

Fact book  
2017

Q2

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## This is Handelsbanken

*Founded in 1871, Handelsbanken is one of the leading banks in the Nordic region, with more than 800 branches in 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](http://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	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Interest income	10,398	10,210	10,220	9,943	9,451	10,336	10,540	10,436
Interest expense	-3,077	-3,129	-2,921	-2,902	-2,643	-3,541	-3,569	-3,602
<b>Net interest income</b>	<b>7,321</b>	<b>7,081</b>	<b>7,299</b>	<b>7,041</b>	<b>6,808</b>	<b>6,795</b>	<b>6,971</b>	<b>6,834</b>
Net fee and commission income	2,508	2,354	2,447	2,259	2,280	2,170	2,343	2,308
Net gains/losses on financial transactions	317	547	269	1,112	523	1,162	1,503	226
Risk result - insurance	53	36	6	25	35	76	36	40
Other dividend income	11	2	2	1	222	3	2	1
Share of profit of associates	-3	-27	0	10	13	2	-11	18
Other income	31	43	102	25	41	35	65	34
<b>Total income</b>	<b>10,238</b>	<b>10,036</b>	<b>10,125</b>	<b>10,473</b>	<b>9,922</b>	<b>10,243</b>	<b>10,909</b>	<b>9,461</b>
Staff costs	-3,242	-2,918	-2,981	-2,941	-2,952	-3,668	-3,353	-2,953
Other expenses	-1,410	-1,430	-1,518	-1,234	-1,346	-1,303	-1,442	-1,197
Depreciation, amortisation and impairment of property, equipment and intangible assets	-145	-150	-114	-137	-119	-125	-112	-126
<b>Total expenses</b>	<b>-4,797</b>	<b>-4,498</b>	<b>-4,613</b>	<b>-4,312</b>	<b>-4,417</b>	<b>-5,096</b>	<b>-4,907</b>	<b>-4,276</b>
<b>Profit before loan losses</b>	<b>5,441</b>	<b>5,538</b>	<b>5,512</b>	<b>6,161</b>	<b>5,505</b>	<b>5,147</b>	<b>6,002</b>	<b>5,185</b>
Net loan losses	-186	-196	-832	-476	-229	-187	-475	-458
Gains/losses on disposal of property, equipment and intangible assets	2	5	18	6	1	7	6	4
<b>Operating profit</b>	<b>5,257</b>	<b>5,347</b>	<b>4,698</b>	<b>5,691</b>	<b>5,277</b>	<b>4,967</b>	<b>5,533</b>	<b>4,731</b>
Taxes	-1,201	-1,236	-1,254	-1,127	-1,091	-929	-1,076	-1,028
<b>Profit for the period from continuing operations</b>	<b>4,056</b>	<b>4,111</b>	<b>3,444</b>	<b>4,564</b>	<b>4,186</b>	<b>4,038</b>	<b>4,457</b>	<b>3,703</b>
Profit for the period pertaining to discontinued operations, after tax	-	-	-	-	8	5	44	55
<b>Profit for the period</b>	<b>4,056</b>	<b>4,111</b>	<b>3,444</b>	<b>4,564</b>	<b>4,194</b>	<b>4,043</b>	<b>4,501</b>	<b>3,758</b>
Attributable to								
Shareholders in Svenska Handelsbanken AB	4,056	4,111	3,444	4,564	4,194	4,042	4,501	3,757
Minority interest	0	0	0	0	0	1	0	1

## Earnings per share

	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Profit for the year, attributable to shareholders in Svenska Handelsbanken AB	4,056	4,111	3,444	4,564	4,194	4,042	4,501	3,757
- of which interest expense on convertible subordinated loan after tax	-18	-31	-25	-27	-41	-46	-46	-46
Average number of outstanding shares, million	1,944.2	1,944.2	1,943.4	1,937.6	1,919.9	1,907.0	1,907.0	1,907.0
Average number of outstanding shares after dilution, million	1,975.3	1,974.3	1,974.5	1,975.8	1,976.2	1,972.7	1,972.9	1,973.4
Earnings per share, continuing operations, SEK	2.09	2.11	1.77	2.36	2.18	2.12	2.34	1.94
- after dilution	2.06	2.10	1.76	2.32	2.14	2.07	2.28	1.90
Earnings per share, discontinued operations, SEK	-	-	0.00	0.00	0.01	0.00	0.02	0.03
- after dilution	-	-	0.00	0.00	0.01	0.00	0.02	0.03
Earnings per share, total operations, SEK	2.09	2.11	1.77	2.36	2.19	2.12	2.36	1.97
- after dilution	2.06	2.10	1.76	2.32	2.15	2.07	2.30	1.93

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	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
<b>Profit for the period</b>	<b>4,056</b>	<b>4,111</b>	<b>3,444</b>	<b>4,564</b>	<b>4,194</b>	<b>4,043</b>	<b>4,501</b>	<b>3,758</b>
<b>Other comprehensive income</b>								
<b>Items that may not subsequently be reclassified to profit or loss</b>								
Defined benefit plans	1,013	2,318	4,998	91	-2,597	1,501	495	-2,382
Taxes on items that cannot be reclassified into profit or loss	-223	-511	-1,096	-20	568	-328	-107	523
<b>Total items that may not subsequently be reclassified to profit or loss</b>	<b>790</b>	<b>1,807</b>	<b>3,902</b>	<b>71</b>	<b>-2,029</b>	<b>1,173</b>	<b>388</b>	<b>-1,859</b>
<b>Items that can be reclassified into profit or loss</b>								
Cash flow hedges	-1,070	336	-6,875	-1,238	1,442	3,526	-1,691	2,792
Available-for-sale instruments	21	37	-23	-565	529	-1,101	-947	196
Translation differences for the period <i>of which hedging net investment in foreign operations</i>	-869 -24	-1,310 -795	168 255	970 -179	1,063 -10	-1,018 -208	-2,034 -669	-879 -349
Taxes on items that can be reclassified into profit or loss <i>of which cash flow hedges</i>	230 228	99 -74	1,457 1,512	364 273	-316 -317	-672 -776	616 372	-544 -614
<i>of which available-for-sale instruments</i> <i>of which hedging net investment in foreign operations</i>	-2 4	-2 175	1 -56	52 39	-1 2	58 46	97 147	-7 77
<b>Total items that can be reclassified into profit or loss</b>	<b>-1,688</b>	<b>-838</b>	<b>-5,273</b>	<b>-469</b>	<b>2,718</b>	<b>735</b>	<b>-4,056</b>	<b>1,565</b>
<b>Total other comprehensive income for the period</b>	<b>-898</b>	<b>969</b>	<b>-1,371</b>	<b>-398</b>	<b>689</b>	<b>1,908</b>	<b>-3,668</b>	<b>-294</b>
<b>Total comprehensive income for the period</b>	<b>3,158</b>	<b>5,080</b>	<b>2,073</b>	<b>4,166</b>	<b>4,883</b>	<b>5,951</b>	<b>833</b>	<b>3,464</b>
Attributable to								
Shareholders in Svenska Handelsbanken AB	3,158	5,080	2,073	4,166	4,883	5,950	834	3,463
Minority interest	0	0	0	0	0	1	-1	1

**Handelsbanken Group - Key figures**

	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Return on equity, total operations	12.9%	12.4%	10.6%	14.7%	14.2%	13.1%	14.8%	12.7%
Return on equity, continuing operations*	12.9%	12.4%	10.6%	14.7%	14.2%	13.1%	14.7%	12.5%
C/I ratio, continuing operations	46.9%	44.8%	45.6%	41.2%	44.5%	49.8%	45.0%	45.2%
C/I ratio, continuing operations, incl. loan losses	48.7%	46.8%	53.8%	45.7%	46.8%	51.6%	49.3%	50.0%
Adjusted equity per share, SEK	68.82	66.77	69.28	65.49	62.83	60.88	65.14	64.02
Common equity tier 1 ratio, CRR	23.4%	23.8%	25.1%	24.0%	23.0%	22.7%	21.2%	21.4%
Total capital ratio, CRR	29.0%	29.7%	31.4%	30.1%	28.9%	28.8%	27.2%	27.4%
Own funds in relation to capital requirement according to Basel I floor	148%	149%	148%	144%	142%	139%	137%	140%
Average number of employees, continuing operations	11,687	11,584	11,615	11,859	11,716	11,835	11,825	12,137
Number of branches, Sweden	423	425	435	463	472	473	474	474
Number of branches, Great Britain	207	207	207	206	205	201	198	196
Number of branches in Denmark	57	57	57	57	57	57	57	57
Number of branches in Finland	45	45	45	45	45	46	46	46
Number of branches in Norway	49	49	50	50	50	50	50	51
Number of branches in the Netherlands	27	26	25	25	23	23	23	23
Number of branches in other countries	13	13	13	13	13	13	13	17
<b>Total number of branches</b>	<b>821</b>	<b>822</b>	<b>832</b>	<b>859</b>	<b>865</b>	<b>863</b>	<b>861</b>	<b>864</b>

**Average number of employees**

	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Sweden	6,892	6,846	6,888	7,108	7,011	7,175	7,194	7,486
UK	2,136	2,103	2,090	2,097	2,068	2,022	1,993	1,959
Norway	743	742	747	767	746	752	754	783
Denmark	649	655	660	677	677	678	682	693
Finland	620	600	598	620	622	613	611	629
The Netherlands	285	271	256	208	202	196	188	174
<b>Total in home markets</b>	<b>11,325</b>	<b>11,217</b>	<b>11,239</b>	<b>11,477</b>	<b>11,326</b>	<b>11,436</b>	<b>11,422</b>	<b>11,724</b>
Greater China (Incl. Hong Kong)	69	72	73	71	74	73	73	73
USA	67	66	66	69	68	67	68	72
Luxembourg	58	58	57	56	55	59	59	60
Germany	42	43	43	42	46	50	51	53
Poland	39	41	41	40	41	43	42	42
Singapore	37	37	40	40	38	38	38	39
Estonia	18	17	19	20	20	20	18	18
France	7	8	11	16	18	17	19	21
Latvia	7	6	7	8	8	8	10	10
Lithuania	5	5	5	5	5	6	7	7
Austria	3	4	4	5	4	5	5	5
Other countries (Representative office)	10	10	10	10	13	13	13	13
<b>Total</b>	<b>11,687</b>	<b>11,584</b>	<b>11,615</b>	<b>11,859</b>	<b>11,716</b>	<b>11,835</b>	<b>11,825</b>	<b>12,137</b>

## 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	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
<b>Equity</b>	<b>134,900</b>	<b>131,741</b>	<b>136,381</b>	<b>134,085</b>	<b>129,582</b>	<b>122,777</b>	<b>128,268</b>	<b>127,435</b>
Adjustment defined benefit pension plans	-4,253	-3,463	-1,656	2,246	2,317	288	1,461	1,849
Adjustment fair value reserve	-1,028	-1,009	-974	-996	-1,509	-981	-2,024	-2,874
Adjustment hedge reserve	-1,907	-2,749	-2,487	-7,850	-8,815	-7,690	-4,940	-6,259
Reversed weighted dividend	0	9,080	0	0	0	9,556	0	0
<b>Total adjusted equity</b>	<b>127,712</b>	<b>133,600</b>	<b>131,264</b>	<b>127,485</b>	<b>121,575</b>	<b>123,951</b>	<b>122,765</b>	<b>120,151</b>
Adjusted equity, average *	126,116	132,432	129,375	124,530	117,985	123,358	121,458	118,673
Adjustment for impact of conversions on adjusted equity, quarterly average	-1	-1	-2,370	-2,090	-961	0	-1	-1
Actual quarterly average of converted shares	1	1	2,430	2,033	856	0	1	1
Capital Markets's holdings of SHB shares, average	0	0	0	0	0	0	0	0
<b>Adjusted equity, quarterly average</b>	<b>126,116</b>	<b>132,432</b>	<b>129,435</b>	<b>124,473</b>	<b>117,880</b>	<b>123,358</b>	<b>121,458</b>	<b>118,673</b>
<b>Profit for the period</b>	<b>4,056</b>	<b>4,111</b>	<b>3,444</b>	<b>4,564</b>	<b>4,194</b>	<b>4,043</b>	<b>4,501</b>	<b>3,758</b>
<b>Return on equity, total operations</b>	<b>12.9%</b>	<b>12.4%</b>	<b>10.6%</b>	<b>14.7%</b>	<b>14.2%</b>	<b>13.1%</b>	<b>14.8%</b>	<b>12.7%</b>

\* 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	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
<b>Equity</b>	<b>134,900</b>	<b>131,741</b>	<b>136,381</b>	<b>134,085</b>	<b>129,582</b>	<b>122,777</b>	<b>128,268</b>	<b>127,435</b>
Adjustment minority share	-6	-6	-6	-6	-5	-5	-4	-5
Adjustment hedge reserve	-1,907	-2,749	-2,487	-7,850	-8,815	-7,690	-4,940	-6,259
Outstanding convertible loan (included in subordinated liabilities item)	2,942	2,911	2,882	3,073	3,374	5,237	5,183	5,129
<b>Total adjusted equity</b>	<b>135,929</b>	<b>131,897</b>	<b>136,770</b>	<b>129,302</b>	<b>124,136</b>	<b>120,319</b>	<b>128,507</b>	<b>126,300</b>
Number of outstanding shares after dilution (millions)	1,975	1,975	1,974	1,975	1,976	1,976	1,973	1,973
<b>Adjusted shareholders' equity per share, SEK</b>	<b>68.82</b>	<b>66.77</b>	<b>69.28</b>	<b>65.49</b>	<b>62.83</b>	<b>60.88</b>	<b>65.14</b>	<b>64.02</b>

### Loan loss ratio

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

SEK m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
<b>Loan losses</b>	<b>-186</b>	<b>-196</b>	<b>-832</b>	<b>-476</b>	<b>-229</b>	<b>-187</b>	<b>-475</b>	<b>-458</b>
Loans to the public, at beginning of year	1,963,622	1,963,622	1,866,467	1,866,467	1,866,467	1,866,467	1,807,836	1,807,836
Loans to other credit institutions excl. banks, at beginning of year	8,413	8,413	26,941	26,941	26,941	26,941	45,606	45,606
Guarantees (loans), at beginning of year	9,643	9,643	9,750	9,750	9,750	9,750	10,335	10,335
Assets repossessed for protection of claims, carrying amount, at beginning of year	364	364	460	460	460	460	488	488
<b>Total lending at beginning of year</b>	<b>1,982,042</b>	<b>1,982,042</b>	<b>1,903,618</b>	<b>1,903,618</b>	<b>1,903,618</b>	<b>1,903,618</b>	<b>1,864,265</b>	<b>1,864,265</b>
<b>Loan loss ratio</b>	<b>0.04%</b>	<b>0.04%</b>	<b>0.17%</b>	<b>0.10%</b>	<b>0.05%</b>	<b>0.04%</b>	<b>0.10%</b>	<b>0.10%</b>

**One-offs and special items in Operating profit**

SEK m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
<b>Special items</b>								
Benchmark effect in Stadshypotek	-31	-8	37	-51	-29	35	-56	-36
Oktagonen (The Bank's profit-sharing system)	-243	-243					-438	-22
Performance-related remuneration	-27	-20	-34	-12	-25	-31	-20	-19
<b>Total Special items</b>	<b>-301</b>	<b>-271</b>	<b>3</b>	<b>-63</b>	<b>-54</b>	<b>4</b>	<b>-514</b>	<b>-77</b>
<b>One-offs</b>								
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				
Transition to a defined contribution pension plan in the Norwegian operations		239						
<b>Total One-offs</b>		<b>239</b>		<b>764</b>	<b>145</b>	<b>127</b>	<b>1,207</b>	
<b>Total</b>	<b>-301</b>	<b>-32</b>	<b>3</b>	<b>701</b>	<b>91</b>	<b>131</b>	<b>693</b>	<b>-77</b>

**Fees for the Resolution Fund etc.**

SEK m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
<b>Swedish Resolution Fund</b>								
Handelsbanken Sweden (NII)	-201	-205	-100	-102	-98	-106	-115	-111
Handelsbanken UK (NII)	-39	-39	-19	-17	-16	-17	-20	-18
Handelsbanken Denmark (NII)	-15	-15	-7	-7	-7	-8	-8	-8
Handelsbanken Finland (NII)	-23	-24	-9	-11	-10	-11	-8	-10
Handelsbanken Norway (NII)	-41	-42	-15	-20	-20	-21	-17	-20
Handelsbanken the Netherlands (NII)	-4	-5	-2	-2	-2	-2	-3	-2
Handelsbanken Capital Markets (NII)	-15	-16	-9	-18	-18	-19	18	-14
Other (NII)	-89	-92	-79	-68	-65	-71	65	-63
<b>Total fees for the Swedish Resolution Fund *</b>	<b>-427</b>	<b>-438</b>	<b>-240</b>	<b>-245</b>	<b>-236</b>	<b>-255</b>	<b>-88</b>	<b>-246</b>
<b>Swedish deposit guarantee</b>								
Handelsbanken Sweden (NII)	-69	-69	-64	-63	-63	-63	-58	-52
Handelsbanken UK (NII)	-6	-6	-6	-5	-5	-5	-4	-4
Handelsbanken Denmark (NII)	-4	-4	-2	-4	-4	-4	-4	-3
Handelsbanken Finland (NII)	-3	-3	-3	-3	-3	-3	-3	-3
Handelsbanken Norway (NII)	-6	-6	-3	-5	-5	-5	-7	-4
Handelsbanken the Netherlands (NII)	0	0	-1	0	0	0	0	-
Handelsbanken Capital Markets (NII)	0	0	0	0	-1	0	0	-
Other (NII)	-	-	-	-	-	-	-	-
<b>Total fees for Swedish deposit guarantee</b>	<b>-88</b>	<b>-88</b>	<b>-79</b>	<b>-80</b>	<b>-81</b>	<b>-80</b>	<b>-76</b>	<b>-66</b>
<b>Danish deposit guarantee</b>								
Handelsbanken Denmark (NII)	-	-	-	-	-	-	-2	-3
<b>Total fees to Danish deposit guarantee</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-2</b>	<b>-3</b>
<b>Norwegian deposit guarantee</b>								
Handelsbanken Norway (NII)	-1	-1	-1	-1	-1	-1	-1	-1
<b>State fees outside home markets</b>								
Handelsbanken Capital Markets (NII)	-	-	-	-	-	0	0	0
<b>Total</b>	<b>-516</b>	<b>-527</b>	<b>-320</b>	<b>-326</b>	<b>-318</b>	<b>-336</b>	<b>-167</b>	<b>-316</b>

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



## Exchange rates

SEK, End of period (Balance sheet)	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	Change y/y	Change q/q
DKK	1.2951	1.2828	1.2890	1.2928	1.2675	2%	1%
EUR	9.6308	9.5403	9.5830	9.6283	9.4303	2%	1%
GBP	10.9431	11.1309	11.1729	11.1535	11.3964	-4%	-2%
NOK	1.0047	1.0392	1.0545	1.0739	1.0129	-1%	-3%
USD	8.4337	8.9295	9.0751	8.5897	8.4966	-1%	-6%

SEK, Average as from 1 Jan (Income statement)	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	Change y/y	Change q/q
DKK	1.2901	1.2787	1.2723	1.2589	1.2485	3%	1%
EUR	9.5947	9.5075	9.4723	9.3753	9.3011	3%	1%
GBP	11.1524	11.0537	11.5685	11.6804	11.9436	-7%	1%
NOK	1.0461	1.0577	1.0205	1.0004	0.9876	6%	-1%
USD	8.8658	8.9271	8.5654	8.4002	8.3350	6%	-1%

## The effect of exchange rate movements - Home markets outside Sweden

## Jan - Jun 2017 vs. same period last year

SEK m	GB	DK	FI	NO	NL	HCM	Total
Net interest income	-145	27	19	88	6	8	3
Net fee and commission income	-17	6	6	11	0	5	11
Net result of financial transactions	-7	2	1	2	0	2	0
Other income	0	0	0	4	0	0	4
<b>Total income</b>	<b>-169</b>	<b>35</b>	<b>26</b>	<b>105</b>	<b>6</b>	<b>15</b>	<b>18</b>
Staff costs	66	-11	-6	-20	-3	-10	16
Other administrative expenses	28	-7	-7	-14	-2	-5	-7
Depreciation and amortisation	2	0	0	0	0	0	2
<b>Total expenses</b>	<b>96</b>	<b>-18</b>	<b>-13</b>	<b>-34</b>	<b>-5</b>	<b>-15</b>	<b>11</b>
Net loan losses	4	-2	-1	-9	0	0	-8
<b>Operating profit</b>	<b>-69</b>	<b>15</b>	<b>12</b>	<b>62</b>	<b>1</b>	<b>0</b>	<b>21</b>

## Q2 2017 vs. previous quarter

SEK m	GB	DK	FI	NO	NL	HCM	Total
Net interest income	20	8	6	-19	2	1	18
Net fee and commission income	3	2	2	-3	1	0	5
Net result of financial transactions	1	0	0	0	0	0	1
Other income	0	0	0	0	0	0	0
<b>Total income</b>	<b>24</b>	<b>10</b>	<b>8</b>	<b>-22</b>	<b>3</b>	<b>1</b>	<b>24</b>
Staff costs	-8	-3	-2	0	-1	-1	-15
Other administrative expenses	-4	-2	-2	3	-1	-1	-7
Depreciation and amortisation	0	0	0	0	0	0	0
<b>Total expenses</b>	<b>-12</b>	<b>-5</b>	<b>-4</b>	<b>3</b>	<b>-2</b>	<b>-2</b>	<b>-22</b>
Net loan losses	0	0	0	2	0	0	2
<b>Operating profit</b>	<b>12</b>	<b>5</b>	<b>4</b>	<b>-17</b>	<b>1</b>	<b>-1</b>	<b>4</b>

**Net interest income**

SEK m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
<b>Interest income</b>								
Loans to credit institutions and central banks	522	347	228	322	391	481	330	333
Loans to the public	9,750	9,695	9,962	9,800	9,759	9,812	9,971	10,274
Interest-bearing securities eligible as collateral with central banks	43	57	-99	101	109	118	126	192
Interest-bearing securities	164	176	191	167	232	193	172	186
Derivative instruments	-380	-326	-331	-661	-1,218	-419	-253	-645
Other interest income	359	320	346	331	329	311	345	335
<b>Total interest income</b>	<b>10,458</b>	<b>10,269</b>	<b>10,297</b>	<b>10,060</b>	<b>9,602</b>	<b>10,496</b>	<b>10,691</b>	<b>10,675</b>
on financial transactions	60	59	77	117	151	160	151	239
<b>Interest income according to income statement</b>	<b>10,398</b>	<b>10,210</b>	<b>10,220</b>	<b>9,943</b>	<b>9,451</b>	<b>10,336</b>	<b>10,540</b>	<b>10,436</b>
<b>Interest expense</b>								
Due to credit institutions and central banks	-309	-299	-293	-250	-261	-282	-226	-204
Deposits and borrowing from the general public	-398	-294	-288	-349	-382	-404	-377	-425
Issued securities	-4,023	-4,157	-4,361	-4,405	-4,582	-4,392	-4,421	-4,502
Derivative instruments	2,454	2,432	2,651	2,697	3,210	2,213	2,027	2,238
Subordinated liabilities	-356	-360	-388	-373	-384	-389	-425	-457
State fees	-516	-527	-320	-326	-318	-336	-167	-316
Other interest expense	-19	-28	-26	-58	-124	-71	-58	-112
<b>Total interest expense</b>	<b>-3,167</b>	<b>-3,233</b>	<b>-3,025</b>	<b>-3,064</b>	<b>-2,841</b>	<b>-3,661</b>	<b>-3,647</b>	<b>-3,778</b>
Of which interest expense reported in Net gains/losses on financial transactions	-90	-104	-104	-162	-198	-120	-78	-176
<b>Interest expense according to income statement</b>	<b>-3,077</b>	<b>-3,129</b>	<b>-2,921</b>	<b>-2,902</b>	<b>-2,643</b>	<b>-3,541</b>	<b>-3,569</b>	<b>-3,602</b>
<b>Net interest income</b>	<b>7,321</b>	<b>7,081</b>	<b>7,299</b>	<b>7,041</b>	<b>6,808</b>	<b>6,795</b>	<b>6,971</b>	<b>6,834</b>

**Net fee and commission income**

SEK m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Brokerage and other securities commissions	246	261	256	198	229	233	266	212
Mutual funds	895	849	835	776	717	695	743	743
Custody and other asset management fees	169	164	183	145	148	147	150	147
Advisory services	105	56	59	56	98	104	89	96
Insurance	168	160	163	162	151	158	155	158
Payments	847	760	857	815	795	718	852	890
Loans and deposits	308	301	309	293	290	280	296	257
Guarantees	99	97	107	108	108	99	108	102
Other	125	124	126	116	127	119	122	117
<b>Total fee and commission income</b>	<b>2,962</b>	<b>2,772</b>	<b>2,895</b>	<b>2,669</b>	<b>2,663</b>	<b>2,553</b>	<b>2,781</b>	<b>2,722</b>
Securities	-70	-72	-74	-50	-70	-66	-59	-51
Payments	-368	-331	-355	-341	-293	-300	-359	-347
Other	-16	-15	-19	-19	-20	-17	-20	-16
<b>Total fee and commission expense</b>	<b>-454</b>	<b>-418</b>	<b>-448</b>	<b>-410</b>	<b>-383</b>	<b>-383</b>	<b>-438</b>	<b>-414</b>
<b>Net fee and commission income</b>	<b>2,508</b>	<b>2,354</b>	<b>2,447</b>	<b>2,259</b>	<b>2,280</b>	<b>2,170</b>	<b>2,343</b>	<b>2,308</b>

**Net gains/losses on financial transactions**

SEK m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Trading, derivatives, FX effect etc	439	706	940	249	-90	-267	719	32
Other financial instruments at fair value in profit/loss	-132	-139	-641	77	447	583	-416	225
of which interest-bearing securities	-123	-129	-627	89	455	585	-346	241
of which loans	-9	-10	-14	-12	-8	-2	-70	-16
Financial instruments at amor ised cost	32	13	29	61	56	36	-38	53
of which loans	86	84	114	119	127	86	94	154
of which liabilities	-54	-71	-85	-58	-71	-50	-132	-101
Financial instruments available for sale	4	2	4	769	89	827	1,192	0
Hedge accounting	3	-10	-14	-25	36	0	93	-48
of which net gains/losses on fair value hedges	6	-6	1	-21	10	2	72	-49
Gains/losses on unbundled insurance contracts	-29	-25	-49	-19	-15	-17	-47	-36
<b>Net gains/losses on financial transactions</b>	<b>317</b>	<b>547</b>	<b>269</b>	<b>1,112</b>	<b>523</b>	<b>1,162</b>	<b>1,503</b>	<b>226</b>

**Other expenses**

SEK m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Property and premises	-290	-318	-319	-304	-303	-308	-320	-304
External IT costs	-489	-478	-476	-394	-420	-408	-438	-373
Communication	-75	-84	-79	-73	-80	-85	-89	-82
Travel and marketing	-88	-68	-96	-57	-85	-68	-103	-67
Purchased services	-317	-318	-338	-259	-298	-264	-304	-239
Supplies	-38	-48	-43	-42	-43	-45	-47	-45
Other administrative expenses	-113	-116	-167	-105	-117	-125	-141	-87
<b>Other expenses</b>	<b>-1,410</b>	<b>-1,430</b>	<b>-1,518</b>	<b>-1,234</b>	<b>-1,346</b>	<b>-1,303</b>	<b>-1,442</b>	<b>-1,197</b>

**Loan losses**

SEK m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
<b>Specific provision for individually assessed loans</b>								
Provision for the period	-165	-301	-826	-432	-297	-344	-494	-499
Reversal of previous provisions	64	61	202	42	76	57	102	114
<b>Total</b>	<b>-101</b>	<b>-240</b>	<b>-624</b>	<b>-390</b>	<b>-221</b>	<b>-287</b>	<b>-392</b>	<b>-385</b>
<b>Collective provisions</b>								
Net provision for the period for individually assessed loans	-67	6	-24	-41	-4	7	-15	-38
Net provision for the period for homogeneous loans	-3	1	0	-11	0	1	-7	6
<b>Total</b>	<b>-70</b>	<b>7</b>	<b>-24</b>	<b>-52</b>	<b>-4</b>	<b>8</b>	<b>-22</b>	<b>-32</b>
<b>Off-balance-sheet items</b>								
Losses on off-balance-sheet items	0	-1	-12	0	-2	-2	0	0
Reversal of previous losses on off-balance-sheet items	9	1	0	0	2	-	0	-
Change in collective provision for off-balance-sheet items	-9	12	-23	-8	-10	15	-6	-3
<b>Total</b>	<b>0</b>	<b>12</b>	<b>-35</b>	<b>-8</b>	<b>-10</b>	<b>13</b>	<b>-6</b>	<b>-3</b>
<b>Write-offs</b>								
Actual loan losses for the period	-253	-410	-628	-198	-142	-1,215	-296	-235
Utilised share of previous provisions	195	396	427	127	114	1,195	195	150
Recoveries	42	40	52	45	34	99	46	47
<b>Total</b>	<b>-16</b>	<b>26</b>	<b>-149</b>	<b>-26</b>	<b>6</b>	<b>79</b>	<b>-55</b>	<b>-38</b>
Value change for the period	1	-1	-	-	-	-	-	-
<b>Net loan losses</b>	<b>-186</b>	<b>-196</b>	<b>-832</b>	<b>-476</b>	<b>-229</b>	<b>-187</b>	<b>-475</b>	<b>-458</b>

**Impaired loans**

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

SEK m	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015
Impaired loans	7,303	7,594	7,746	7,710	7,427	7,390	8,844	8,863
Specific provision for individually assessed loans	-3,840	-3,985	-4,188	-3,972	-3,671	-3,517	-4,444	-4,320
Provision for collectively assessed homogeneous groups of loans with limited value	-108	-105	-107	-107	-94	-93	-94	-88
Collective provisions for individually assessed loans	-403	-340	-348	-310	-279	-272	-278	-266
<b>Impaired loans, net</b>	<b>2,952</b>	<b>3,164</b>	<b>3,103</b>	<b>3,321</b>	<b>3,383</b>	<b>3,508</b>	<b>4,028</b>	<b>4,189</b>
Total impaired loans reserve ratio	59.6%	58.3%	59.9%	56.9%	54.4%	52.5%	54.5%	52.7%
Proportion of impaired loans	0.15%	0.16%	0.16%	0.17%	0.17%	0.18%	0.21%	0.22%
Impaired loans reserve ratio excl. collective provisions	54.1%	53.9%	55.4%	52.9%	50.7%	48.8%	51.3%	49.7%
Loan loss ratio as a % of loans, quarterly	0.04%	0.04%	0.17%	0.10%	0.05%	0.04%	0.10%	0.10%
Loans past due > 60 days	4,067	3,925	4,123	4,928	4,629	4,473	4,657	5,286
Loans past due > 60 days, which are not impaired	1,116	946	1,061	1,381	1,229	1,270	1,218	1,504

## Segment information

### Operating profit per segment, quarterly

SEK m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Sweden	3,429	3,148	3,291	3,832	3,132	2,317	2,779	3,006
Handelsbanken UK	599	521	472	518	568	536	559	561
Handelsbanken Denmark	226	270	-236	70	216	246	207	72
Handelsbanken Finland	189	213	236	211	225	183	238	251
Handelsbanken Norway	618	833	604	591	628	492	566	565
Handelsbanken he Netherlands	53	49	73	41	25	28	17	25
Capital Markets	441	501	272	298	417	365	316	335
Other	-230	-122	215	199	127	854	831	-43
Adjustments & eliminations	-68	-66	-229	-69	-61	-54	20	-41
<b>Operating profit, Group</b>	<b>5,257</b>	<b>5,347</b>	<b>4,698</b>	<b>5,691</b>	<b>5,277</b>	<b>4,967</b>	<b>5,533</b>	<b>4,731</b>

### Total income per segment

SEK m	Q2 2017	Q1 2017	Change	Q2 2016	Change	Jan-Jun 2017	Jan-Jun 2016	Change	Full year 2016
Sweden	5,385	5,162	4%	5,139	5%	10,547	10,045	5%	20,524
Handelsbanken UK	1,376	1,265	9%	1,310	5%	2,641	2,596	2%	5,155
Handelsbanken Denmark	576	556	4%	522	10%	1,132	1,049	8%	2,155
Handelsbanken Finland	431	423	2%	444	-3%	854	871	-2%	1,734
Handelsbanken Norway	1,025	1,019	1%	986	4%	2,044	1,881	9%	3,931
Handelsbanken he Netherlands	172	160	7%	106	62%	332	207	60%	521
Handelsbanken Capital Markets	1,261	1,342	-6%	1,279	-1%	2,603	2,476	5%	4,772
Other	12	109	-89%	136	-91%	121	1,040	-88%	1,971
Adjustments & eliminations	-	-	-	-	-	-	-	-	-
<b>Total income</b>	<b>10,238</b>	<b>10,036</b>	<b>2%</b>	<b>9,922</b>	<b>3%</b>	<b>20,274</b>	<b>20,165</b>	<b>1%</b>	<b>40,763</b>

### Total expenses per segment

SEK m	Q2 2017	Q1 2017	Change	Q2 2016	Change	Jan-Jun 2017	Jan-Jun 2016	Change	Full year 2016
Sweden	-1,917	-1,954	-2%	-1,924	0%	-3,871	-4,488	-14%	-7,536
Handelsbanken UK	-754	-731	3%	-715	5%	-1,485	-1,427	4%	-2,903
Handelsbanken Denmark	-286	-288	-1%	-269	6%	-574	-544	6%	-1,150
Handelsbanken Finland	-227	-213	7%	-208	9%	-440	-429	3%	-843
Handelsbanken Norway	-351	-140	151%	-294	19%	-491	-594	-17%	-1,269
Handelsbanken he Netherlands	-121	-109	11%	-82	48%	-230	-155	48%	-354
Handelsbanken Capital Markets	-831	-766	8%	-855	-3%	-1,597	-1,697	-6%	-3,371
Other	-242	-231	5%	-9	-473	-64	-599	-599	
Adjustments & eliminations	-68	-66	-3%	-61	-11%	-134	-115	17%	-413
<b>Total expenses</b>	<b>-4,797</b>	<b>-4,498</b>	<b>7%</b>	<b>-4,417</b>	<b>9%</b>	<b>-9,295</b>	<b>-9,513</b>	<b>-2%</b>	<b>-18,438</b>

### Operating profit per segment

SEK m	Q2 2017	Q1 2017	Change	Q2 2016	Change	Jan-Jun 2017	Jan-Jun 2016	Change	Full year 2016
Sweden	3,429	3,148	9%	3,132	9%	6,577	5,449	21%	12,572
Handelsbanken UK	599	521	15%	568	5%	1,120	1,104	1%	2,094
Handelsbanken Denmark	226	270	-16%	216	5%	496	462	7%	296
Handelsbanken Finland	189	213	-11%	225	-16%	402	408	-1%	855
Handelsbanken Norway	618	833	-26%	628	-2%	1,451	1,120	30%	2,315
Handelsbanken he Netherlands	53	49	8%	25	112%	102	53	92%	167
Handelsbanken Capital Markets	441	501	-12%	417	6%	942	782	20%	1,352
Other	-230	-122	-89%	127	-352	981	1,395	-1,395	
Adjustments & eliminations	-68	-66	-3%	-61	-11%	-134	-115	-17%	-413
<b>Operating profit</b>	<b>5,257</b>	<b>5,347</b>	<b>-2%</b>	<b>5,277</b>	<b>0%</b>	<b>10,604</b>	<b>10,244</b>	<b>4%</b>	<b>20,633</b>

## Handelsbanken Sweden

SEK m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Net interest income	4,076	3,946	4,018	3,929	3,813	3,759	3,775	3,717
Net fee and commission income	1,117	1,058	1,102	1,047	1,080	1,004	1,143	1,154
Net gains/losses on financial transactions	176	147	184	167	242	132	50	94
Other income	16	11	28	4	4	11	16	5
<b>Total income</b>	<b>5,385</b>	<b>5,162</b>	<b>5,332</b>	<b>5,147</b>	<b>5,139</b>	<b>4,906</b>	<b>4,984</b>	<b>4,970</b>
Staff costs	-848	-856	-867	-278	-920	-1,606	-908	-910
Other expenses	-279	-279	-302	-261	-310	-280	-324	-266
Internal purchased and sold services	-773	-792	-680	-630	-677	-658	-636	-630
Depreciation, amortisation and impairments of property, equipment and intangible assets	-17	-27	-11	-19	-17	-20	-21	-22
<b>Total expenses</b>	<b>-1,917</b>	<b>-1,954</b>	<b>-1,860</b>	<b>-1,188</b>	<b>-1,924</b>	<b>-2,564</b>	<b>-1,889</b>	<b>-1,828</b>
<b>Profit before loan losses</b>	<b>3,468</b>	<b>3,208</b>	<b>3,472</b>	<b>3,959</b>	<b>3,215</b>	<b>2,342</b>	<b>3,095</b>	<b>3,142</b>
Net loan losses	-39	-60	-180	-128	-84	-24	-317	-136
Gains/losses on disposal of property, equipment and intangible assets	0	0	-1	1	1	-1	1	0
<b>Operating profit</b>	<b>3,429</b>	<b>3,148</b>	<b>3,291</b>	<b>3,832</b>	<b>3,132</b>	<b>2,317</b>	<b>2,779</b>	<b>3,006</b>
Profit allocation	330	294	300	271	224	202	236	279
<b>Operating profit after profit allocation</b>	<b>3,759</b>	<b>3,442</b>	<b>3,591</b>	<b>4,103</b>	<b>3,356</b>	<b>2,519</b>	<b>3,015</b>	<b>3,285</b>
Cost/income ratio, %	33.5	35.8	33.0	21.9	35.9	50.2	36.2	34.8
Loan loss ratio, %	0.01	0.02	0.06	0.04	0.03	0.01	0.11	0.05
Allocated capital	74,464	78,736	77,800	72,997	68,642	74,375	71,894	68,490
Return on allocated capital, %	15.7	13.6	14.4	17.5	15.3	10.6	13.1	15.0
Average number of employees	3,990	4,006	4,109	4,352	4,300	4,412	4,427	4,713
Number of branches	423	425	435	463	472	473	474	474

### Business volumes, Handelsbanken Sweden

Average volumes, SEK bn	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Loans to the public*								
Household	775	765	757	748	736	721	709	693
of which mortgage loans	725	714	705	695	681	667	654	639
Corporate	486	479	473	479	481	482	478	475
of which mortgage loans	280	275	269	270	272	274	273	270
<b>Total</b>	<b>1,261</b>	<b>1,244</b>	<b>1,230</b>	<b>1,227</b>	<b>1,217</b>	<b>1,203</b>	<b>1,187</b>	<b>1,168</b>
Deposits and borrowing from the public								
Household	316	307	306	302	291	281	276	269
Corporate	229	217	209	200	200	197	199	194
<b>Total</b>	<b>545</b>	<b>524</b>	<b>515</b>	<b>502</b>	<b>491</b>	<b>478</b>	<b>475</b>	<b>463</b>

\* Excluding loans to the National Debt Office.

## Handelsbanken UK

SEK m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Net interest income	1,178	1,079	1,111	1,085	1,102	1,116	1,193	1,180
Net fee and commission income	150	140	147	121	132	119	130	114
Net gains/losses on financial transactions	48	46	59	34	76	50	47	44
Other income	0	0	3	-1	0	1	2	1
<b>Total income</b>	<b>1,376</b>	<b>1,265</b>	<b>1,320</b>	<b>1,239</b>	<b>1,310</b>	<b>1,286</b>	<b>1,372</b>	<b>1,339</b>
Staff costs	-461	-453	-470	-444	-462	-473	-480	-482
Other expenses	-126	-112	-143	-109	-105	-106	-135	-104
Internal purchased and sold services	-151	-150	-151	-137	-137	-120	-129	-116
Depreciation, amortisation and impairments of property, equipment and intangible assets	-16	-16	-11	-11	-11	-13	-11	-9
<b>Total expenses</b>	<b>-754</b>	<b>-731</b>	<b>-775</b>	<b>-701</b>	<b>-715</b>	<b>-712</b>	<b>-755</b>	<b>-711</b>
<b>Profit before loan losses</b>	<b>622</b>	<b>534</b>	<b>545</b>	<b>538</b>	<b>595</b>	<b>574</b>	<b>617</b>	<b>628</b>
Net loan losses	-23	-12	-73	-20	-26	-41	-57	-65
Gains/losses on disposal of property, equipment and intangible assets	0	-1	0	0	-1	3	-1	-2
<b>Operating profit</b>	<b>599</b>	<b>521</b>	<b>472</b>	<b>518</b>	<b>568</b>	<b>536</b>	<b>559</b>	<b>561</b>
Profit allocation	7	8	9	11	7	8	9	8
<b>Operating profit after profit allocation</b>	<b>606</b>	<b>529</b>	<b>481</b>	<b>529</b>	<b>575</b>	<b>544</b>	<b>568</b>	<b>569</b>
Cost/income ratio, %	54.5	57.4	58.3	56.1	54.3	55.0	54.7	52.8
Loan loss ratio, %	0.05	0.02	0.15	0.04	0.05	0.08	0.13	0.15
Allocated capital	12,144	12,914	11,426	10,582	10,263	10,911	10,452	10,723
Return on allocated capital, %	15.6	12.8	13.1	15.6	17.5	15.6	17.0	16.5
Average number of employees	2,022	1,991	1,980	1,987	1,957	1,912	1,883	1,850
Number of branches	207	207	207	206	205	201	198	196

### Handelsbanken UK, in local currency

GBP m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Net interest income	104.8	97.6	98.7	97.1	93.4	92.3	92.5	89.7
Net fee and commission income	13.3	12.7	13.1	10.8	11.2	9.8	10.2	8.6
Net gains/losses on financial transactions	4.2	4.2	5.2	3.1	6.5	4.1	3.6	3.3
Other income	0.1	0.0	0.2	0.0	0.0	0.1	0.1	0.1
<b>Total income</b>	<b>122.4</b>	<b>114.5</b>	<b>117.2</b>	<b>111.0</b>	<b>111.1</b>	<b>106.3</b>	<b>106.4</b>	<b>101.7</b>
Staff costs	-41.0	-41.0	-41.8	-39.7	-39.2	-39.1	-37.3	-36.6
Other expenses	-11.2	-10.1	-12.8	-9.6	-8.9	-8.8	-10.4	-7.9
Internal purchased and sold services	-13.4	-13.6	-13.2	-12.4	-11.5	-10.0	-10.2	-8.8
Depreciation, amortisation and impairments of property, equipment and intangible assets	-1.4	-1.5	-1.0	-1.0	-1.0	-1.0	-0.8	-0.7
<b>Total expenses</b>	<b>-67.0</b>	<b>-66.2</b>	<b>-68.8</b>	<b>-62.7</b>	<b>-60.6</b>	<b>-58.9</b>	<b>-58.7</b>	<b>-54.0</b>
<b>Profit before loan losses</b>	<b>55.4</b>	<b>48.3</b>	<b>48.4</b>	<b>48.3</b>	<b>50.5</b>	<b>47.4</b>	<b>47.7</b>	<b>47.7</b>
Net loan losses	-2.1	-1.1	-6.3	-1.9	-2.2	-3.4	-4.4	-4.9
Gains/losses on disposal of property, equipment and intangible assets	-0.1	0.0	0.0	0.0	-0.1	0.3	0.0	-0.2
<b>Operating profit</b>	<b>53.2</b>	<b>47.2</b>	<b>42.1</b>	<b>46.4</b>	<b>48.2</b>	<b>44.3</b>	<b>43.3</b>	<b>42.6</b>
Profit allocation	0.7	0.7	0.8	1.0	0.5	0.7	0.7	0.6
<b>Operating profit after profit allocation</b>	<b>53.9</b>	<b>47.9</b>	<b>42.9</b>	<b>47.4</b>	<b>48.7</b>	<b>45.0</b>	<b>44.0</b>	<b>43.2</b>

### Business volumes, Handelsbanken UK

Average volumes, GBP m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Loans to the public								
Household	6,073	5,916	5,754	5,609	5,456	5,288	5,094	4,900
Corporate	12,050	11,719	11,418	11,196	10,847	10,566	10,357	10,136
<b>Total</b>	<b>18,123</b>	<b>17,635</b>	<b>17,172</b>	<b>16,805</b>	<b>16,303</b>	<b>15,854</b>	<b>15,451</b>	<b>15,036</b>
Deposits and borrowing from the public								
Household	3,603	3,297	3,039	2,751	2,425	2,060	1,948	1,832
Corporate	8,490	7,840	7,550	7,526	7,051	6,744	6,744	6,828
<b>Total</b>	<b>12,093</b>	<b>11,137</b>	<b>10,589</b>	<b>10,277</b>	<b>9,476</b>	<b>8,804</b>	<b>8,692</b>	<b>8,660</b>

## Handelsbanken Denmark

SEK m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Net interest income	425	417	447	425	405	409	418	417
Net fee and commission income	121	108	95	93	93	98	102	92
Net gains/losses on financial transactions	29	24	21	19	18	17	24	18
Other income	1	7	3	3	6	3	3	4
<b>Total income</b>	<b>576</b>	<b>556</b>	<b>566</b>	<b>540</b>	<b>522</b>	<b>527</b>	<b>547</b>	<b>531</b>
Staff costs	-163	-166	-177	-164	-155	-159	-160	-162
Other expenses	-36	-39	-66	-43	-41	-44	-46	-42
Internal purchased and sold services	-83	-80	-78	-71	-69	-69	-70	-64
Depreciation, amortisation and impairments of property, equipment and intangible assets	-4	-3	-4	-3	-4	-3	-6	-2
<b>Total expenses</b>	<b>-286</b>	<b>-288</b>	<b>-325</b>	<b>-281</b>	<b>-269</b>	<b>-275</b>	<b>-282</b>	<b>-270</b>
<b>Profit before loan losses</b>	<b>290</b>	<b>268</b>	<b>241</b>	<b>259</b>	<b>253</b>	<b>252</b>	<b>265</b>	<b>261</b>
Net loan losses	-66	-4	-478	-194	-38	-6	-63	-190
Gains/losses on disposal of property, equipment and intangible assets	2	6	1	5	1	0	5	1
<b>Operating profit</b>	<b>226</b>	<b>270</b>	<b>-236</b>	<b>70</b>	<b>216</b>	<b>246</b>	<b>207</b>	<b>72</b>
Profit allocation	24	24	22	26	18	19	19	18
<b>Operating profit after profit allocation</b>	<b>250</b>	<b>294</b>	<b>-214</b>	<b>96</b>	<b>234</b>	<b>265</b>	<b>226</b>	<b>90</b>
Cost/income ratio, %	47.7	49.7	55.3	49.6	49.8	50.4	49.8	49.2
Loan loss ratio, %	0.27	0.02	2.26	0.92	0.18	0.03	0.31	0.94
Allocated capital	5,535	6,382	6,221	6,412	6,146	6,023	6,219	6,281
Return on allocated capital, %	14.1	14.4	-10.7	4.6	11.9	13.7	11.3	4.5
Average number of employees	605	611	617	627	626	626	630	640
Number of branches	57	57	57	57	57	57	57	57

### Handelsbanken Denmark, in local currency

DKK m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Net interest income	327	326	340	333	325	327	335	329
Net fee and commission income	93	85	73	72	75	78	81	73
Net gains/losses on financial transactions	22	19	16	15	15	13	19	15
Other income	1	5	3	2	4	3	3	3
<b>Total income</b>	<b>443</b>	<b>435</b>	<b>432</b>	<b>422</b>	<b>419</b>	<b>421</b>	<b>438</b>	<b>420</b>
Staff costs	-125	-130	-136	-127	-125	-127	-128	-128
Other expenses	-28	-30	-50	-34	-33	-35	-37	-33
Internal purchased and sold services	-65	-62	-60	-55	-56	-55	-57	-51
Depreciation, amortisation and impairments of property, equipment and intangible assets	-3	-3	-3	-3	-2	-3	-5	-1
<b>Total expenses</b>	<b>-221</b>	<b>-225</b>	<b>-249</b>	<b>-219</b>	<b>-216</b>	<b>-220</b>	<b>-227</b>	<b>-213</b>
<b>Profit before loan losses</b>	<b>222</b>	<b>210</b>	<b>183</b>	<b>203</b>	<b>203</b>	<b>201</b>	<b>211</b>	<b>207</b>
Net loan losses	-53	-3	-374	-154	-31	-4	-50	-152
Gains/losses on disposal of property, equipment and intangible assets	2	4	1	3	1	0	5	1
<b>Operating profit</b>	<b>171</b>	<b>211</b>	<b>-190</b>	<b>52</b>	<b>173</b>	<b>197</b>	<b>166</b>	<b>56</b>
Profit allocation	19	19	17	20	15	15	15	14
<b>Operating profit after profit allocation</b>	<b>190</b>	<b>230</b>	<b>-173</b>	<b>72</b>	<b>188</b>	<b>212</b>	<b>181</b>	<b>70</b>

### Business volumes, Handelsbanken Denmark

Average volumes, DKK bn	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Loans to the public								
Household	43.8	43.4	42.5	41.3	40.1	39.1	37.9	37.0
Corporate	28.8	29.6	29.0	28.7	28.8	28.7	28.2	29.9
<b>Total</b>	<b>72.6</b>	<b>73.0</b>	<b>71.5</b>	<b>70.0</b>	<b>68.9</b>	<b>67.8</b>	<b>66.1</b>	<b>66.9</b>
Deposits and borrowing from the public								
Household	12.9	12.2	12.4	12.1	12.0	11.3	11.5	11.5
Corporate	18.6	18.5	16.2	15.7	13.5	17.1	16.7	18.4
<b>Total</b>	<b>31.5</b>	<b>30.7</b>	<b>28.6</b>	<b>27.8</b>	<b>25.5</b>	<b>28.4</b>	<b>28.2</b>	<b>29.9</b>



## Handelsbanken Finland

SEK m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Net interest income	291	292	302	304	294	318	345	333
Net fee and commission income	121	113	116	108	102	93	93	96
Net gains/losses on financial transactions	13	14	21	8	45	13	12	10
Other income	6	4	3	1	3	3	7	3
<b>Total income</b>	<b>431</b>	<b>423</b>	<b>442</b>	<b>421</b>	<b>444</b>	<b>427</b>	<b>457</b>	<b>442</b>
Staff costs	-100	-94	-101	-94	-95	-90	-90	-92
Other expenses	-44	-42	-53	-37	-50	-70	-46	-35
Internal purchased and sold services	-78	-73	-62	-59	-60	-58	-66	-57
Depreciation, amortisation and impairments of property, equipment and intangible assets	-5	-4	-4	-4	-3	-3	-4	-2
<b>Total expenses</b>	<b>-227</b>	<b>-213</b>	<b>-220</b>	<b>-194</b>	<b>-208</b>	<b>-221</b>	<b>-206</b>	<b>-186</b>
<b>Profit before loan losses</b>	<b>204</b>	<b>210</b>	<b>222</b>	<b>227</b>	<b>236</b>	<b>206</b>	<b>251</b>	<b>256</b>
Net loan losses	-15	3	14	-16	-11	-23	-13	-5
Gains/losses on disposal of property, equipment and intangible assets	0	-	0	0	0	0	0	0
<b>Operating profit</b>	<b>189</b>	<b>213</b>	<b>236</b>	<b>211</b>	<b>225</b>	<b>183</b>	<b>238</b>	<b>251</b>
Profit allocation	38	32	38	31	30	32	32	26
<b>Operating profit after profit allocation</b>	<b>227</b>	<b>245</b>	<b>274</b>	<b>242</b>	<b>255</b>	<b>215</b>	<b>270</b>	<b>277</b>
Cost/income ratio, %	48.4	46.8	45.8	42.9	43.9	48.1	42.1	39.7
Loan loss ratio, %	0.05	-0.01	-0.05	0.05	0.04	0.08	0.04	0.02
Allocated capital	5,283	6,169	6,252	5,937	5,568	5,970	6,186	6,014
Return on allocated capital, %	13.4	12.4	13.7	12.7	14.3	11.2	13.6	14.4
Average number of employees	505	482	482	500	496	489	491	508
Number of branches	45	45	45	45	45	46	46	46

### Handelsbanken Finland, in local currency

EUR m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Net interest income	30.0	30.7	30.9	31.9	31.7	34.1	37.1	35.3
Net fee and commission income	12.7	11.8	11.9	11.3	11.1	9.9	10.0	10.2
Net gains/losses on financial transactions	1.4	1.4	2.1	0.8	4.9	1.4	1.2	1.2
Other income	0.5	0.5	0.3	0.1	0.3	0.3	0.8	0.2
<b>Total income</b>	<b>44.6</b>	<b>44.4</b>	<b>45.2</b>	<b>44.1</b>	<b>48.0</b>	<b>45.7</b>	<b>49.1</b>	<b>46.9</b>
Staff costs	-10.4	-9.9	-10.3	-9.9	-10.2	-9.6	-9.8	-9.7
Other expenses	-4.4	-4.5	-5.3	-3.9	-5.4	-7.5	-4.9	-3.7
Internal purchased and sold services	-8.1	-7.7	-6.4	-6.1	-6.6	-6.2	-7.0	-6.1
Depreciation, amortisation and impairments of property, equipment and intangible assets	-0.6	-0.4	-0.4	-0.4	-0.4	-0.3	-0.3	-0.3
<b>Total expenses</b>	<b>-23.5</b>	<b>-22.5</b>	<b>-22.4</b>	<b>-20.3</b>	<b>-22.6</b>	<b>-23.6</b>	<b>-22.0</b>	<b>-19.8</b>
<b>Profit before loan losses</b>	<b>21.1</b>	<b>21.9</b>	<b>22.8</b>	<b>23.8</b>	<b>25.4</b>	<b>22.1</b>	<b>27.1</b>	<b>27.1</b>
Net loan losses	-1.6	0.4	1.5	-1.7	-1.1	-2.5	-1.5	-0.5
Gains/losses on disposal of property, equipment and intangible assets	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0
<b>Operating profit</b>	<b>19.5</b>	<b>22.3</b>	<b>24.3</b>	<b>22.1</b>	<b>24.3</b>	<b>19.6</b>	<b>25.6</b>	<b>26.6</b>
Profit allocation	4.0	3.3	3.9	3.2	3.2	3.5	3.4	2.8
<b>Operating profit after profit allocation</b>	<b>23.5</b>	<b>25.6</b>	<b>28.2</b>	<b>25.3</b>	<b>27.5</b>	<b>23.1</b>	<b>29.0</b>	<b>29.4</b>

### Business volumes, Handelsbanken Finland

Average volumes, EUR m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Loans to the public								
Household	4,053	4,024	3,997	3,998	3,952	3,952	3,962	3,959
Corporate	9,061	8,922	8,822	8,747	8,733	8,742	8,657	8,556
<b>Total</b>	<b>13,114</b>	<b>12,946</b>	<b>12,819</b>	<b>12,745</b>	<b>12,685</b>	<b>12,694</b>	<b>12,619</b>	<b>12,515</b>
Deposits and borrowing from the public								
Household	1,642	1,625	1,508	1,485	1,432	1,381	1,363	1,386
Corporate	2,556	2,771	2,211	1,933	1,766	2,052	1,886	2,205
<b>Total</b>	<b>4,198</b>	<b>4,396</b>	<b>3,719</b>	<b>3,418</b>	<b>3,198</b>	<b>3,433</b>	<b>3,249</b>	<b>3,591</b>

## Handelsbanken Norway

SEK m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Net interest income	898	885	933	856	797	769	788	785
Net fee and commission income	102	103	107	99	91	84	89	103
Net gains/losses on financial transactions	19	27	21	25	30	38	22	29
Other income	6	4	5	4	68	4	14	8
<b>Total income</b>	<b>1,025</b>	<b>1,019</b>	<b>1,066</b>	<b>984</b>	<b>986</b>	<b>895</b>	<b>913</b>	<b>925</b>
Staff costs	-192	15	-180	-175	-158	-163	-169	-177
Other expenses	-53	-54	-62	-46	-50	-48	-52	-48
Internal purchased and sold services	-103	-97	-107	-96	-90	-86	-93	-85
Depreciation, amortisation and impairments of property, equipment and intangible assets	-3	-4	-6	-3	4	-3	-3	-3
<b>Total expenses</b>	<b>-351</b>	<b>-140</b>	<b>-355</b>	<b>-320</b>	<b>-294</b>	<b>-300</b>	<b>-317</b>	<b>-313</b>
<b>Profit before loan losses</b>	<b>674</b>	<b>879</b>	<b>711</b>	<b>664</b>	<b>692</b>	<b>595</b>	<b>596</b>	<b>612</b>
Net loan losses	-56	-46	-107	-73	-64	-103	-30	-53
Gains/losses on disposal of property, equipment and intangible assets	0	0	0	0	0	0	0	6
<b>Operating profit</b>	<b>618</b>	<b>833</b>	<b>604</b>	<b>591</b>	<b>628</b>	<b>492</b>	<b>566</b>	<b>565</b>
Profit allocation	23	21	30	22	16	23	20	14
<b>Operating profit after profit allocation</b>	<b>641</b>	<b>854</b>	<b>634</b>	<b>613</b>	<b>644</b>	<b>515</b>	<b>586</b>	<b>579</b>
Cost/income ratio, %	33.5	13.5	32.4	31.8	29.3	32.7	34.0	33.3
Loan loss ratio, %	0.09	0.08	0.20	0.14	0.12	0.20	0.06	0.10
Allocated capital	15,521	16,808	15,883	14,441	12,870	13,383	12,966	13,007
Return on allocated capital, %	12.9	15.9	12.4	13.2	15.6	12.0	14.1	13.9
Average number of employees	662	662	667	681	658	665	666	691
Number of branches	49	49	50	50	50	50	50	51

### Handelsbanken Norway, in local currency

NOK m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Net interest income	868	837	867	835	801	785	789	763
Net fee and commission income	98	98	98	98	92	85	89	100
Net gains/losses on financial transactions	19	25	19	24	30	39	23	27
Other income	5	4	3	3	69	4	12	9
<b>Total income</b>	<b>990</b>	<b>964</b>	<b>987</b>	<b>960</b>	<b>992</b>	<b>913</b>	<b>913</b>	<b>899</b>
Staff costs	-183	14	-167	-171	-159	-166	-169	-172
Other expenses	-51	-51	-58	-44	-51	-49	-51	-47
Internal purchased and sold services	-99	-92	-98	-95	-90	-88	-92	-84
Depreciation, amortisation and impairments of property, equipment and intangible assets	-4	-3	-6	-3	4	-3	-4	-3
<b>Total expenses</b>	<b>-337</b>	<b>-132</b>	<b>-329</b>	<b>-313</b>	<b>-296</b>	<b>-306</b>	<b>-316</b>	<b>-306</b>
<b>Profit before loan losses</b>	<b>653</b>	<b>832</b>	<b>658</b>	<b>647</b>	<b>696</b>	<b>607</b>	<b>597</b>	<b>593</b>
Net loan losses	-54	-44	-100	-71	-64	-105	-32	-51
Gains/losses on disposal of property, equipment and intangible assets	0	0	0	0	0	0	1	5
<b>Operating profit</b>	<b>599</b>	<b>788</b>	<b>558</b>	<b>576</b>	<b>632</b>	<b>502</b>	<b>566</b>	<b>547</b>
Profit allocation	22	20	28	21	17	23	20	14
<b>Operating profit after profit allocation</b>	<b>621</b>	<b>808</b>	<b>586</b>	<b>597</b>	<b>649</b>	<b>525</b>	<b>586</b>	<b>561</b>

### Business volumes, Handelsbanken Norway

Average volumes, NOK bn	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Loans to the public								
Household	88.4	88.0	87.6	86.4	85.3	84.3	83.4	82.0
Corporate	148.7	145.8	146.1	144.3	142.7	139.4	127.1	120.3
<b>Total</b>	<b>237.1</b>	<b>233.8</b>	<b>233.7</b>	<b>230.7</b>	<b>228.0</b>	<b>223.7</b>	<b>210.5</b>	<b>202.3</b>
Deposits and borrowing from the public								
Household	19.7	19.6	19.7	20.0	19.1	18.6	17.8	17.9
Corporate	49.0	48.8	54.2	45.8	44.2	40.8	47.4	47.2
<b>Total</b>	<b>68.7</b>	<b>68.4</b>	<b>73.9</b>	<b>65.8</b>	<b>63.3</b>	<b>59.4</b>	<b>65.2</b>	<b>65.1</b>

## Handelsbanken the Netherlands

SEK m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Net interest income	135	125	126	117	100	95	88	84
Net fee and commission income	33	32	49	15	6	5	5	6
Net gains/losses on financial transactions	3	2	2	2	0	1	1	3
Share of profit of associates	1	1	2	0	-	-	-	-
Other income	0	0	1	0	-	-	-	-
<b>Total income</b>	<b>172</b>	<b>160</b>	<b>180</b>	<b>134</b>	<b>106</b>	<b>101</b>	<b>94</b>	<b>93</b>
Staff costs	-74	-67	-65	-56	-45	-44	-43	-41
Other expenses	-20	-18	-16	-20	-16	-8	-11	-8
Internal purchased and sold services	-24	-22	-24	-14	-19	-20	-22	-19
Depreciation, amortisation and impairments of property, equipment and intangible assets	-3	-2	-2	-2	-2	-1	-1	-1
<b>Total expenses</b>	<b>-121</b>	<b>-109</b>	<b>-107</b>	<b>-92</b>	<b>-82</b>	<b>-73</b>	<b>-77</b>	<b>-69</b>
<b>Profit before loan losses</b>	<b>51</b>	<b>51</b>	<b>73</b>	<b>42</b>	<b>24</b>	<b>28</b>	<b>17</b>	<b>24</b>
Net loan losses	2	-2	0	-1	1	0	0	1
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>53</b>	<b>49</b>	<b>73</b>	<b>41</b>	<b>25</b>	<b>28</b>	<b>17</b>	<b>25</b>
Profit allocation	2	0	1	0	2	0	0	0
<b>Operating profit after profit allocation</b>	<b>55</b>	<b>49</b>	<b>74</b>	<b>41</b>	<b>27</b>	<b>28</b>	<b>17</b>	<b>25</b>
Cost/income ratio, %	69.5	68.1	59.1	68.7	75.9	72.3	81.9	74.2
Loan loss ratio, %	-0.02	0.02	0.00	0.02	-0.02	0.00	0.00	-0.02
Allocated capital	1,375	1,276	1,251	1,131	956	921	851	906
Return on allocated capital, %	12.4	12.0	18.6	11.2	8.6	9.8	6.4	8.5
Average number of employees	274	259	245	198	188	181	175	162
Number of branches	27	26	25	25	23	23	23	23

### Handelsbanken in the Netherlands, in local currency

Euro m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Net interest income	14.0	13.1	12.9	12.3	10.8	10.2	9.5	8.9
Net fee and commission income	3.4	3.4	5.1	1.6	0.6	0.6	0.5	0.6
Net gains/losses on financial transactions	0.3	0.2	0.4	0.2	0.0	0.1	0.1	0.3
Other income	0.1	0.1	0.3	0.0	-	-	-	-
<b>Total income</b>	<b>17.8</b>	<b>16.8</b>	<b>18.7</b>	<b>14.1</b>	<b>11.4</b>	<b>10.9</b>	<b>10.1</b>	<b>9.8</b>
Staff costs	-7.6	-7.1	-6.8	-5.8	-4.9	-4.7	-4.6	-4.3
Other expenses	-2.1	-1.9	-1.6	-2.1	-1.7	-0.9	-1.2	-0.9
Internal purchased and sold services	-2.7	-2.1	-2.3	-1.6	-2.0	-2.2	-2.3	-2.0
Depreciation, amortisation and impairments of property, equipment and intangible assets	-0.2	-0.3	-0.3	-0.2	-0.2	-0.1	-0.1	-0.1
<b>Total expenses</b>	<b>-12.6</b>	<b>-11.4</b>	<b>-11.0</b>	<b>-9.7</b>	<b>-8.8</b>	<b>-7.9</b>	<b>-8.2</b>	<b>-7.3</b>
<b>Profit before loan losses</b>	<b>5.2</b>	<b>5.4</b>	<b>7.7</b>	<b>4.4</b>	<b>2.6</b>	<b>3.0</b>	<b>1.9</b>	<b>2.5</b>
Net loan losses	0.2	-0.2	0.0	-0.1	0.1	0.0	0.0	0.1
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>5.4</b>	<b>5.2</b>	<b>7.7</b>	<b>4.3</b>	<b>2.7</b>	<b>3.0</b>	<b>1.9</b>	<b>2.6</b>
Profit allocation	-0.1	0.3	0.1	0.0	0.2	0.0	0.0	0.0
<b>Operating profit after profit allocation</b>	<b>5.3</b>	<b>5.5</b>	<b>7.8</b>	<b>4.3</b>	<b>2.9</b>	<b>3.0</b>	<b>1.9</b>	<b>2.6</b>

### Business volumes, Handelsbanken the Netherlands

Average volumes, EUR m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Loans to the public								
Household	1,891	1,780	1,629	1,502	1,367	1,238	1,141	1,067
Corporate	1,717	1,695	1,667	1,741	1,397	1,273	1,233	1,117
<b>Total</b>	<b>3,608</b>	<b>3,475</b>	<b>3,296</b>	<b>3,243</b>	<b>2,764</b>	<b>2,511</b>	<b>2,374</b>	<b>2,184</b>
Deposits and borrowing from the public								
Household	84	78	73	65	58	53	47	48
Corporate	727	768	455	378	440	408	600	703
<b>Total</b>	<b>811</b>	<b>846</b>	<b>528</b>	<b>443</b>	<b>498</b>	<b>461</b>	<b>647</b>	<b>751</b>

## Handelsbanken Capital Markets

### Handelsbanken Capital Markets

SEK m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Net interest income	118	118	151	135	134	137	187	143
Net fee and commission income	859	782	815	753	771	742	758	734
Net gains/losses on financial transactions	228	399	162	244	338	240	214	249
Risk result - insurance	53	36	6	25	35	76	36	40
Other income	3	7	2	3	1	2	4	3
<b>Total income</b>	<b>1,261</b>	<b>1,342</b>	<b>1,136</b>	<b>1,160</b>	<b>1,279</b>	<b>1,197</b>	<b>1,199</b>	<b>1,169</b>
Staff costs	-588	-544	-581	-580	-597	-610	-590	-596
Other expenses	-225	-223	-239	-203	-217	-212	-228	-198
Internal purchased and sold services	4	19	-17	-17	-22	0	-46	-12
Depreciation, amortisation and impairments of property, equipment and intangible assets	-22	-18	-19	-18	-19	-20	-24	-18
<b>Total expenses</b>	<b>-831</b>	<b>-766</b>	<b>-856</b>	<b>-818</b>	<b>-855</b>	<b>-842</b>	<b>-888</b>	<b>-824</b>
<b>Profit before loan losses</b>	<b>430</b>	<b>576</b>	<b>280</b>	<b>342</b>	<b>424</b>	<b>355</b>	<b>311</b>	<b>345</b>
Net loan losses	11	-75	-8	-44	-7	10	5	-10
<b>Operating profit</b>	<b>441</b>	<b>501</b>	<b>272</b>	<b>298</b>	<b>417</b>	<b>365</b>	<b>316</b>	<b>335</b>
Profit allocation	-424	-379	-400	-361	-297	-284	-317	-345
<b>Operating profit after profit allocation</b>	<b>17</b>	<b>122</b>	<b>-128</b>	<b>-63</b>	<b>120</b>	<b>81</b>	<b>-1</b>	<b>-10</b>
Cost/income ratio, %	99.3	79.5	116.3	102.4	87.1	92.2	100.7	100.0
Loan loss ratio, %	-0.10	0.67	0.07	0.37	0.06	-0.08	-0.04	0.07
Allocated capital	4,478	4,972	5,033	4,807	5,038	4,981	5,671	5,183
Return on allocated capital, %	1.1	7.7	-8.0	-4.1	7.5	5.0	-0.1	-0.6
Average number of employees	1,627	1,643	1,636	1,674	1,681	1,720	1,737	1,785

### Business volumes, Handelsbanken International

Average volumes, SEK bn	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Loans to the public								
Household	5.5	5.4	5.4	5.1	4.9	4.9	4.9	4.7
Corporate	26.5	29.9	31.7	30.2	30.1	30.4	30.3	29.4
<b>Total</b>	<b>32.0</b>	<b>35.3</b>	<b>37.1</b>	<b>35.3</b>	<b>35.0</b>	<b>35.3</b>	<b>35.2</b>	<b>34.1</b>
Deposits and borrowing from the public								
Household	3.8	3.6	3.6	3.8	3.7	2.8	3.1	3.8
Corporate	53.9	36.7	45.8	44.8	44.2	37.6	43.5	48.6
<b>Total</b>	<b>57.7</b>	<b>40.3</b>	<b>49.4</b>	<b>48.6</b>	<b>47.9</b>	<b>40.4</b>	<b>46.6</b>	<b>52.4</b>

**Markets & Asset Management**

SEK m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Net interest income	18	12	16	3	6	2	41	3
Net fee and commission income	607	538	565	524	548	521	538	524
Net gains/losses on financial transactions	235	406	181	249	333	253	232	277
Other income	0	1	1	3	-3	1	0	0
<b>Total income</b>	<b>860</b>	<b>957</b>	<b>763</b>	<b>779</b>	<b>884</b>	<b>777</b>	<b>811</b>	<b>804</b>
Staff costs	-283	-251	-277	-239	-304	-309	-288	-298
Other expenses	-249	-256	-256	-298	-240	-240	-261	-223
<b>Total expenses</b>	<b>-532</b>	<b>-507</b>	<b>-533</b>	<b>-537</b>	<b>-544</b>	<b>-549</b>	<b>-549</b>	<b>-521</b>
<b>Profit before loan losses</b>	<b>328</b>	<b>450</b>	<b>230</b>	<b>242</b>	<b>340</b>	<b>228</b>	<b>262</b>	<b>283</b>
Net loan losses	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>328</b>	<b>450</b>	<b>230</b>	<b>242</b>	<b>340</b>	<b>228</b>	<b>262</b>	<b>283</b>
<b>Operating profit after profit allocation</b>	<b>16</b>	<b>170</b>	<b>-72</b>	<b>-22</b>	<b>115</b>	<b>11</b>	<b>7</b>	<b>14</b>
Average number of employees	488	504	496	541	571	575	598	605

**Pension & Life, International and Business Support**

SEK m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Net interest income	100	106	135	132	128	135	146	140
Net fee and commission income	252	244	250	229	223	221	220	210
Net gains/losses on financial transactions	-7	-7	-19	-5	5	-13	-18	-28
Other income	56	42	7	25	39	77	40	43
<b>Total income</b>	<b>401</b>	<b>385</b>	<b>373</b>	<b>381</b>	<b>395</b>	<b>420</b>	<b>388</b>	<b>365</b>
Staff costs	-305	-293	-304	-341	-293	-301	-302	-298
Other expenses	6	34	-19	60	-18	8	-37	-5
<b>Total expenses</b>	<b>-299</b>	<b>-259</b>	<b>-323</b>	<b>-281</b>	<b>-311</b>	<b>-293</b>	<b>-339</b>	<b>-303</b>
<b>Profit before loan losses</b>	<b>102</b>	<b>126</b>	<b>50</b>	<b>100</b>	<b>84</b>	<b>127</b>	<b>49</b>	<b>62</b>
Net loan losses	11	-75	-8	-44	-7	10	5	-10
<b>Operating profit</b>	<b>113</b>	<b>51</b>	<b>42</b>	<b>56</b>	<b>77</b>	<b>137</b>	<b>54</b>	<b>52</b>
<b>Operating profit after profit allocation</b>	<b>1</b>	<b>-48</b>	<b>-56</b>	<b>-41</b>	<b>5</b>	<b>70</b>	<b>-8</b>	<b>-24</b>
Average number of employees	1,139	1,139	1,140	1,133	1,110	1,145	1,139	1,180
Number of branches	13	13	13	13	13	13	13	17

**Handelsbanken Liv**

SEK m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
<b>Statutory Profit/loss, according to the alternative income statement</b>								
Administration result	228	224	211	204	182	172	157	178
Risk result	53	36	6	25	35	76	36	40
Financial result	-29	-27	-49	-20	-15	-17	-49	-36
<i>of which deferred capital contribution</i>	-29	-25	-49	-19	-15	-17	-47	-36
Other	43	34	46	40	35	25	39	30
<b>Operating profit</b>	<b>295</b>	<b>267</b>	<b>214</b>	<b>249</b>	<b>237</b>	<b>256</b>	<b>183</b>	<b>212</b>
AUM, SEK bn, end of period	133	128	123	120	111	109	111	106
<i>of which unit-linked</i>	101	97	93	90	83	81	82	78
<i>of which portfolio bond</i>	23	22	21	21	20	20	19	19
Premiums paid, SEK m	4,806	3,528	2,991	2,938	3,818	3,313	2,835	2,840
of which portfolio bond	1,513	1,145	959	909	1,086	1,235	803	653
of which unit-linked	3,148	2,237	1,891	1,877	2,583	1,928	1,883	2,021
of which occupational pensions	639	571	558	600	459	469	468	497
New sales mutual funds & custody, Sweden, SEK m	951	836	593	444	757	892	591	518

## Other and Adjustments & eliminations

### Other

SEK m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Net interest income	200	219	211	190	163	192	177	175
Net fee and commission income	5	18	16	23	5	25	23	9
Net gains/losses on financial transactions	-199	-112	-201	613	-226	671	1,133	-221
Share of profit of associates	-4	-28	-2	10	13	2	-11	18
Other income	10	12	59	12	181	14	21	11
<b>Total income</b>	<b>12</b>	<b>109</b>	<b>83</b>	<b>848</b>	<b>136</b>	<b>904</b>	<b>1,343</b>	<b>-8</b>
Staff costs	-763	-698	-323	-1,084	-459	-469	-933	-452
Other expenses	-627	-663	-637	-515	-557	-535	-600	-496
Internal purchased and sold services	1,208	1,195	1,119	1,024	1,074	1,011		
Depreciation, amortisation and impairments of property, equipment and intangible assets	-60	-65	-45	-74	-67	-62	-42	-69
<b>Total expenses</b>	<b>-242</b>	<b>-231</b>	<b>114</b>	<b>-649</b>	<b>-9</b>	<b>-55</b>	<b>-513</b>	<b>-34</b>
<b>Profit before loan losses</b>	<b>-230</b>	<b>-122</b>	<b>197</b>	<b>199</b>	<b>127</b>	<b>849</b>	<b>830</b>	<b>-42</b>
Net loan losses								
Gains/losses on disposal of property, equipment and intangible assets	0	0	18	0	0	5	1	-1
<b>Operating profit</b>	<b>-230</b>	<b>-122</b>	<b>215</b>	<b>199</b>	<b>127</b>	<b>854</b>	<b>831</b>	<b>-43</b>
Profit allocation	-	-	-	-	-	-	1	0
<b>Operating profit after profit allocation</b>	<b>-230</b>	<b>-122</b>	<b>215</b>	<b>199</b>	<b>127</b>	<b>854</b>	<b>832</b>	<b>-43</b>
Average number of employees	2,003	1,930	1,879	1,840	1,810	1,830	1,816	1,788

### Adjustments & eliminations

SEK m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Net interest income	-	-	-	-	-	-	-	-
Net fee and commission income	-	-	-	-	-	-	-	-
Net gains/losses on financial transactions	-	-	-	-	-	-	-	-
Risk result - insurance	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-
<b>Total income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Staff costs	-53	-55	-217	-66	-61	-54	20	-41
Other expenses	-	-	-	-	-	-	-	-
Depreciation, amortisation and impairments of property, equipment and intangible assets	-15	-11	-12	-3	-	-	-	-
<b>Total expenses</b>	<b>-68</b>	<b>-66</b>	<b>-229</b>	<b>-69</b>	<b>-61</b>	<b>-54</b>	<b>20</b>	<b>-41</b>
<b>Profit before loan losses</b>	<b>-68</b>	<b>-66</b>	<b>-229</b>	<b>-69</b>	<b>-61</b>	<b>-54</b>	<b>20</b>	<b>-41</b>
Net loan losses	-	-	-	-	-	-	-	-
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>-68</b>	<b>-66</b>	<b>-229</b>	<b>-69</b>	<b>-61</b>	<b>-54</b>	<b>20</b>	<b>-41</b>

# Balance sheet

## Balance sheet - Svenska Handelsbanken Group

SEK m	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015
<b>Assets</b>								
Cash and balances with central banks	436,848	387,092	199,362	353,680	501,744	463,957	202,630	452,271
Other loans to central banks	52,718	79,245	25,527	103,113	81,267	43,790	34,118	74,145
Interest-bearing securities eligible as collateral with central banks	119,603	97,262	97,205	119,532	117,753	95,474	74,777	102,824
Loans to other credit institutions	33,526	34,542	31,347	41,410	48,479	47,442	49,656	63,130
Loans to the public	2,011,455	1,991,434	1,963,622	1,965,649	1,937,155	1,902,479	1,866,467	1,855,311
Value change of interest-hedged item in portfolio hedge	33	31	35	51	45	36	27	40
Bonds and other interest-bearing securities	61,243	65,436	63,909	53,855	46,223	53,856	44,513	62,017
Shares	21,353	23,397	20,412	35,964	52,541	39,318	30,387	61,462
Investments in associates	212	218	255	259	257	248	245	257
Assets where the customer bears the value change risk	128,870	123,595	118,646	115,532	107,004	104,316	105,146	100,539
Derivative instruments	61,940	73,111	82,633	78,688	92,381	73,885	85,347	98,674
Reinsurance assets	9	9	9	10	10	10	10	6
Intangible assets	9,579	9,460	9,393	9,293	8,450	8,304	8,254	8,230
Property and equipment	2,353	2,363	2,387	2,323	2,264	2,262	2,348	2,336
Current tax assets	1,379	518	38	2,409	1,575	588	143	1,064
Deferred tax assets	436	534	962	1,978	1,979	1,262	1,489	1,503
Net pension assets	1,368	379	-	-	-	-	-	-
Assets held for sale	3	3	1	2	-	1,671	1,442	1,512
Other assets	12,302	29,034	5,615	19,496	25,810	12,106	8,887	52,405
Prepaid expenses and accrued income	5,864	5,266	6,222	5,691	5,708	5,839	6,247	5,895
<b>Total assets</b>	<b>2,961,094</b>	<b>2,922,929</b>	<b>2,627,580</b>	<b>2,908,935</b>	<b>3,030,645</b>	<b>2,856,843</b>	<b>2,522,133</b>	<b>2,943,621</b>
<b>Liabilities and equity</b>								
Due to credit institutions	202,681	205,971	178,781	205,274	207,312	192,902	163,770	222,941
Deposits and borrowing from the public	1,120,291	1,049,699	829,336	1,009,427	1,134,500	1,042,076	753,855	1,049,202
Liabilities where the customer bears the value change risk	128,962	123,653	118,745	115,600	107,054	104,392	105,225	100,617
Issued securities	1,264,536	1,295,668	1,261,765	1,315,684	1,320,083	1,258,169	1,245,367	1,258,088
Derivative instruments	31,654	24,297	31,738	33,296	37,283	44,302	40,592	46,252
Short positions	7,876	11,753	1,572	11,441	8,581	10,181	2,416	21,027
Insurance liabilities	562	599	574	583	591	603	607	616
Current tax liabilities	1,388	809	514	1,657	1,008	460	996	1,358
Deferred tax liabilities	7,749	7,842	7,875	9,788	10,006	9,578	8,844	9,762
Provisions	426	615	731	734	773	796	113	99
Net pension liabilities	-	-	2,161	6,547	6,544	3,824	5,314	5,282
Liabilities related to assets held for sale	-	-	-	-	-	843	759	746
Other liabilities	13,851	21,684	9,427	16,452	18,817	12,527	14,206	41,220
Accrued expenses and deferred income	13,436	15,399	14,580	15,359	15,608	19,427	17,585	18,615
Subordinated liabilities	32,782	33,199	33,400	33,008	32,903	33,986	34,216	40,361
<b>Total liabilities</b>	<b>2,826,194</b>	<b>2,791,188</b>	<b>2,491,199</b>	<b>2,774,850</b>	<b>2,901,063</b>	<b>2,734,066</b>	<b>2,393,865</b>	<b>2,816,186</b>
Minority interest	6	6	6	6	5	5	4	5
Share capital	3,013	3,013	3,013	3,008	3,001	2,956	2,956	2,956
Share premium	5,629	5,629	5,628	5,410	5,081	3,204	3,204	3,204
Reserves	9,339	10,237	9,268	10,639	11,037	10,348	8,440	12,107
Retained earnings	108,746	108,745	102,222	102,222	102,222	102,222	97,322	97,322
Profit for the period, attributable to shareholders in Svenska Handelsbanken AB	8,167	4,111	16,244	12,800	8,236	4,042	16,342	11,841
<b>Total equity</b>	<b>134,900</b>	<b>131,741</b>	<b>136,381</b>	<b>134,085</b>	<b>129,582</b>	<b>122,777</b>	<b>128,268</b>	<b>127,435</b>
<b>Total liabilities and equity</b>	<b>2,961,094</b>	<b>2,922,929</b>	<b>2,627,580</b>	<b>2,908,935</b>	<b>3,030,645</b>	<b>2,856,843</b>	<b>2,522,133</b>	<b>2,943,621</b>

## Business volumes – Lending to the public

### CREDIT POLICY

#### Credit process

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

#### Basic guidelines

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

#### Loans to the public by sector

Loans net	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015
SEK m, end of period								
Private individuals	1,008,417	993,567	981,895	969,723	949,129	925,114	911,762	895,445
<i>of which mortgage loans in Stadshypotek</i>	821,195	807,870	800,059	788,838	771,987	749,851	736,737	720,243
<i>of which other mortgage loans</i>	122,724	121,979	119,975	119,872	117,379	114,867	107,445	107,600
<i>of which other loans to private individuals</i>	64,498	63,718	61,861	61,013	59,763	60,396	67,580	67,602
Housing co-operative associations	195,264	190,917	186,996	182,501	178,746	174,547	169,575	164,010
<i>of which mortgage loans in Stadshypotek</i>	163,870	159,579	156,823	154,492	152,507	150,913	148,057	143,983
Property management, Note 1	547,999	542,581	539,503	537,654	533,445	518,058	510,611	500,822
Manufacturing	25,449	27,479	27,111	28,483	31,990	31,268	31,998	35,498
Retail	23,588	23,405	21,677	23,943	24,229	24,327	23,969	25,926
Hotels and restaurants	8,444	8,392	8,484	8,724	8,619	8,819	8,951	8,865
Shipping, passenger & goods transport by sea	7,486	8,235	8,131	8,974	9,200	9,300	9,811	10,750
Other transport and communication	15,425	14,927	14,578	14,675	14,485	13,334	11,135	10,726
Construction	18,450	19,066	17,942	18,001	16,511	16,009	15,408	17,021
Electricity, gas, water	23,974	24,504	25,185	24,447	24,070	26,670	26,508	25,213
Agriculture, hunting and forestry	11,716	11,567	11,696	12,492	12,344	11,335	11,303	11,107
Other service industry	18,724	19,000	19,495	21,115	20,839	20,336	19,723	19,757
Holding companies, insurance companies, funds etc.	72,200	71,057	66,414	64,761	68,525	73,205	70,897	76,499
State & municipalities	13,361	15,967	15,891	18,659	16,180	18,982	22,452	24,555
Other corporate lending	21,361	21,110	18,972	31,807	29,122	31,447	22,642	29,383
<b>Total loans to the public, before taking into account collective provisions</b>	<b>2,011,858</b>	<b>1,991,774</b>	<b>1,963,970</b>	<b>1,965,959</b>	<b>1,937,434</b>	<b>1,902,751</b>	<b>1,866,745</b>	<b>1,855,577</b>
Collective provisions	-403	-340	-348	-310	-279	-272	-278	-266
<b>Total loans to the public</b>	<b>2,011,455</b>	<b>1,991,434</b>	<b>1,963,622</b>	<b>1,965,649</b>	<b>1,937,155</b>	<b>1,902,479</b>	<b>1,866,467</b>	<b>1,855,311</b>



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

SEK m, end of period	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015
<b>Lending in Sweden</b>								
State-owned property companies	4,427	4,228	3,228	3,630	5,040	5,040	5,042	5,041
Municipal-owned property companies	8,999	9,561	9,771	9,792	9,890	11,025	12,242	13,920
Residential property companies	101,682	100,131	99,572	93,412	93,243	93,468	91,449	87,349
<i>of which mortgage loans in Stadshypotek</i>	<i>88,507</i>	<i>87,030</i>	<i>85,133</i>	<i>78,029</i>	<i>77,872</i>	<i>77,688</i>	<i>77,363</i>	<i>71,905</i>
Other property companies	127,959	124,864	127,448	131,743	136,648	136,938	136,262	136,982
<i>of which mortgage loans in Stadshypotek</i>	<i>55,092</i>	<i>53,366</i>	<i>52,923</i>	<i>56,911</i>	<i>58,361</i>	<i>59,838</i>	<i>61,986</i>	<i>65,427</i>
<b>Total lending in Sweden</b>	<b>243,067</b>	<b>238,784</b>	<b>240,019</b>	<b>238,577</b>	<b>244,821</b>	<b>246,471</b>	<b>244,995</b>	<b>243,292</b>
<b>Lending outside Sweden</b>								
Denmark	20,169	19,476	19,637	17,736	16,726	16,299	13,727	14,307
Finland	35,944	34,316	33,887	33,094	32,117	28,708	28,682	28,045
Norway	101,167	102,822	103,659	107,813	99,509	91,472	85,729	78,617
Great Britain	116,268	115,677	111,511	109,312	110,629	111,147	115,261	115,567
The Netherlands	24,635	23,949	23,194	21,970	20,935	16,051	14,539	13,496
Other countries	6,749	7,557	7,596	9,152	8,708	7,910	7,678	7,498
<b>Total lending outside Sweden</b>	<b>304,932</b>	<b>303,797</b>	<b>299,484</b>	<b>299,077</b>	<b>288,624</b>	<b>271,587</b>	<b>265,616</b>	<b>257,530</b>
<b>Total lending - Property management</b>	<b>547,999</b>	<b>542,581</b>	<b>539,503</b>	<b>537,654</b>	<b>533,445</b>	<b>518,058</b>	<b>510,611</b>	<b>500,822</b>

**Credit risk exposure**

SEK m	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015
Loans to the public	2,011,455	1,991,434	1,963,622	1,965,649	1,937,155	1,902,479	1,866,467	1,855,311
<i>of which reverse repos</i>	<i>8,322</i>	<i>11,182</i>	<i>7,493</i>	<i>14,041</i>	<i>11,360</i>	<i>14,279</i>	<i>7,742</i>	<i>15,803</i>
Loans to other credit institutions	33,526	34,542	31,347	41,410	48,479	47,442	49,656	63,130
<i>of which reverse repos</i>	<i>11,175</i>	<i>10,805</i>	<i>4,088</i>	<i>16,984</i>	<i>19,330</i>	<i>20,592</i>	<i>23,394</i>	<i>36,719</i>
Interest-bearing securities eligible as collateral with central banks	119,603	97,262	97,205	119,532	117,753	95,474	74,777	102,824
Bonds and other interest-bearing securities	61,243	65,436	63,909	53,855	46,223	53,856	44,513	62,017
Derivative instruments*	61,940	73,111	82,633	78,688	92,381	73,885	85,347	98,674
Contingent liabilities	75,293	80,481	78,530	82,361	78,459	74,351	77,457	75,592
<i>of which guarantees, credits</i>	<i>10,088</i>	<i>9,839</i>	<i>9,643</i>	<i>10,110</i>	<i>10,440</i>	<i>9,209</i>	<i>9,750</i>	<i>8,682</i>
<i>of which guarantees, other</i>	<i>58,620</i>	<i>64,512</i>	<i>63,108</i>	<i>67,122</i>	<i>63,551</i>	<i>60,672</i>	<i>61,274</i>	<i>61,588</i>
<i>of which letters of credit</i>	<i>6,585</i>	<i>6,130</i>	<i>5,779</i>	<i>5,129</i>	<i>4,468</i>	<i>4,470</i>	<i>6,433</i>	<i>5,322</i>
Other commitments	441,532	427,927	425,267	431,564	425,390	416,763	420,857	419,933
<i>of which unutilised part of granted overdraft facilities</i>	<i>131,721</i>	<i>132,366</i>	<i>128,967</i>	<i>128,930</i>	<i>130,525</i>	<i>127,904</i>	<i>129,216</i>	<i>125,876</i>
<i>of which loan commitments</i>	<i>290,250</i>	<i>273,876</i>	<i>272,729</i>	<i>274,810</i>	<i>268,866</i>	<i>257,692</i>	<i>267,200</i>	<i>266,098</i>
<i>of which other</i>	<i>19,561</i>	<i>21,685</i>	<i>23,571</i>	<i>27,824</i>	<i>25,999</i>	<i>31,167</i>	<i>24,441</i>	<i>27,959</i>
<b>Total</b>	<b>2,804,592</b>	<b>2,770,193</b>	<b>2,742,513</b>	<b>2,773,059</b>	<b>2,745,840</b>	<b>2,664,250</b>	<b>2,619,074</b>	<b>2,677,481</b>
Cash and balances with central banks	436,848	387,092	199,362	353,680	501,744	463,957	202,630	452,271
Other loans to central banks	52,718	79,245	25,527	103,113	81,267	43,790	34,118	74,145
<b>Total</b>	<b>3,294,158</b>	<b>3,236,530</b>	<b>2,967,402</b>	<b>3,229,852</b>	<b>3,328,851</b>	<b>3,171,997</b>	<b>2,855,822</b>	<b>3,203,897</b>

\* Refers to the total of positive market values.

**Credit risk exposure by country**

SEK m	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015
Sweden	1,805,480	1,808,377	1,747,065	1,837,267	1,813,309	1,738,495	1,692,226	1,766,227
Great Britain	348,415	341,880	306,840	284,762	313,178	295,181	302,902	281,766
Norway	335,810	332,345	323,009	336,680	302,702	296,502	275,901	269,475
Denmark	150,712	150,633	142,986	150,599	148,084	136,506	123,238	136,933
Finland	272,680	267,295	252,486	280,480	227,103	206,108	189,479	211,723
The Netherlands	43,106	40,467	40,115	41,338	38,776	32,836	30,214	37,562
Other countries	337,955	295,533	154,901	298,726	485,699	466,369	241,862	500,211
<b>Total</b>	<b>3,294,158</b>	<b>3,236,530</b>	<b>2,967,402</b>	<b>3,229,852</b>	<b>3,328,851</b>	<b>3,171,997</b>	<b>2,855,822</b>	<b>3,203,897</b>

**Loans to the public - by country \***

SEK bn, end of period	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015
Handelsbanken Sweden	1,276	1,250	1,231	1,227	1,224	1,206	1,193	1,176
Handelsbanken UK	200	200	193	190	188	189	194	195
Handelsbanken Denmark	95	94	96	93	90	87	84	85
Handelsbanken Finland	123	122	120	121	118	115	115	116
Handelsbanken Norway	240	243	245	249	233	220	210	203
Handelsbanken the Netherlands	35	34	32	31	30	24	22	21
Handelsbanken International	30	32	35	36	36	35	35	35
Other	12	14	10	16	16	23	11	21
<b>Total</b>	<b>2,010</b>	<b>1,989</b>	<b>1,963</b>	<b>1,963</b>	<b>1,935</b>	<b>1,899</b>	<b>1,863</b>	<b>1,851</b>

\* Excluding loans to the National Debt Office.

**Loans to households - by country**

SEK bn, end of period	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015
Handelsbanken Sweden	785	770	760	754	745	728	714	701
<i>of which mortgages</i>	733	719	710	700	690	673	662	646
Handelsbanken UK	67	67	65	64	63	63	64	64
Handelsbanken Denmark	57	56	56	55	52	49	48	47
Handelsbanken Finland	37	36	36	37	35	35	35	36
Handelsbanken Norway	89	92	93	93	87	83	81	82
Handelsbanken the Netherlands	19	18	16	15	14	12	11	10
Handelsbanken International	6	5	5	5	5	5	5	5
Other	2	3	3	2	2	2	2	1
<b>Total</b>	<b>1,062</b>	<b>1,047</b>	<b>1,034</b>	<b>1,025</b>	<b>1,003</b>	<b>977</b>	<b>960</b>	<b>946</b>

**Corporate lending - by country \***

SEK bn, end of period	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015
Handelsbanken Sweden	491	480	471	473	479	478	478	475
<i>of which mortgages</i>	284	278	273	268	270	272	275	271
Handelsbanken UK	133	133	128	126	125	126	130	131
Handelsbanken Denmark	38	38	40	38	38	38	36	38
Handelsbanken Finland	86	86	84	84	83	80	80	80
Handelsbanken Norway	151	151	152	156	146	137	129	121
Handelsbanken the Netherlands	16	16	16	16	16	12	11	11
Handelsbanken International	24	27	30	31	31	30	30	30
Other	10	11	7	14	14	21	9	19
<b>Total</b>	<b>949</b>	<b>942</b>	<b>929</b>	<b>938</b>	<b>932</b>	<b>922</b>	<b>903</b>	<b>905</b>

\* Excluding loans to the National Debt Office.

## Business volumes – Savings and deposits

### Assets under management, Handelsbanken Group

SEK bn, end of period	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015
Mutual funds, excl. PPM and Unit-linked	340	326	308	299	284	282	282	270
PPM	29	29	26	24	22	21	22	19
Unit-linked insurance	102	97	93	90	83	80	82	78
<i>of which external mutual funds</i>	-3	-3	-2	-2	-2	-2	-2	-2
<b>Total mutual funds</b>	<b>468</b>	<b>449</b>	<b>425</b>	<b>411</b>	<b>387</b>	<b>381</b>	<b>384</b>	<b>365</b>
Structured products	15	16	17	17	17	18	18	21
Portfolio bond insurance	23	22	21	21	20	20	19	19
<i>of which in mutual funds and structured products</i>	-9	-8	-8	-8	-7	-7	-7	-7
Traditional insurance	8	8	8	8	9	9	9	9
<i>of which in mutual funds and structured products</i>	-1	-1	-1	-1	0	0	-1	0
Discretionary and Institutional assets, excl. insurance	216	216	207	206	178	180	174	161
<i>of which in mutual funds and structured products</i>	-138	-134	-127	-119	-117	-117	-105	-97
<b>Total assets under management, excl. securities in custody</b>	<b>582</b>	<b>568</b>	<b>542</b>	<b>535</b>	<b>487</b>	<b>484</b>	<b>491</b>	<b>471</b>
Securities in custody, excl. mutual funds	357	347	332	326	309	308	312	303
Securities in custody, excl. mutual funds, foundations associated with Handelsbanken	56	56	52	46	44	45	53	53

\* Including the whole volume managed by Heartwood, of which SEK 22 bn in Heartwoods mutual funds.

### Deposits and borrowing from the public - by country

SEK bn, end of period	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015
Handelsbanken Sweden	560	561	508	512	500	481	470	463
Handelsbanken UK	136	126	117	111	111	103	102	110
Handelsbanken Denmark	44	34	37	35	34	30	31	38
Handelsbanken Finland	40	39	36	33	29	30	30	31
Handelsbanken Norway	66	72	65	79	62	61	57	57
Handelsbanken the Netherlands	7	9	3	7	3	6	3	6
Handelsbanken International	63	50	31	54	45	44	25	48
Other	203	159	32	179	351	288	36	296
<b>Total</b>	<b>1,120</b>	<b>1,050</b>	<b>829</b>	<b>1,009</b>	<b>1,135</b>	<b>1,042</b>	<b>754</b>	<b>1,049</b>

**Deposits and borrowing from households - by country**

SEK bn, end of period	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015
Handelsbanken Sweden	328	314	309	308	305	288	280	275
Handelsbanken UK	41	38	37	31	30	25	26	24
Handelsbanken Denmark	17	16	16	16	15	14	14	14
Handelsbanken Finland	15	14	14	14	14	13	13	13
Handelsbanken Norway	21	20	21	21	20	18	18	17
Handelsbanken the Netherlands	0.9	0.8	0.8	0.7	0.6	0.5	0.5	0.5
Handelsbanken International	4	4	4	4	4	4	3	4
Other	3	3	2	4	3	3	2	4
<b>Total</b>	<b>430</b>	<b>410</b>	<b>404</b>	<b>399</b>	<b>392</b>	<b>365</b>	<b>356</b>	<b>351</b>

**Deposits and borrowing from corporates - by country**

SEK bn, end of period	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015
Handelsbanken Sweden	232	247	199	204	195	193	191	188
Handelsbanken UK	95	88	80	80	81	78	76	86
Handelsbanken Denmark	27	18	21	19	19	16	17	24
Handelsbanken Finland	25	25	22	19	15	17	17	18
Handelsbanken Norway	45	52	44	58	42	43	39	40
Handelsbanken the Netherlands	6	8	2	6	2	5	2	5
Handelsbanken International	59	46	27	50	41	40	22	44
Other	200	156	30	175	348	285	34	293
<b>Total</b>	<b>690</b>	<b>640</b>	<b>425</b>	<b>611</b>	<b>743</b>	<b>677</b>	<b>398</b>	<b>698</b>

## Own funds and capital requirement

### Own funds CRR

SEK m	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015
<b>TIER 1 CAPITAL</b>								
Equity, Group	134,900	131,741	136,381	134,085	129,582	122,777	128,268	127,435
Accrued unpaid dividend last year	-	-	-	-	-	-	-	-
Accrued dividend current year	-5,127	-2,595	-9,721	-6,400	-4,118	-2,021	-11,442	-8,657
Adjustment of Group result	-429	-195	3,829	-162	34	-202	-748	-597
Adjustment of Group equity	3,289	3,267	-593	3,532	3,518	1,731	172	135
Minority interests	-6	-6	-6	-6	-5	-5	-4	-5
<b>Equity (consolidated entities)</b>	<b>132,627</b>	<b>132,212</b>	<b>129,890</b>	<b>131,049</b>	<b>129,011</b>	<b>122,280</b>	<b>116,246</b>	<b>118,311</b>
Deducted items								
Goodwill and other intangible assets	-9,513	-9,409	-9,355	-9,268	-8,433	-8,293	-8,246	-8,223
Value adjustments (fair value)	-477	-633	-645	-637	-685	-665	-553	-534
Special deduction for IRB institutions	-2,272	-2,270	-1,527	-1,567	-1,543	-1,452	-1,395	-1,577
Positions in securitisation	-	-	-	-	-	-	-	-
Net pension assets	-	-	-	-	-	-	-	-
Own shares	-607	-622	-636	-593	-529	-556	-577	-595
Adjustments in accordance with stability filter								
Cash flow hedges	-1,907	-2,749	-2,487	-7,850	-8,815	-7,690	-4,940	-6,259
Unrealised accumulated gains, shares	-	-	-	-	-	-	-	-
<b>Common equity tier 1 capital, gross</b>	<b>117,851</b>	<b>116,529</b>	<b>115,240</b>	<b>111,134</b>	<b>109,006</b>	<b>103,624</b>	<b>100,535</b>	<b>101,123</b>
Threshold deductions								
Capital contributions to unconsolidated financial entities >10% CET1	-	-	-	-	-	-	-	-
Deferred tax assets >10% CET1	-	-	-	-	-	-	-	-
Amount of capital contributions and deferred tax assets >15%	-	-	-	-	-	-	-	-
<b>Common equity tier 1 capital</b>	<b>117,851</b>	<b>116,529</b>	<b>115,240</b>	<b>111,134</b>	<b>109,006</b>	<b>103,624</b>	<b>100,535</b>	<b>101,123</b>
Additional tier 1 instruments	12,011	12,598	12,768	12,156	12,045	11,570	11,933	11,955
<b>Total tier 1 capital</b>	<b>129,862</b>	<b>129,127</b>	<b>128,008</b>	<b>123,290</b>	<b>121,051</b>	<b>115,194</b>	<b>112,468</b>	<b>113,078</b>
<b>TIER 2 CAPITAL</b>								
Subordinated loans	17,431	17,293	17,354	17,392	17,135	17,111	17,150	17,622
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
<b>Total tier 2 capital</b>	<b>16,302</b>	<b>16,164</b>	<b>16,225</b>	<b>16,263</b>	<b>16,006</b>	<b>15,982</b>	<b>16,021</b>	<b>16,493</b>
<b>Total own funds</b>	<b>146,164</b>	<b>145,291</b>	<b>144,233</b>	<b>139,553</b>	<b>137,057</b>	<b>131,176</b>	<b>128,489</b>	<b>129,571</b>

### Available Distributable Items (ADI)

SEK m	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015
Available Distributable Items (ADI)	101,639	116,529	115,240	96,742	109,006	103,624	100,535	89,515
Deducted dividend	2,482	2,595	9,721	5,020	4,118	2,021	11,442	3,787
Minimum capital requirement	-20,990	-22,026	-20,645	-20,001	-21,352	-20,525	-21,291	-20,500
Capital conservation buffer	-11,661	-12,236	-11,470	-11,112	-11,862	-11,403	-11,828	-11,389
Countercyclical capital buffer	-5,415	-5,524	-4,039	-4,162	-4,269	-2,728	-2,827	-2,818
Systemic risk buffer	0	-14,684	-13,764	0	-14,235	-13,683	-14,194	-
<b>Total Available Distributable Items</b>	<b>66,055</b>	<b>64,654</b>	<b>75,043</b>	<b>66,487</b>	<b>61,406</b>	<b>57,306</b>	<b>61,837</b>	<b>58,595</b>

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, CRR**

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

SEK m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Credit risk according to standardised approach	82,608	79,126	80,896	79,204	77,323	74,358	80,406	76,583
Credit risk according to IRB Approach	344,497	329,180	299,370	305,951	320,041	304,506	315,310	320,101
Market risk	10,004	11,705	10,910	10,216	8,890	9,954	10,318	10,612
Credit valuation adjustment risk (CVA)	5,477	7,832	7,429	8,122	8,064	7,104	8,911	8,056
Operational risk	61,613	61,613	60,182	60,182	60,182	60,182	58,187	58,187
<b>Total risk exposure amount</b>	<b>504,199</b>	<b>489,456</b>	<b>458,787</b>	<b>463,675</b>	<b>474,500</b>	<b>456,104</b>	<b>473,132</b>	<b>473,539</b>
Common equity tier 1 capital	117,851	116,529	115,240	111,134	109,006	103,624	100,535	101,123
<b>Common equity tier 1 ratio, CRR</b>	<b>23.4%</b>	<b>23.8%</b>	<b>25.1%</b>	<b>24.0%</b>	<b>23.0%</b>	<b>22.7%</b>	<b>21.2%</b>	<b>21.4%</b>

**Capital adequacy analysis**

	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015
Common equity tier 1 ratio, CRR	23.4%	23.8%	25.1%	24.0%	23.0%	22.7%	21.2%	21.4%
Tier 1 ratio, CRR	25.8%	26.4%	27.9%	26.6%	25.5%	25.3%	23.8%	23.9%
Total capital ratio, CRR	29.0%	29.7%	31.4%	30.1%	28.9%	28.8%	27.2%	27.4%
Own funds in relation to capital requirement according to Basel I floor	148%	149%	148%	144%	142%	139%	137%	140%

**Capital requirement**

SEK m	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015
Credit risk according to standardised approach	6,609	6,330	6,472	6,336	6,186	5,949	6,433	6,127
Credit risk according to IRB Approach	27,560	26,334	23,950	24,476	25,603	24,360	25,225	25,608
Market risks	800	936	873	817	711	796	825	849
Credit valuation adjustment risk (CVA)	438	627	594	650	645	568	713	645
Operational risk	4,929	4,929	4,815	4,815	4,815	4,815	4,655	4,655
<b>Total capital requirement</b>	<b>40,336</b>	<b>39,156</b>	<b>36,704</b>	<b>37,094</b>	<b>37,960</b>	<b>36,488</b>	<b>37,851</b>	<b>37,884</b>
Adjustment according to Basel I floor	60,239	59,790	61,531	61,134	59,499	58,870	56,982	55,659
<b>Capital requirement, Basel I floor</b>	<b>100,575</b>	<b>98,946</b>	<b>98,235</b>	<b>98,228</b>	<b>97,459</b>	<b>95,358</b>	<b>94,833</b>	<b>93,543</b>
Total own funds, Basel I floor	148,436	147,561	145,760	141,120	138,600	132,628	129,884	131,148

**Capital requirement market risks**

SEK m	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015
Position risk in the trading book	793	928	864	810	703	789	819	844
Interest rate risk	784	917	855	801	694	778	804	826
of which general risk	497	616	598	651	534	598	512	489
of which specific risk	287	300	256	149	158	179	290	335
of which positions in securitisation instruments	-	-	-	-	-	-	-	-
of which non-delta risk	0	1	1	1	2	1	2	2
Equity price risk	9	11	9	9	9	11	15	18
of which general risk	1	2	1	1	1	1	1	3
of which specific risk	4	4	3	4	3	4	4	7
of which mutual funds	1	0	0	0	1	1	2	0
of which non-delta risk	3	5	5	4	4	5	8	8
Exchange rate risk	-	-	-	-	-	-	-	-
of which non-delta risk	-	-	-	-	-	-	-	-
Commodities risk	7	8	9	7	8	7	6	5
of which non-delta risk	0	0	0	0	0	0	0	0
Settlement risk	0	0	0	0	0	0	0	0
<b>Total capital requirement for market risks</b>	<b>800</b>	<b>936</b>	<b>873</b>	<b>817</b>	<b>711</b>	<b>796</b>	<b>825</b>	<b>849</b>

## Credit risks IRB approach

Exposure amount								
SEK m	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015
<b>Sovereign and central banks</b>	<b>581,859</b>							
<b>Corporate</b>	<b>840,765</b>	<b>834,609</b>	<b>821,000</b>	<b>839,228</b>	<b>846,280</b>	<b>827,328</b>	<b>821,795</b>	<b>819,465</b>
Corporate lending	818,366	807,818	798,330	810,827	807,327	795,311	796,198	784,060
<i>of which other loans foundation approach *</i>	109,110	107,315	116,048	121,732	125,156	120,994	124,939	125,062
<i>of which other loans advanced approach *</i>	709,256	700,503	682,282	689,095	682,171	674,317	671,259	658,998
<i>of which large companies</i>	149,881	148,270	126,774	139,070	137,163	137,862	137,749	137,548
<i>of which medium-sized companies</i>	78,803	78,917	81,640	78,575	77,698	75,268	76,639	76,627
<i>of which property companies</i>	480,572	473,316	473,868	471,450	467,310	461,187	456,871	444,823
Counterparty risk	22,399	26,791	22,670	28,401	38,953	32,017	25,597	35,405
<b>Housing co-operative associations</b>	<b>186,293</b>	<b>181,339</b>	<b>187,897</b>	<b>183,160</b>	<b>179,807</b>	<b>175,518</b>	<b>170,587</b>	<b>165,197</b>
<b>Retail</b>	<b>1,000,376</b>	<b>990,618</b>	<b>982,270</b>	<b>975,181</b>	<b>957,893</b>	<b>930,869</b>	<b>918,324</b>	<b>906,016</b>
Private individuals	974,568	964,069	955,346	947,847	930,268	903,907	891,487	878,808
<i>of which property loans</i>	897,973	883,931	874,253	865,890	849,302	825,270	810,312	796,954
<i>of which other loans</i>	76,595	80,138	81,093	81,957	80,966	78,637	81,175	81,854
Small companies	25,808	26,549	26,924	27,334	27,625	26,962	26,837	27,208
<b>Institutions</b>	<b>86,065</b>	<b>103,285</b>	<b>105,185</b>	<b>106,414</b>	<b>118,989</b>	<b>101,166</b>	<b>117,263</b>	<b>133,181</b>
Lending to institutions	15,523	17,498	20,066	15,985	17,370	17,179	19,203	17,466
Counterparty risk	70,542	85,787	85,119	90,429	101,619	83,987	98,060	115,715
<i>of which repos and securities loans</i>	18,069	18,505	14,070	27,810	33,206	32,894	31,143	45,654
<i>of which derivatives</i>	52,473	67,282	71,049	62,619	68,413	51,093	66,917	70,061
<b>Equity exposures</b>	<b>2,128</b>	<b>1,389</b>	<b>1,340</b>	<b>1,352</b>	<b>5,420</b>	<b>5,046</b>	<b>5,229</b>	<b>8,133</b>
<i>of which listed shares</i>	766	-	-	-	4,090	4,220	4,418	7,291
<i>of which other shares</i>	1,362	1,389	1,340	1,352	1,330	826	811	842
<b>Non credit-obligation assets</b>	<b>2,353</b>	<b>2,363</b>	<b>2,387</b>	<b>2,323</b>	<b>2,264</b>	<b>2,261</b>	<b>2,348</b>	<b>2,336</b>
<b>Securitisation positions</b>	<b>21</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>23</b>	<b>24</b>	<b>28</b>	<b>31</b>
<b>Total IRB Approach</b>	<b>2,699,860</b>	<b>2,113,625</b>	<b>2,100,101</b>	<b>2,107,680</b>	<b>2,110,676</b>	<b>2,042,212</b>	<b>2,035,574</b>	<b>2,034,359</b>

Risk-weighted exposure amount								
SEK m	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015
<b>Sovereign and central banks</b>	<b>9,659</b>							
<b>Corporates</b>	<b>230,800</b>	<b>222,058</b>	<b>194,650</b>	<b>202,371</b>	<b>205,130</b>	<b>198,346</b>	<b>204,181</b>	<b>201,053</b>
Corporate lending	226,639	218,014	190,709	197,569	199,669	193,624	199,470	195,536
<i>of which other loans foundation approach *</i>	30,858	28,684	35,946	36,719	38,484	36,953	37,805	37,662
<i>of which other loans advanced approach *</i>	195,781	189,330	154,763	160,850	161,185	156,671	161,665	157,874
<i>of which large companies</i>	55,131	53,222	57,176	63,228	63,008	59,851	61,130	57,055
<i>of which medium-sized companies</i>	37,042	36,516	32,486	31,333	32,544	31,570	32,888	35,025
<i>of which property companies</i>	103,608	99,592	65,101	66,289	65,634	65,250	67,647	65,794
Counterparty risk	4,161	4,044	3,941	4,802	5,461	4,722	4,711	5,517
<b>Housing co-operative associations</b>	<b>8,871</b>	<b>8,591</b>	<b>7,555</b>	<b>7,062</b>	<b>6,904</b>	<b>6,439</b>	<b>6,248</b>	<b>6,035</b>
<b>Households</b>	<b>71,523</b>	<b>72,965</b>	<b>72,398</b>	<b>72,933</b>	<b>71,701</b>	<b>66,476</b>	<b>66,245</b>	<b>66,909</b>
Private individuals	64,412	65,812	65,258	65,599	64,283	58,972	58,841	59,699
<i>of which property loans</i>	50,295	48,827	48,178	48,064	47,020	43,965	43,517	43,693
<i>of which other loans</i>	14,117	16,985	17,080	17,535	17,263	15,007	15,324	16,006
Small companies	7,111	7,153	7,140	7,334	7,418	7,504	7,404	7,210
<b>Institutions</b>	<b>14,007</b>	<b>18,041</b>	<b>17,397</b>	<b>16,256</b>	<b>17,258</b>	<b>15,686</b>	<b>20,471</b>	<b>19,506</b>
Lending to institutions	5,128	5,959	6,175	5,047	5,664	5,749	6,767	6,180
Counterparty risk	8,879	12,082	11,222	11,209	11,594	9,937	13,704	13,326
<i>of which repos and securities loans</i>	312	378	631	559	795	766	424	1,369
<i>of which derivatives</i>	8,567	11,704	10,591	10,650	10,799	9,171	13,280	11,957
<b>Equity exposures</b>	<b>7,262</b>	<b>5,139</b>	<b>4,959</b>	<b>5,004</b>	<b>16,782</b>	<b>15,296</b>	<b>15,815</b>	<b>24,260</b>
<i>of which listed shares</i>	2,220	-	-	-	11,860	12,239	12,811	21,145
<i>of which other shares</i>	5,042	5,139	4,959	5,004	4,922	3,057	3,004	3,115
<b>Exposures without a counterparty</b>	<b>2,353</b>	<b>2,363</b>	<b>2,387</b>	<b>2,323</b>	<b>2,264</b>	<b>2,261</b>	<b>2,348</b>	<b>2,336</b>
<b>Securitisation positions</b>	<b>22</b>	<b>23</b>	<b>24</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Total IRB approach</b>	<b>344,497</b>	<b>329,180</b>	<b>299,370</b>	<b>305,951</b>	<b>320,041</b>	<b>304,506</b>	<b>315,310</b>	<b>320,101</b>

\* 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.

<b>Capital requirement</b>								
SEK m	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015
<b>Sovereign and central banks</b>	<b>772</b>							
<b>Corporates</b>	<b>18,464</b>	<b>17,765</b>	<b>15,572</b>	<b>16,190</b>	<b>16,410</b>	<b>15,869</b>	<b>16,334</b>	<b>16,084</b>
Corporate lending	18,131	17,441	15,257	15,806	15,974	15,490	15,957	15,643
<i>of which other loans foundation approach *</i>	2,469	2,295	2,876	2,938	3,079	2,956	3,024	3,013
<i>of which other loans advanced approach *</i>	15,662	15,146	12,381	12,868	12,895	12,534	12,933	12,630
<i>of which large companies</i>	4,411	4,258	4,574	5,058	5,041	4,788	4,890	4,564
<i>of which medium-sized companies</i>	2,963	2,921	2,599	2,507	2,603	2,526	2,631	2,802
<i>of which property companies</i>	8,288	7,967	5,208	5,303	5,251	5,220	5,412	5,264
Couterparty risk	333	324	315	384	436	379	377	441
<b>Housing co-operative associations</b>	<b>710</b>	<b>687</b>	<b>604</b>	<b>565</b>	<b>552</b>	<b>515</b>	<b>500</b>	<b>483</b>
<b>Households</b>	<b>5,722</b>	<b>5,837</b>	<b>5,792</b>	<b>5,835</b>	<b>5,736</b>	<b>5,318</b>	<b>5,300</b>	<b>5,353</b>
Private individuals	5,153	5,265	5,221	5,248	5,143	4,718	4,707	4,776
<i>of which property lending</i>	4,024	3,906	3,854	3,845	3,762	3,517	3,481	3,495
<i>of which other lending</i>	1,129	1,359	1,367	1,403	1,381	1,201	1,226	1,281
Small companies	569	572	571	587	593	600	593	577
<b>Institutions</b>	<b>1,121</b>	<b>1,443</b>	<b>1,392</b>	<b>1,300</b>	<b>1,381</b>	<b>1,255</b>	<b>1,638</b>	<b>1,560</b>
Lending to institutions	410	477	494	404	453	460	541	493
Couterparty risk	710	966	898	897	928	795	1,096	1,067
<i>of which repos and securities loans</i>	25	30	50	45	64	61	34	110
<i>of which derivatives</i>	685	936	848	852	864	734	1,062	957
<b>Equity exposures</b>	<b>581</b>	<b>411</b>	<b>397</b>	<b>400</b>	<b>1,343</b>	<b>1,223</b>	<b>1,265</b>	<b>1,941</b>
<i>of which listed shares</i>	178	-	-	-	949	979	1,025	1,692
<i>of which other shares</i>	403	411	397	400	394	244	240	249
<b>Exposures without a counterparty</b>	<b>188</b>	<b>189</b>	<b>191</b>	<b>186</b>	<b>181</b>	<b>180</b>	<b>188</b>	<b>187</b>
<b>Securitisation positions</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total IRB approach</b>	<b>27,560</b>	<b>26,334</b>	<b>23,950</b>	<b>24,476</b>	<b>25,603</b>	<b>24,360</b>	<b>25,225</b>	<b>25,608</b>

<b>Average risk weight, %</b>								
SEK m	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015
<b>Sovereign and central banks</b>	<b>1.7</b>							
<b>Corporates</b>	<b>27.5</b>	<b>26.6</b>	<b>23.7</b>	<b>24.1</b>	<b>24.2</b>	<b>24.0</b>	<b>24.8</b>	<b>24.5</b>
Corporate lending	27.7	27.0	23.9	24.4	24.7	24.3	25.1	24.9
<i>of which other loans foundation approach *</i>	28.3	26.7	31.0	30.2	30.7	30.5	30.3	30.1
<i>of which other loans advanced approach *</i>	27.6	27.0	22.7	23.3	23.6	23.2	24.1	24.0
<i>of which large companies</i>	36.8	35.9	45.1	45.5	45.9	43.4	44.4	41.5
<i>of which medium-sized companies</i>	47.0	46.3	39.8	39.9	41.9	41.9	42.9	45.7
<i>of which property companies</i>	21.6	21.0	13.7	14.1	14.0	14.1	14.8	14.8
Couterparty risk	18.6	15.1	17.4	16.9	14.0	14.7	18.4	15.6
<b>Housing co-operative associations</b>	<b>4.8</b>	<b>4.7</b>	<b>4.0</b>	<b>3.9</b>	<b>3.8</b>	<b>3.7</b>	<b>3.7</b>	<b>3.7</b>
<b>Households</b>	<b>7.1</b>	<b>7.4</b>	<b>7.4</b>	<b>7.5</b>	<b>7.5</b>	<b>7.1</b>	<b>7.2</b>	<b>7.4</b>
Private individuals	6.6	6.8	6.8	6.9	6.9	6.5	6.6	6.8
<i>of which property lending</i>	5.6	5.5	5.5	5.6	5.5	5.3	5.4	5.5
<i>of which other lending</i>	18.4	21.2	21.1	21.4	21.3	19.1	18.9	19.6
Small companies	27.6	26.9	26.5	26.8	26.9	27.8	27.6	26.5
<b>Institutions</b>	<b>16.3</b>	<b>17.5</b>	<b>16.5</b>	<b>15.3</b>	<b>14.5</b>	<b>15.5</b>	<b>17.5</b>	<b>14.6</b>
Lending to institutions	33.0	34.1	30.8	31.6	32.6	33.5	35.2	35.4
Couterparty risk	12.6	14.1	13.2	12.4	11.4	11.8	14.0	11.5
<i>of which repos and securities loans</i>	1.7	2.0	4.5	2.0	2.4	2.3	1.4	3.0
<i>of which derivatives</i>	16.3	17.4	14.9	17.0	15.8	17.9	19.8	17.1
<b>Equity exposures</b>	<b>341.2</b>	<b>370.0</b>	<b>370.0</b>	<b>370.0</b>	<b>309.6</b>	<b>303.1</b>	<b>302.4</b>	<b>298.3</b>
<i>of which listed shares</i>	290	-	-	-	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
<b>Exposures without a counterparty</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Securitisation positions</b>	<b>106.0</b>	<b>106.0</b>	<b>105.9</b>	<b>7.4</b>	<b>7.4</b>	<b>7.4</b>	<b>7.4</b>	<b>7.4</b>
<b>Total IRB approach</b>	<b>12.8</b>	<b>15.6</b>	<b>14.3</b>	<b>14.5</b>	<b>15.2</b>	<b>14.9</b>	<b>15.5</b>	<b>15.7</b>

\* 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)	30 Jun 2017	of which up to 12 mths	Other maturities	Unspec. maturity
Deposits and borrowing from the public	1,120,291	241,837	8,906	869,548
Due to credit institutions	202,681	174,350	9,757	18,574
Issued securities	1,264,536	584,550	679,986	
<i>of which Bonds</i>	838,610			
<i>of which covered bonds (Stadshypotek)</i>	579,744			
<i>of which other bonds</i>	258,866			
<i>of which Certificates</i>	425,926			
<i>of which Certificate of deposits (CD:s)</i>	298,662			
<i>of which Commercial paper (CP:s)</i>	121,720			
<b>Total</b>	<b>2,587,508</b>	<b>1,000,737</b>	<b>698,649</b>	<b>888,122</b>
Subordinated liabilities	32,782			
Equity	134,900			
<b>Total funding</b>	<b>2,755,190</b>			

During the second quarter of 2017, the issued bond volume was SEK 18 billion, all of which was covered bonds. Maturing bond volume during the quarter was SEK 69 billion. The volume of so called CD's (Certificates of Deposit) in USD amounted to USD 28.1 billion at the 30 of June 2017.

### Long-term funding

SEK bn	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
<b>Issued during the quarter</b>								
Senior bonds		10		23	6	21	12	18
Covered bonds	18	47	19	36	44	49	50	27
<b>Total bonds</b>	<b>18</b>	<b>57</b>	<b>19</b>	<b>59</b>	<b>50</b>	<b>70</b>	<b>62</b>	<b>45</b>
Extendible notes								
<b>Total issued</b>	<b>18</b>	<b>57</b>	<b>19</b>	<b>59</b>	<b>50</b>	<b>70</b>	<b>62</b>	<b>45</b>
Maturing during the quarter	-69	-37	-5	-65	-11	-54	-68	-27
<b>Net</b>	<b>-51</b>	<b>20</b>	<b>14</b>	<b>-6</b>	<b>39</b>	<b>16</b>	<b>-6</b>	<b>18</b>

**Maturity profile**

30 June 2017							
SEK bn	2017	2018	2019	2020	2021	2022	2023-
Senior bonds	31	38	61	47	43	42	1
Covered bonds	11	190	113	82	92	49	12
<b>Total</b>	<b>42</b>	<b>228</b>	<b>174</b>	<b>129</b>	<b>135</b>	<b>91</b>	<b>13</b>

**Funding programmes as of March 31, 2017 – The Group**

Programme (in millions)	Currency	Programme size	U ilised amount	Countervalue SEK m
ECP*	EUR	15,000	5,981	57,602
ECP (Stadshypotek)*	EUR	4,000	-	-
French Commercial Paper	EUR	7,500	1,839	17,706
Swedish Commercial Paper	SEK	25,000	-	-
Swedish Commercial Paper (Stadshypotek)	SEK	90,000	-	-
USCP	USD	15,000	5,462	46,063
AMTN	AUD	5,000	1,275	8,266
AMTCN (Stadshypotek)	AUD	5,000	750	4,863
EMTN*	USD	50,000	20,983	176,964
EMTCN (Stadshypotek)*	EUR	20,000	10,002	96,327
US 144A/3(a)(2)	USD	20,000	10,650	89,819
Stadshypotek US 144A	USD	15,000	5,000	42,169
Samurai	JPY	400,000	160,700	12,084
MTN*	SEK	100,000	10,979	10,979
General funding >1 Y*	USD	15,000	3,447	29,071
Extendible Notes	USD	15,000	-	-
<b>Total</b>				<b>591,913</b>
Total programme (or limited) amounts, SEK m		1,854,124		
Unu ilised amount, SEK m		1,262,211		
<b>Available amount</b>		<b>68%</b>		

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

**Selection of international issues during last 12 months**

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
February 2017	EUR 500 m 7Y FXD Covered bond MS -1 bps
February 2017	EUR 1 bn 5Y FXD MS +20 bps
March 2017	USD 1 250 m 5Y FXD Covered bond T+48 bps

**Non-Encumbered Assets (NEA)**

30 June 2017		
SEK bn	NEA	Accumulated coverage ratio in % of unsecured funding*
Holdings with central banks and securities in the liquidity portfolio	664	74%
Mortgage loans	553	136%
Other household lending	185	156%
Property company lending lowest risk class (1-3)	265	186%
Other corporate lending lowest risk class (1-3)	150	203%
Loans to credit institutions lowest risk class (1-3)	28	206%
Other corporate lending	249	234%
Other assets	23	236%
<b>Total non-encumbered assets (NEA)</b>	<b>2,117</b>	<b>236%</b>
<b>Encumbered assets without underlying liabilities**</b>	<b>57</b>	
Encumbered assets with underlying liabilities	787	
<b>Total assets, Group</b>	<b>2,961</b>	

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%
<b>Total non-encumbered assets (NEA)</b>	<b>1,755</b>	<b>210%</b>
<b>Encumbered assets without underlying liabilities**</b>	<b>61</b>	
Encumbered assets with underlying liabilities	812	
<b>Total assets, Group</b>	<b>2,628</b>	

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

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

**Assets pledged**

30 June 2017								
SEK m	Central bank funding	Payment systems/ securities settlement	Repos	Covered bonds	Derivatives	Securities loans	Leases	Insurance agreements
Cash		2,120		5,000	7,729			3,108
Government instruments and bonds		43,761	3,985		2,391			6,626
Loans to the public		4,241		622,731			9,826	
Equities						6,340		556
Other								125,635
<b>Total</b>		<b>50,122</b>	<b>3,985</b>	<b>627,731</b>	<b>10,120</b>	<b>6,340</b>	<b>9,826</b>	<b>135,925</b>

Assets pledged according to CSA agreements for outstanding derivatives since 1 January 2012: Max: 19,030 Min: 5,160 Average: 10,905

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 just below 60% 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 2018 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. Assets in the Swedish pool are also used for issuance on the Euro, USD and other markets.

At the end of the quarter, the non-domestic share of the outstanding covered bonds was 31%. The ratio of non-encumbered assets to unsecured wholesale funding was 236% at the end of the second quarter compared to 227% at the end of the previous quarter and 235% one year ago.

### Covered Bonds, outstanding issues

	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
SEK bn (nominal amount)						
Swedish cover pool	528	558	562	550	564	552
<i>of which issues in SEK</i>	397	436	425	413	429	416
<i>of which issues in other currencies</i>	131	122	137	137	135	136
Norwegian cover pool	23	24	29	29	27	22
<i>of which issues in NOK</i>	23	24	29	29	27	22
Finnish cover pool	10					
<i>of which issues in EUR</i>	10					
<b>Total</b>	<b>561</b>	<b>582</b>	<b>596</b>	<b>579</b>	<b>591</b>	<b>574</b>

### Cover Pool Data, Sweden

SEK m	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015
Stadshypotek total lending to the public in Sweden	1,017,891	996,758	983,160	967,739	959,874	944,891	936,504	916,432
Assets available for Cover Pool	938,560	926,050	902,862	895,299	885,148	871,766	859,398	818,000
Assets utilized for Cover Pool	586,719	629,441	626,458	616,378	635,616	629,118	600,025	603,410
WA Max-LTV Cover Pool, as defined by ASCB	50.7%	51.1%	50.0%	51.3%	51.1%	54.0%	53.6%	49.6%
LTV-mid	25.6%	25.8%	25.2%	25.9%	25.8%	27.3%	27.1%	25.0%
<b>LTV-distribution</b>								
0-10%	25.4%	24.9%	25.5%	24.8%	24.8%	23.4%	23.5%	23.9%
10-20%	20.9%	20.8%	21.3%	20.9%	20.9%	19.9%	20.1%	20.9%
20-30%	17.0%	17.1%	17.4%	17.2%	17.2%	16.8%	16.8%	18.0%
30-40%	13.6%	13.8%	13.7%	13.7%	13.8%	13.7%	13.7%	15.1%
40-50%	10.4%	10.6%	10.2%	10.4%	10.5%	10.8%	10.8%	12.4%
50-60%	7.2%	7.3%	6.9%	7.3%	7.3%	8.2%	8.0%	9.8%
60-70%	4.3%	4.3%	4.0%	4.5%	4.3%	5.5%	5.4%	0.0%
70-75%	1.3%	1.2%	1.1%	1.3%	1.2%	1.7%	1.7%	0.0%
WA loan size, SEK	624,300	644,900	647,500	642,700	640,800	637,100	625,700	586,600
WA seasoning of Cover Pool, months*	95	92	93	92	90	42	42	41
<b>Interest index distribution</b>								
Floating	46.7%	52.0%	47.0%	45.9%	49.8%	47.0%	45.0%	50.0%
Fixed rate	53.3%	48.0%	53.0%	54.2%	50.2%	53.0%	55.0%	50.0%

\* 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 664 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	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016
Cash and balances with and other lending to central banks	489,210	465,038	224,533	456,491	582,590
Balances with banks and the National Debt Office, overnight	1,555	2,301	7,712	803	1,807
Securities issued by governments and public entities	123,699	99,652	96,217	106,938	104,133
Covered bonds	48,011	53,093	53,647	53,458	50,101
Securities issued by non-financial companies	934	287	27	797	614
Securities issued by financial companies	106	301	124	242	142
<b>Total</b>	<b>663,515</b>	<b>620,672</b>	<b>382,260</b>	<b>618,729</b>	<b>739,387</b>
<i>of which in SEK</i>	<i>135,228</i>	<i>151,277</i>	<i>126,241</i>	<i>192,224</i>	<i>160,997</i>
<i>of which in EUR</i>	<i>122,095</i>	<i>123,353</i>	<i>108,380</i>	<i>135,707</i>	<i>83,698</i>
<i>of which in USD</i>	<i>246,228</i>	<i>195,289</i>	<i>47,449</i>	<i>179,920</i>	<i>366,669</i>
<i>of which in other currencies</i>	<i>159,964</i>	<i>150,753</i>	<i>100,190</i>	<i>110,878</i>	<i>128,023</i>

30 June 2017					
Market value, SEK m	SEK	EUR	USD	Other	Total
Cash and balances with and other lending to central banks	4,773	113,069	220,621	150,747	489,210
Balances with other banks and the National Debt Office, overnight	1,380	26	22	127	1,555
Securities issued by governments	88,338	6,829	19,565	-	114,732
Securities issued by municipalities and other public entities	2,927	-	6,020	20	8,967
Covered bonds, external issuers	33,710	2,092	-	9,070	44,872
Own covered bonds	3,139	-	-	-	3,139
Securities issued by non-financial companies	899	35	-	-	934
Securities issued by financial companies	62	44	-	-	106
<b>Total</b>	<b>135,228</b>	<b>122,095</b>	<b>246,228</b>	<b>159,964</b>	<b>663,515</b>

### Liquidity Coverage Ratio (LCR)

Liquidity coverage ratio (LCR), %	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015
EUR	132	178	136	178	181	134	161	265
USD	177	236	322	164	121	161	429	127
<b>Total*</b>	<b>120</b>	<b>148</b>	<b>126</b>	<b>162</b>	<b>139</b>	<b>151</b>	<b>137</b>	<b>141</b>

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

### Net stable funding ratio (NSFR)

%	30 Jun 2017	31 Mar 2017	31 Dec 2016
Net stable funding ratio (NSFR), %	106	106	102

## MATURITY ANALYSIS

## Maturities for financial assets and liabilities

30 June 2017 SEK m	Up to 1 mth	1 - 6 mths	6 - 12 mths	1 - 2 yrs	2 - 5 yrs	5 yrs -	Unspec. maturity	Total
<b>Assets</b>								
Cash and balances with central banks	489,566	-	-	-	-	-	-	489,566
Interest-bearing securities eligible as collateral with central banks	119,603	-	-	-	-	-	-	119,603
Bonds and other interest-bearing securities	61,243	-	-	-	-	-	-	61,243
Loans to other institutions	26,897	1,282	1,256	129	1,627	2,335	-	33,526
-of which reverse repos	11,175	-	-	-	-	-	-	11,175
Loans to the public	45,187	239,645	179,395	176,293	373,101	997,834	-	2,011,455
-of which reverse repos	8,322	-	-	-	-	-	-	8,322
Other	29,361	-	-	-	-	-	216,340	245,701
-of which shares and participating interests	21,353	-	-	-	-	-	-	21,353
-of which claims on investment banking settlements	8,008	-	-	-	-	-	-	8,008
<b>Total</b>	<b>771,857</b>	<b>240,927</b>	<b>180,651</b>	<b>176,422</b>	<b>374,728</b>	<b>1,000,169</b>	<b>216,340</b>	<b>2,961,094</b>
<b>Liabilities</b>								
Due to credit institutions	119,339	53,237	1,774	4,612	281	4,864	18,574	202,681
-of which repos	-	-	-	-	-	-	-	0
-of which deposits from central banks	34,140	28,576	518	-	-	-	1,722	64,956
Deposits and borrowing from the public	192,488	44,486	4,863	754	2,346	5,806	869,548	1,120,291
-of which repos	332	-	-	-	-	-	-	332
Issued securities	98,518	307,128	178,904	183,164	417,331	79,491	-	1,264,536
-of which covered bonds	-	11,464	108,556	114,238	287,725	48,220	-	570,203
-of which certificates and other securities with original maturity of less than one year	81,484	271,853	37,952	-	-	-	-	391,289
-of which senior bonds and other securities with original maturity of more than one year	17,034	23,811	32,396	68,926	129,606	31,271	-	303,044
Subordinated liabilities	-	2,971	-	19,787	10,024	-	-	32,782
Other	12,518	-	-	-	-	-	328,286	340,804
-of which short positions	7,876	-	-	-	-	-	-	7,876
-of which investment banking settlement debts	4,642	-	-	-	-	-	-	4,642
<b>Total</b>	<b>422,863</b>	<b>407,822</b>	<b>185,541</b>	<b>208,317</b>	<b>429,982</b>	<b>90,161</b>	<b>1,216,408</b>	<b>2,961,094</b>

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**

30 June 2017 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	220,625	-	-	-	-	-	-	220,625
Bonds and other interest-bearing securities	29,626	-	-	-	-	-	-	29,626
Loans to credit institutions	16,601	731	357	122	1,222	2,127	-	21,160
Loans to the public	2,306	8,628	4,776	1,832	7,559	944	-	26,045
Other, including derivatives	66,802	126,280	24,552	38,691	104,334	2,597	-	363,256
<b>Total assets</b>	<b>335,960</b>	<b>135,639</b>	<b>29,685</b>	<b>40,645</b>	<b>113,115</b>	<b>5,668</b>	-	<b>660,712</b>
Due to credit institutions	7,074	11,928	326	259	-	-	169	19,756
Deposits and borrowing from the public	178,598	2,806	82	23	43	-	16,991	198,543
Issued securities	44,700	190,816	53,219	47,143	89,388	-	-	425,266
Subordinated liabilities	-	-	-	-	10,042	-	-	10,042
Other, including derivatives	-	-	-	-	-	-	7,057	7,057
<b>Total liabilities</b>	<b>230,372</b>	<b>205,550</b>	<b>53,627</b>	<b>47,425</b>	<b>99,473</b>	-	<b>24,217</b>	<b>660,664</b>

**Maturities for assets and liabilities in EUR**

30 June 2017 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	113,185	-	-	-	-	-	-	113,185
Bonds and other interest-bearing securities	9,087	-	-	-	-	-	-	9,087
Loans to credit institutions	6,562	190	27	-	231	80	-	7,090
Loans to the public	5,758	15,193	16,691	19,085	61,146	75,063	-	192,936
Other, including derivatives	3,684	11,261	22,468	15,034	68,367	23,478	-	144,292
<b>Total assets</b>	<b>138,276</b>	<b>26,644</b>	<b>39,186</b>	<b>34,119</b>	<b>129,744</b>	<b>98,621</b>	-	<b>466,590</b>
Due to credit institutions	51,589	12,867	-	8	278	178	1,035	65,955
Deposits and borrowing from the public	7,701	6,827	1,282	2	-	-	87,432	103,244
Issued securities	29,335	53,956	30,313	16,835	79,638	44,854	-	254,931
Subordinated liabilities	-	-	-	14,432	-	-	-	14,432
Other, including derivatives	-	2,812	-	-	2,087	-	22,978	27,877
<b>Total liabilities</b>	<b>88,625</b>	<b>76,462</b>	<b>31,595</b>	<b>31,277</b>	<b>82,003</b>	<b>45,032</b>	<b>111,445</b>	<b>466,439</b>

**Maturities for assets and liabilities in SEK**

30 June 2017 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	4,941	-	-	-	-	-	-	4,941
Bonds and other interest-bearing securities	138,352	-	-	-	-	-	-	138,352
Loans to credit institutions	1,323	25	13	-	297	0	-	1,658
Loans to the public	22,653	149,376	115,930	91,917	176,218	708,852	-	1,264,946
<b>Total assets</b>	<b>167,269</b>	<b>149,401</b>	<b>115,943</b>	<b>91,917</b>	<b>176,515</b>	<b>708,852</b>	-	<b>1,409,897</b>
Due to credit institutions	31,802	18,260	141	4,495	-	4,883	14,444	74,025
Deposits and borrowing from the public	4,988	6,804	3,305	707	2,285	5,780	530,166	554,035
Issued securities	857	8,255	90,094	99,031	210,708	27,749	-	436,694
Subordinated liabilities	-	2,922	-	5,386	-	-	-	8,308
Other, including derivatives	40,737	73,319	14,981	31,754	96,059	12,035	69,045	337,930
<b>Total liabilities</b>	<b>78,384</b>	<b>109,560</b>	<b>108,521</b>	<b>141,373</b>	<b>309,052</b>	<b>50,447</b>	<b>613,655</b>	<b>1,410,992</b>

## Share and shareholders

### The Handelsbanken share

	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015
Market capitalisation, end of period, SEK bn	234	239	246	229	197	197	215	229
Share price SHB class A, end of period, SEK	120.60	122.90	126.60	117.90	101.80	103.30	112.90	119.90
Ordinary dividend, SEK	-	-	5 00	-	-	-	4.50	-
Total dividend	-	-	5 00	-	-	-	6.00	-
Number of converted shares	-	22,151	3,294,729	5,009,634	28,800,955	-	3,614	-
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	1,944,173,551	1,944,173,551	1,944,151,400	1,940,856,671	1,935,847,037	1,907,046,082	1,907,046,082	1,907,042,468
Number of outstanding shares after dilution, end of period	1,975,025,212	1,975,278,248	1,974,290,244	1,974,528,804	1,975,789,501	1,976,193,169	1,972,745,117	1,972,887,071
Average number of shares converted during the period	22,151	17,718	36,343,029	30,547,119	12,852,916	-	17,236	15,311
Average holdings of own shares (repurchased and holdings in trading book)	-	-	-	-	-	-	-	-
Average number of outstanding shares	1,944,173,551	1,944,169,118	1,943,389,111	1,937,593,201	1,919,898,998	1,907,027,157	1,907,044,393	1,907,042,468
- after dilution	1,975,278,248	1,974,290,244	1,974,528,804	1,975,789,501	1,976,193,169	1,972,726,192	1,972,887,071	1,973,425,509

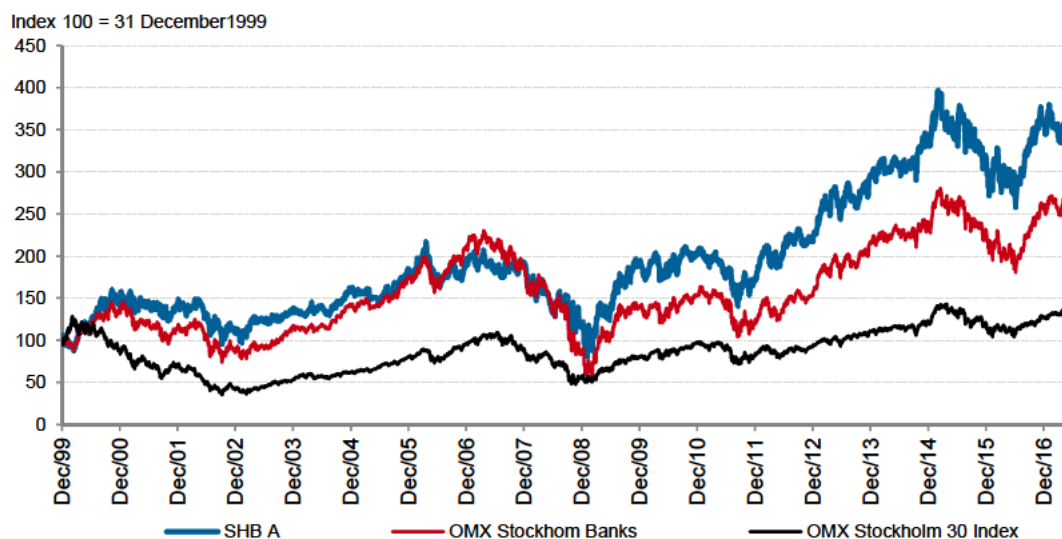
A stock split 3:1 was carried out in May 2015. The comparison figures in the above table have been adjusted for the new number of shares.

### Dividend

The Annual General Meeting (AGM) resolved that the record day for the dividend would be 31 March 2017, which means that Handelsbanken's shares was traded ex-dividend on 30 March 2017.



**Share performance, since 31 Dec 1999**



**The largest Swedish shareholders**

The largest Swedish shareholders			
as at 30 June 2017	Number of shares	% of votes	% of capital
Oktogonen Foundation	195,872,046	10.2	10.1
Industrivärden	194,923,948	10.2	10.0
Lundberg-gruppen	58,575,000	3.1	3.0
Swedbank Robur funds	50,034,291	2.6	2.6
Alecta	41,269,000	2.2	2.1
Handelsbanken funds	21,976,258	1.1	1.1
AMF and funds	19,410,701	1.0	1.0
Didner & Gerge funds	17,370,178	0.9	0.9
SEB funds	13,789,287	0.7	0.7
J. Wallanders & T. Hedelius stiftelse, T. Browaldhs stiftelse	12,300,000	0.6	0.6
SPP funds	12,282,879	0.6	0.6
3rd National Swedish Pension Fund	10,341,515	0.5	0.5
Folksam	10,017,556	0.5	0.5
Avanza Funds	8,318,972	0.4	0.4
4th National Swedish Pension Fund	8,027,210	0.4	0.4

## Definitions and explanations

### ALTERNATIVE PERFORMANCE MEASURES

The Bank's financial reports contain alternative performance measures which Handelsbanken considers to provide valuable information to the reader, since they are used by senior management for internal financial control and follow-up of performance and also for comparison between reporting periods.

Alternative Performance Measures (APMs) are financial measures of performance, financial position or cash flow that are neither defined in IFRS nor the capital requirement regulations. These need not be comparable with similar key figures (performance measures) presented by other companies.

### 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](http://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

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