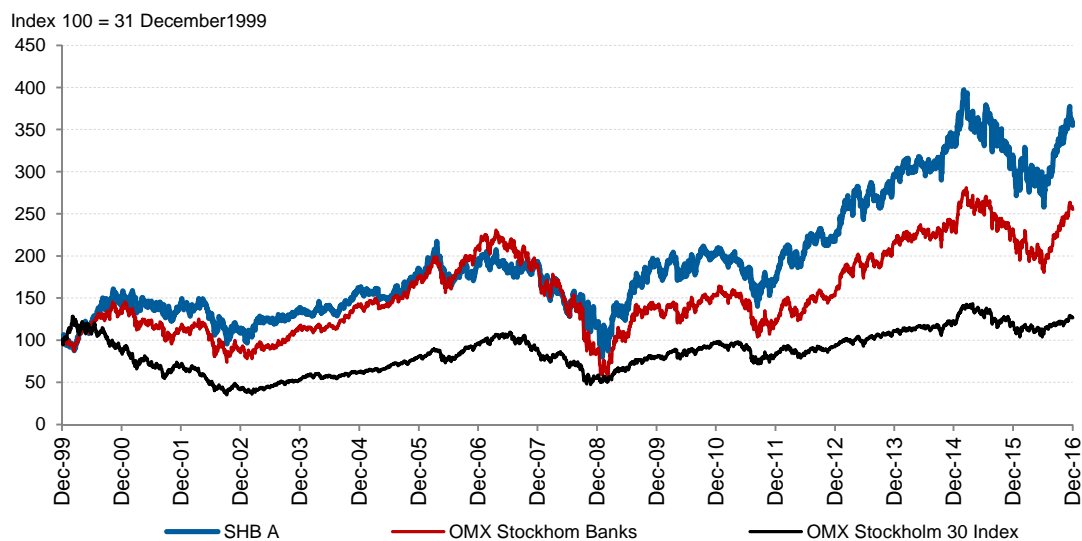
Dividend

The Board proposes that the record day for the dividend be Friday, 31 March 2017, which means that Handelsbanken's shares will be traded ex-dividend on Thursday, 30 March 2017. If the meeting resolves in accordance with the proposal, Euroclear expects to distribute the dividend on Wednesday, 5 April 2017.

Stock split 3:1

As previously announced, Svenska Handelsbanken's annual general meeting resolved to implement a 3:1 split of the company's stock. First day of trading after the split was the 19 May 2015.

Share performance, since 31 Dec 1999



The largest Swedish shareholders

The largest Swedish shareholders			
as at 31 December 2016	Number of shares	% of votes	% of capital
Oktogonen Foundation	195,872,046	10.2	10.1
Industrivärden	194,923,948	10.2	10.0
Swedbank Robur funds	61,371,411	3.2	3.2
Lundberg-gruppen	50,296,000	2.6	2.6
Alecta	41,269,000	2.2	2.1
Handelsbanken funds	26,115,746	1.4	1.3
AMF and funds	18,139,110	0.9	0.9
1st National Swedish Pension Fund	14,286,190	0.7	0.7
Didner & Gerge funds	14,170,178	0.7	0.7
3rd National Swedish Pension Fund	12,483,278	0.7	0.6
J. Wallanders & T. Hedelius stiftelse, T. Browaldhs stiftelse	12,300,000	0.6	0.6
SEB Funds	12,007,900	0.6	0.6
SPP funds	11,627,681	0.6	0.6
Folksam	9,900,403	0.5	0.5
4th National Swedish Pension Fund	9,899,720	0.5	0.5

Definitions and explanations

ALTERNATIVE PERFORMANCE MEASURES

Alternative Performance Measures (APMs) are financial measures of historical and future performance, financial position or cash flow that are neither defined in IFRS nor the capital requirements regulation. Handelsbanken uses APMs to describe the performance of the operations and to increase comparability between periods. These need not be comparable with similar key figures (performance measures) presented by other companies. Reconciliations of certain performance measures are published in the Fact Book which is available at handelsbanken.se/ireng.

ADJUSTED EQUITY PER SHARE

Equity at the end of the year reduced by the equity effect of cash flow hedges and the minority share of equity. Adjusted equity is then divided by the number of ordinary shares at the year-end reduced by buybacks. Where applicable, the dilution effect is taken into account.

C/I RATIO

Total expenses in relation to total income. In segment reporting, profit allocation is included in total income.

EARNINGS PER SHARE

The profit for the year attributable to holders of ordinary shares divided by the average number of outstanding shares. Where applicable, the dilution effect is taken into account.

LOAN LOSS RATIO

Loan losses and changes in value of repossessed property in relation to loans to the public and credit institutions (excluding banks), and also repossessed property and credit guarantees at the beginning of the year.

IMPAIRED LOANS

Loans are classified as impaired loans if contracted cash flows are not likely to be fulfilled. The full amount of all claims which give rise to a specific provision are included in impaired loans even if parts are covered by collateral.

IMPAIRED LOANS RESERVE RATIO EXCLUDING COLLECTIVE PROVISIONS

Total provisions excluding collective provisions in relation to gross impaired loans.

P/E RATIO

The share price at year-end divided by earnings per share.

PROPORTION OF IMPAIRED LOANS

Net impaired loans in relation to total loans to the public and credit institutions (excluding banks). Impaired loans are reported without deduction for the collateral that is security for the claim.

RETURN ON ALLOCATED CAPITAL

The segment's operating profit after profit allocation, calculated using a tax rate of 22 per cent, in relation to the average capital allocated quarterly during the year.

RETURN ON EQUITY

The year's profit in relation to average equity. Average equity is adjusted for value changes on financial assets classified as available for sale, derivatives in cash flow hedges, revaluation effects from defined benefit pension plans and a weighted average of new share issues, dividends and repurchase of own shares.

TOTAL RETURN

The total of the year's change in share price and paid dividend per share divided by the share price at the end of the previous year.

TOTAL IMPAIRED LOANS RESERVE RATIO

Total provisions in relation to gross impaired loans.

KEY FIGURES DEFINED IN THE CAPITAL REQUIREMENT REGULATIONS

CAPITAL REQUIREMENT

The statutory capital requirement means that an institution which is subject to CRR must have a common equity tier 1 ratio of at least 4.5 per cent, a tier 1 ratio of at least 6 per cent and a total capital ratio of at least 8 per cent. This means that own funds for the respective ratio must be at least the stated percentage of the risk exposure amount. For definitions of the respective own funds amounts, see Common equity tier 1 capital, Tier 1 capital and Total capital. In this calculation, own funds are reduced by the net of EL (expected loss) minus provisions.

CREDIT CONVERSION FACTOR

The factor that is used when calculating the exposure amount for unutilised overdraft facilities, committed loan offers, guarantees and other off-balance-sheet commitments.

CREDIT VALUATION ADJUSTMENT RISK

Credit valuation adjustment risk (CVA) measures the risk that the market value of a derivative will decrease as a result of the creditworthiness of the counterparty weakening. The credit valuation adjustment is a component in the regulations for valuation of derivatives. The adjustment in the value is based on the counterparty's creditworthiness. An exposure to a counterparty with poorer creditworthiness must have a lower carrying amount than the corresponding exposure to a counterparty with better creditworthiness. Credit risk in this context means that if a given counterparty's creditworthiness deteriorates, then the value in the balance sheet of all derivative transactions with a positive market value with this counterparty immediately decreases, thus reducing the Bank's equity. To take account of this risk in the capital adequacy, credit valuation adjustment risk has been introduced as part of the capital requirements directive.

COMMON EQUITY TIER 1 CAPITAL

Common equity tier 1 capital is one of the components of own funds and mainly comprises equity. Deductions are made for, inter alia, dividends generated, goodwill and other intangible assets, and also the difference between an expected loss and provisions made for probable loan losses.

COMMON EQUITY TIER 1 RATIO

Common equity tier 1 capital in relation to total risk exposure amount.

COMMON EQUITY TIER 1 RATIO AVAILABLE FOR USE AS A BUFFER

The common equity tier 1 ratio after a deduction for the part of common equity tier 1 capital required to comply with all formal capital requirements.

EXPOSURE AMOUNT

Exposure amount (exposure at default) is the amount which is subject to capital adequacy requirements. It is calculated inclusive of interest and fees. Off-balance-sheet amounts are recalculated with the credit conversion factor (CCF). For derivatives, the exposure amount is calculated as positive MTM (mark-to-market) plus value change risk, i.e. the nominal amount multiplied by the upward adjustment factor.

EXPOSURE VALUE

Exposure value is the same as exposure amount. The exposure value concept is used in the standardised approach for credit risk.

LEVERAGE RATIO

Tier 1 capital in relation to total assets, including certain off-balance-sheet items recalculated with conversion factors defined in the standardised approach and regulatory adjustments from own funds.

LIQUIDITY COVERAGE RATIO (LCR)

High-quality liquid assets in relation to an estimated net outflow of liquidity over a period of 30 days.

OWN FUNDS/TOTAL CAPITAL

Own funds are the sum of tier 1 and tier 2 capital.

RISK EXPOSURE AMOUNT

The capital requirement in accordance with CRR is multiplied by 12.5. Risk exposure amount is used in conjunction with market risk and operational risk.

RISK WEIGHT

A measure to describe the level of risk an exposure is expected to have according to the capital requirements regulation.

RISK-WEIGHTED EXPOSURE AMOUNT

Exposure amount multiplied by risk weight. Risk-weighted exposure amount is used in conjunction with credit risk and counterparty risk.

TIER 1 CAPITAL

Common equity tier 1 capital including additional tier 1 capital.

TIER 1 RATIO

Tier 1 capital in relation to total risk exposure amount.

ADDITIONAL TIER 1 CAPITAL

Additional tier 1 capital comprises subordinated loans which meet the requirements stated in Regulation (EU) No 575/2013 and can therefore be included in the tier 1 capital.

TIER 2 CAPITAL

Tier 2 capital is one of the components of own funds, and mainly consists of subordinated loans which fulfil the requirements stated in Regulation (EU) No 575/2013 to be included as tier 2 capital.

TOTAL CAPITAL RATIO

Total capital in relation to total risk exposure amount.

TOTAL RISK EXPOSURE AMOUNT

Total risk exposure amount is the sum of risk exposure amount and risk-weighted exposure amount.

EXPLANATIONS**BENCHMARK EFFECT**

The benchmark effect refers to differences between the interest-fixing periods of lending and funding that result when Stadshypotek's issues mature at nine-month intervals while new lending to customers occurs daily. The effect varies from quarter to quarter but approaches zero over the long term.

NON-RECURRING ITEMS

Non-recurring items are items which Handelsbanken deems to be of a one-off nature. These are specified in Handelsbanken's Fact Book, which is available at www.handelsbanken.se/ireng.

RISK RESULT

A concept used in the Bank's insurance operations. The year's risk result is the difference between the fees the company charges to cover the insurance risks (mortality, life expectancy, disability and accident) and the actual cost of the insurance events.

SPECIAL ITEMS

Special items are items which tend to vary between financial reporting periods, such as provisions to the Oktogonen profit-sharing foundation, and which Handelsbanken has specified in detail to facilitate comparison of financial performance.

Contacts and Financial calendar

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Financial calendar:

2017

8 February 2017

Highlights of Annual report 2016

29 March 2017

Annual General Meeting

26 April 2017

Interim report January – March 2017

18 July 2017

Interim report January – June 2017

18 October 2017

Interim report January – September 2017

Handelsbanken