

Fact book  
2017

Q4

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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 46 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	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Interest income	10,853	10,631	10,398	10,210	10,220	9,943	9,451	10,336
Interest expense	-3,076	-3,044	-3,077	-3,129	-2,921	-2,902	-2,643	-3,541
<b>Net interest income</b>	<b>7,777</b>	<b>7,587</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>
Net fee and commission income	2,501	2,355	2,508	2,354	2,447	2,259	2,280	2,170
Net gains/losses on financial transactions	164	243	317	547	269	1,112	523	1,162
Risk result - insurance	34	19	53	36	6	25	35	76
Other dividend income	576	2	11	2	2	1	222	3
Share of profit of associates	30	14	-3	-27	0	10	13	2
Other income	70	28	31	43	102	25	41	35
<b>Total income</b>	<b>11,152</b>	<b>10,248</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>
Staff costs	-3,178	-3,134	-3,242	-2,918	-2,981	-2,941	-2,952	-3,668
Other expenses	-1,712	-1,337	-1,410	-1,430	-1,518	-1,234	-1,346	-1,303
Depreciation, amortisation and impairment of property, equipment and intangible assets	-184	-140	-145	-150	-114	-137	-119	-125
<b>Total expenses</b>	<b>-5,074</b>	<b>-4,611</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>Profit before loan losses</b>	<b>6,078</b>	<b>5,637</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>
Net loan losses	-1,084	-217	-186	-196	-832	-476	-229	-187
Gains/losses on disposal of property, equipment and intangible assets	3	4	2	5	18	6	1	7
<b>Operating profit</b>	<b>4,997</b>	<b>5,424</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>
Taxes	-1,235	-1,251	-1,201	-1,236	-1,254	-1,127	-1,091	-929
<b>Profit for the period from continuing operations</b>	<b>3,762</b>	<b>4,173</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>
Profit for the period pertaining to discontinued operations, after tax	-	-	-	-	-	-	8	5
<b>Profit for the period</b>	<b>3,762</b>	<b>4,173</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>
Attributable to								
Shareholders in Svenska Handelsbanken AB	3,760	4,172	4,056	4,111	3,444	4,564	4,194	4,042
Minority interest	2	1	0	0	0	0	0	1

## Earnings per share

	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Profit for the year, attributable to shareholders in Svenska Handelsbanken AB	3,760	4,172	4,056	4,111	3,444	4,564	4,194	4,042
- of which interest expense on convertible subordinated loan after tax	-25	-25	-18	-31	-25	-27	-41	-46
Average number of outstanding shares, million	1,944.2	1,944.2	1,944.2	1,944.2	1,943.4	1,937.6	1,919.9	1,907.0
Average number of outstanding shares after dilution, million	1,974.8	1,975.0	1,975.3	1,974.3	1,974.5	1,975.8	1,976.2	1,972.7
Earnings per share, continuing operations, SEK	1.93	2.15	2.09	2.11	1.77	2.36	2.18	2.12
- after dilution	1.92	2.13	2.06	2.10	1.76	2.32	2.14	2.07
Earnings per share, discontinued operations, SEK	-	-	0.00	0.00	0.00	0.00	0.01	0.00
- after dilution	-	-	0.00	0.00	0.00	0.00	0.01	0.00
Earnings per share, total operations, SEK	1.93	2.15	2.09	2.11	1.77	2.36	2.19	2.12
- after dilution	1.92	2.13	2.06	2.10	1.76	2.32	2.15	2.07

**Consolidated statement of other comprehensive income**

SEK m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
<b>Profit for the period</b>	<b>3,762</b>	<b>4,173</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>Other comprehensive income</b>								
<b>Items that may not subsequently be reclassified to profit or loss</b>								
Defined benefit plans	216	372	1,013	2,318	4,998	91	-2,597	1,501
Taxes on items that cannot be reclassified into profit or loss	-48	-82	-223	-511	-1,096	-20	568	-328
<b>Total items that may not subsequently be reclassified to profit or loss</b>	<b>168</b>	<b>290</b>	<b>790</b>	<b>1,807</b>	<b>3,902</b>	<b>71</b>	<b>-2,029</b>	<b>1,173</b>
<b>Items that can be reclassified into profit or loss</b>								
Cash flow hedges	-1,038	-578	-1,070	336	-6,875	-1,238	1,442	3,526
Available-for-sale instruments	-552	24	21	37	-23	-565	529	-1,101
Translation differences for the period <i>of which hedging net investment in foreign operations</i>	14 -386	-76 -304	-869 -24	-1,310 -795	168 255	970 -179	1,063 -10	-1,018 -208
Taxes on items that can be reclassified into profit or loss <i>of which cash flow hedges</i>	299 228	216 135	230 228	99 -74	1,457 1,512	364 273	-316 -317	-672 -776
<i>of which available-for-sale instruments</i> <i>of which hedging net investment in foreign operations</i>	-14 85	13 68	-2 4	-2 175	1 -56	52 39	-1 2	58 46
<b>Total items that can be reclassified into profit or loss</b>	<b>-1,277</b>	<b>-414</b>	<b>-1,688</b>	<b>-838</b>	<b>-5,273</b>	<b>-469</b>	<b>2,718</b>	<b>735</b>
<b>Total other comprehensive income for the period</b>	<b>-1,109</b>	<b>-124</b>	<b>-898</b>	<b>969</b>	<b>-1,371</b>	<b>-398</b>	<b>689</b>	<b>1,908</b>
<b>Total comprehensive income for the period</b>	<b>2,653</b>	<b>4,049</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>
Attributable to								
Shareholders in Svenska Handelsbanken AB	2,653	4,049	3,158	5,080	2,073	4,166	4,883	5,950
Minority interest	0	0	0	0	0	0	0	1

**Handelsbanken Group - Key figures**

SEK m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Return on equity, total operations	11.2%	12.9%	12.9%	12.4%	10.6%	14.7%	14.2%	13.1%
Return on equity, continuing operations	11.2%	12.9%	12.9%	12.4%	10.6%	14.7%	14.2%	13.1%
C/I ratio, continuing operations	45.5%	45.0%	46.9%	44.8%	45.6%	41.2%	44.5%	49.8%
C/I ratio, continuing operations, incl. loan losses	55.2%	47.1%	48.7%	46.8%	53.8%	45.7%	46.8%	51.6%
Adjusted equity per share, SEK	72.90	71.12	68.82	66.77	69.28	65.49	62.83	60.88
Common equity tier 1 ratio, CRR	22.7%	23.6%	23.4%	23.8%	25.1%	24.0%	23.0%	22.7%
Total capital ratio, CRR	28.3%	28.5%	29.0%	29.7%	31.4%	30.1%	28.9%	28.8%
Own funds in relation to capital requirement according to Basel I floor	142%	144%	148%	149%	148%	144%	142%	139%
Average number of employees, continuing operations	11,956	12,102	11,687	11,584	11,615	11,859	11,716	11,835
Number of branches, Sweden	420	422	423	425	435	463	472	473
Number of branches, Great Britain	208	207	207	207	207	206	205	201
Number of branches in Denmark	57	57	57	57	57	57	57	57
Number of branches in Finland	45	45	45	45	45	45	45	46
Number of branches in Norway	49	49	49	49	50	50	50	50
Number of branches in the Netherlands	28	27	27	26	25	25	23	23
Number of branches in other countries	12	13	13	13	13	13	13	13
<b>Total number of branches</b>	<b>819</b>	<b>820</b>	<b>821</b>	<b>822</b>	<b>832</b>	<b>859</b>	<b>865</b>	<b>863</b>

**Average number of employees**

	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Sweden	7,082	7,218	6,892	6,846	6,888	7,108	7,011	7,175
UK	2,188	2,178	2,136	2,103	2,090	2,097	2,068	2,022
Norway	748	769	743	742	747	767	746	752
Denmark	654	652	649	655	660	677	677	678
Finland	633	638	620	600	598	620	622	613
The Netherlands	295	287	285	271	256	208	202	196
<b>Total in home markets</b>	<b>11,600</b>	<b>11,742</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>
Greater China (Incl. Hong Kong)	73	71	69	72	73	71	74	73
USA	67	68	67	66	66	69	68	67
Luxembourg	55	57	58	58	57	56	55	59
Germany	42	42	42	43	43	42	46	50
Poland	38	38	39	41	41	40	41	43
Singapore	34	36	37	37	40	40	38	38
Estonia	18	18	18	17	19	20	20	20
France	7	7	7	8	11	16	18	17
Latvia	7	7	7	6	7	8	8	8
Lithuania	6	5	5	5	5	5	5	6
Austria	-	1	3	4	4	5	4	5
Other countries (Representative office)	9	10	10	10	10	10	13	13
<b>Total</b>	<b>11,956</b>	<b>12,102</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>

## Calculation of key figures

For definitions, please see page 42-44

### Return on equity

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

SEK m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
<b>Equity</b>	<b>141,604</b>	<b>138,951</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>
Adjustment defined benefit pension plans	-4,711	-4,543	-4,253	-3,463	-1,656	2,246	2,317	288
Adjustment fair value reserve	-499	-1,064	-1,028	-1,009	-974	-996	-1,509	-981
Adjustment hedge reserve	-654	-1,464	-1,907	-2,749	-2,487	-7,850	-8,815	-7,690
Reversed weighted dividend	0	0	0	9,080	0	0	0	9,556
<b>Total adjusted equity</b>	<b>135,740</b>	<b>131,880</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>
Adjusted equity, average *	133,810	129,796	126,116	132,432	129,375	124,530	117,985	123,358
Adjustment for impact of conversions on adjusted equity, quarterly average	-1	-1	-1	-1	-2,370	-2,090	-961	0
Actual quarterly average of converted shares	1	1	1	1	2,430	2,033	856	0
Capital Markets's holdings of SHB shares, average	0	0	0	0	0	0	0	0
<b>Adjusted equity, quarterly average</b>	<b>133,810</b>	<b>129,796</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>Profit for the period</b>	<b>3,762</b>	<b>4,173</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>Return on equity, total operations</b>	<b>11.2%</b>	<b>12.9%</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>

\* Opening balance for the period adjusted for weighted dividend.

### Adjusted equity per share

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

SEK m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
<b>Equity</b>	<b>141,604</b>	<b>138,951</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>
Adjustment minority share	-11	-9	-6	-6	-6	-6	-5	-5
Adjustment hedge reserve	-654	-1,464	-1,907	-2,749	-2,487	-7,850	-8,815	-7,690
Outstanding convertible loan (included in subordinated liabilities item)	3,006	2,974	2,942	2,911	2,882	3,073	3,374	5,237
<b>Total adjusted equity</b>	<b>143,945</b>	<b>140,452</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>
Number of outstanding shares after dilution (millions)	1,975	1,975	1,975	1,975	1,974	1,975	1,976	1,976
<b>Adjusted shareholders' equity per share, SEK</b>	<b>72.90</b>	<b>71.12</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>

### Loan loss ratio

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

SEK m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
<b>Loan losses</b>	<b>-1,084</b>	<b>-217</b>	<b>-186</b>	<b>-196</b>	<b>-832</b>	<b>-476</b>	<b>-229</b>	<b>-187</b>
Loans to the public, at beginning of year	1,963,622	1,963,622	1,963,622	1,963,622	1,866,467	1,866,467	1,866,467	1,866,467
Loans to other credit institutions excl. banks, at beginning of year	8,413	8,413	8,413	8,413	26,941	26,941	26,941	26,941
Guarantees (loans), at beginning of year	9,643	9,643	9,643	9,643	9,750	9,750	9,750	9,750
Assets repossessed for protection of claims, carrying amount, at beginning of year	364	364	364	364	460	460	460	460
<b>Total lending at beginning of year</b>	<b>1,982,042</b>	<b>1,982,042</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>Loan loss ratio</b>	<b>0.22%</b>	<b>0.04%</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>

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

SEK m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
<b>Special items</b>								
Benchmark effect in Stadshypotek	-6	44	-31	-8	37	-51	-29	35
Oktogonen (The Bank's profit-sharing system)	-133	-149	-243	-243				
Performance-related remuneration	-19	-7	-27	-20	-34	-12	-25	-31
<b>Total Special items</b>	<b>-158</b>	<b>-112</b>	<b>-301</b>	<b>-271</b>	<b>3</b>	<b>-63</b>	<b>-54</b>	<b>4</b>
<b>One-offs</b>								
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 Industrivärden						764		
Transition to a defined contribution pension plan in the Norwegian operations				239				
Dividend from VISA Sweden	576							
<b>Total One-offs</b>				<b>239</b>		<b>764</b>	<b>145</b>	<b>127</b>
<b>Total</b>	<b>418</b>	<b>-112</b>	<b>-301</b>	<b>-32</b>	<b>3</b>	<b>701</b>	<b>91</b>	<b>131</b>

**Fees for the Resolution Fund etc.**

SEK m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
<b>Swedish Resolution Fund</b>								
Handelsbanken Sweden (NII)	-203	-203	-201	-205	-100	-102	-98	-106
Handelsbanken UK (NII)	-37	-39	-39	-39	-19	-17	-16	-17
Handelsbanken Denmark (NII)	-14	-15	-15	-15	-7	-7	-7	-8
Handelsbanken Finland (NII)	-20	-23	-23	-24	-9	-11	-10	-11
Handelsbanken Norway (NII)	-45	-41	-41	-42	-15	-20	-20	-21
Handelsbanken the Netherlands (NII)	-4	-5	-4	-5	-2	-2	-2	-2
Handelsbanken Capital Markets (NII)	-15	-19	-15	-16	-9	-18	-18	-19
Other (NII)	-92	-90	-89	-92	-79	-68	-65	-71
<b>Total fees for the Swedish Resolution Fund</b>	<b>-430</b>	<b>-435</b>	<b>-427</b>	<b>-438</b>	<b>-240</b>	<b>-245</b>	<b>-236</b>	<b>-255</b>
<b>Swedish deposit guarantee</b>								
Handelsbanken Sweden (NII)	-56	-31	-69	-69	-64	-63	-63	-63
Handelsbanken UK (NII)	-5	-2	-6	-6	-6	-5	-5	-5
Handelsbanken Denmark (NII)	-4	-3	-4	-4	-2	-4	-4	-4
Handelsbanken Finland (NII)	-3	-2	-3	-3	-3	-3	-3	-3
Handelsbanken Norway (NII)	-4	-2	-6	-6	-3	-5	-5	-5
Handelsbanken the Netherlands (NII)	0	0	0	0	-1	0	0	0
Handelsbanken Capital Markets (NII)	0	-1	0	0	0	0	-1	0
Other (NII)	-	-	-	-	-	-	-	-
<b>Total fees for Swedish deposit guarantee</b>	<b>-72</b>	<b>-41</b>	<b>-88</b>	<b>-88</b>	<b>-79</b>	<b>-80</b>	<b>-81</b>	<b>-80</b>
<b>Danish deposit guarantee</b>								
Handelsbanken Denmark (NII)	-	-	-	-	-	-	-	-
<b>Total fees to Danish deposit guarantee</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Norwegian deposit guarantee</b>								
Handelsbanken Norway (NII)	-2	-1	-1	-1	-1	-1	-1	-1
<b>State fees outside home markets</b>								
Handelsbanken Capital Markets (NII)	-	-	-	-	-	-	-	0
<b>Total</b>	<b>-504</b>	<b>-477</b>	<b>-516</b>	<b>-527</b>	<b>-320</b>	<b>-326</b>	<b>-318</b>	<b>-336</b>

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



**Exchange rates**

SEK, End of period (Balance sheet)	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	Change y/y	Change q/q
DKK	1.3217	1.2972	1.2951	1.2828	1.2890	3%	2%
EUR	9.8408	9.6545	9.6308	9.5403	9.5830	3%	2%
GBP	11.0920	10.9393	10.9431	11.1309	11.1729	-1%	1%
NOK	1.0008	1.0259	1.0047	1.0392	1.0545	-5%	-2%
USD	8.2051	8.1849	8.4337	8.9295	9.0751	-10%	0%

SEK, Average as from 1 Jan (Income statement)	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	Change y/y	Change q/q
DKK	1.2953	1.2884	1.2901	1.2787	1.2723	2%	1%
EUR	9.6352	9.5823	9.5947	9.5075	9.4723	2%	1%
GBP	10.9918	10.9775	11.1524	11.0537	11.5685	-5%	0%
NOK	1.0333	1.0380	1.0461	1.0577	1.0205	1%	0%
USD	8.5405	8.6152	8.8658	8.9271	8.5654	0%	-1%

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

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

SEK m	GB	DK	FI	NO	NL	HCM	Total
Net interest income	-212	29	20	39	7	3	-114
Net fee and commission income	-26	7	7	5	1	8	2
Net result of financial transactions	-10	2	1	1	0	2	-4
Other income	0	0	0	1	0	-1	0
<b>Total income</b>	<b>-248</b>	<b>38</b>	<b>28</b>	<b>46</b>	<b>8</b>	<b>12</b>	<b>-116</b>
Staff costs	95	-12	-7	-9	-4	-5	58
Other administrative expenses	45	-8	-7	-6	-2	-6	16
Depreciation and amortisation	2	0	0	0	0	0	2
<b>Total expenses</b>	<b>142</b>	<b>-20</b>	<b>-14</b>	<b>-15</b>	<b>-6</b>	<b>-11</b>	<b>76</b>
Net loan losses	8	-13	-1	-4	0	0	-10
<b>Operating profit</b>	<b>-98</b>	<b>5</b>	<b>13</b>	<b>27</b>	<b>2</b>	<b>1</b>	<b>-50</b>

## Q4 2017 vs. previous quarter

SEK m	GB	DK	FI	NO	NL	HCM	Total
Net interest income	41	10	7	-3	4	2	61
Net fee and commission income	5	2	3	0	1	3	14
Net result of financial transactions	2	1	0	0	0	1	4
Other income	0	0	0	0	0	1	1
<b>Total income</b>	<b>48</b>	<b>13</b>	<b>10</b>	<b>-3</b>	<b>5</b>	<b>7</b>	<b>80</b>
Staff costs	-17	-4	-2	1	-2	-4	-28
Other administrative expenses	-8	-3	-3	0	-1	-2	-17
Depreciation and amortisation	-1	0	0	0	0	0	-1
<b>Total expenses</b>	<b>-26</b>	<b>-7</b>	<b>-5</b>	<b>1</b>	<b>-3</b>	<b>-6</b>	<b>-46</b>
Net loan losses	-5	0	0	0	0	0	-5
<b>Operating profit</b>	<b>17</b>	<b>6</b>	<b>5</b>	<b>-2</b>	<b>2</b>	<b>1</b>	<b>29</b>

**Net interest income**

SEK m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
<b>Interest income</b>								
Loans to credit institutions and central banks	635	636	522	347	228	322	391	481
Loans to the public	9,820	9,654	9,750	9,695	9,962	9,800	9,759	9,812
Interest-bearing securities eligible as collateral with central banks	44	44	43	57	-99	101	109	118
Interest-bearing securities	186	150	164	176	191	167	232	193
Derivative instruments	-120	-123	-380	-326	-331	-661	-1,218	-419
Other interest income	342	321	359	320	346	331	329	311
<b>Total interest income</b>	<b>10,907</b>	<b>10,682</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>
on financial transactions	54	51	60	59	77	117	151	160
<b>Interest income according to income statement</b>	<b>10,853</b>	<b>10,631</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>Interest expense</b>								
Due to credit institutions and central banks	-335	-338	-309	-299	-293	-250	-261	-282
Deposits and borrowing from the general public	-414	-439	-398	-294	-288	-349	-382	-404
Issued securities	-3,826	-3,726	-4,023	-4,157	-4,361	-4,405	-4,582	-4,392
Derivative instruments	2,294	2,198	2,454	2,432	2,651	2,697	3,210	2,213
Subordinated liabilities	-344	-351	-356	-360	-388	-373	-384	-389
State fees	-504	-477	-516	-527	-320	-326	-318	-336
Other interest expense	-59	-	-19	-28	-26	-58	-124	-71
<b>Total interest expense</b>	<b>-3,188</b>	<b>-3,133</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>
Of which interest expense reported in Net gains/losses on financial transactions	-112	-89	-90	-104	-104	-162	-198	-120
<b>Interest expense according to income statement</b>	<b>-3,076</b>	<b>-3,044</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>Net interest income</b>	<b>7,777</b>	<b>7,587</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>

**Net fee and commission income**

SEK m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
<b>Net fee and commission income</b>								
Brokerage and other securities commissions	207	172	246	261	256	198	229	233
Mutual funds	946	869	895	849	835	776	717	695
Custody and other asset management fees	200	189	169	164	183	145	148	147
Advisory services	36	37	105	56	59	56	98	104
Insurance	169	167	168	160	163	162	151	158
Payments	895	857	847	760	857	815	795	718
Loans and deposits	328	301	308	301	309	293	290	280
Guarantees	92	93	99	97	107	108	108	99
Other	125	122	125	124	126	116	127	119
<b>Total fee and commission income</b>	<b>2,998</b>	<b>2,807</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>
Securities	-65	-57	-70	-72	-74	-50	-70	-66
Payments	-413	-379	-368	-331	-355	-341	-293	-300
Other	-19	-16	-16	-15	-19	-19	-20	-17
<b>Total fee and commission expense</b>	<b>-497</b>	<b>-452</b>	<b>-454</b>	<b>-418</b>	<b>-448</b>	<b>-410</b>	<b>-383</b>	<b>-383</b>
<b>Net fee and commission income</b>	<b>2,501</b>	<b>2,355</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>

**Net gains/losses on financial transactions**

SEK m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Trading, derivatives, FX effect etc	347	322	439	706	940	249	-90	-267
Other financial instruments at fair value in profit/loss	-184	-98	-132	-139	-641	77	447	583
of which interest-bearing securities	-182	-90	-123	-129	-627	89	455	585
of which loans	-2	-8	-9	-10	-14	-12	-8	-2
Financial instruments at amortised cost	53	58	32	13	29	61	56	36
of which loans	111	91	86	84	114	119	127	86
of which liabilities	-58	-33	-54	-71	-85	-58	-71	-50
Financial instruments available for sale	2	-	4	2	4	769	89	827
Hedge accounting	-14	-8	3	-10	-14	-25	36	0
of which net gains/losses on fair value hedges	-8	1	6	-6	1	-21	10	2
Gains/losses on unbundled insurance contracts	-40	-31	-29	-25	-49	-19	-15	-17
<b>Net gains/losses on financial transactions</b>	<b>164</b>	<b>243</b>	<b>317</b>	<b>547</b>	<b>269</b>	<b>1,112</b>	<b>523</b>	<b>1,162</b>

**Other expenses**

SEK m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Property and premises	-333	-294	-290	-318	-319	-304	-303	-308
External IT costs	-514	-454	-489	-478	-476	-394	-420	-408
Communication	-79	-71	-75	-84	-79	-73	-80	-85
Travel and marketing	-102	-59	-88	-68	-96	-57	-85	-68
Purchased services	-471	-300	-317	-318	-338	-259	-298	-264
Supplies	-52	-40	-38	-48	-43	-42	-43	-45
Other administrative expenses	-161	-119	-113	-116	-167	-105	-117	-125
<b>Other expenses</b>	<b>-1,712</b>	<b>-1,337</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>

**Loan losses**

SEK m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
<b>Specific provision for individually assessed loans</b>								
Provision for the period	-1,061	-284	-165	-301	-826	-432	-297	-344
Reversal of previous provisions	41	59	64	61	202	42	76	57
<b>Total</b>	<b>-1,020</b>	<b>-225</b>	<b>-101</b>	<b>-240</b>	<b>-624</b>	<b>-390</b>	<b>-221</b>	<b>-287</b>
<b>Collective provisions</b>								
Net provision for the period for individually assessed loans	-51	-8	-67	6	-24	-41	-4	7
Net provision for the period for homogeneous loans	-4	-4	-3	1	0	-11	0	1
<b>Total</b>	<b>-55</b>	<b>-12</b>	<b>-70</b>	<b>7</b>	<b>-24</b>	<b>-52</b>	<b>-4</b>	<b>8</b>
<b>Off-balance-sheet items</b>								
Losses on off-balance-sheet items	-3	0	0	-1	-12	0	-2	-2
Reversal of previous losses on off-balance-sheet items	0	0	9	1	0	0	2	-
Change in collective provision for off-balance-sheet items	-32	2	-9	12	-23	-8	-10	15
<b>Total</b>	<b>-35</b>	<b>2</b>	<b>0</b>	<b>12</b>	<b>-35</b>	<b>-8</b>	<b>-10</b>	<b>13</b>
<b>Write-offs</b>								
Actual loan losses for the period	-484	-106	-253	-410	-628	-198	-142	-1,215
Utilised share of previous provisions	422	89	195	396	427	127	114	1,195
Recoveries	88	35	42	40	52	45	34	99
<b>Total</b>	<b>26</b>	<b>18</b>	<b>-16</b>	<b>26</b>	<b>-149</b>	<b>-26</b>	<b>6</b>	<b>79</b>
Value change for the period	-	-	1	-1	-	-	-	-
<b>Net loan losses</b>	<b>-1,084</b>	<b>-217</b>	<b>-186</b>	<b>-196</b>	<b>-832</b>	<b>-476</b>	<b>-229</b>	<b>-187</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	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
Impaired loans	7,944	7,497	7,303	7,594	7,746	7,710	7,427	7,390
Specific provision for individually assessed loans	-4,578	-3,942	-3,840	-3,985	-4,188	-3,972	-3,671	-3,517
Provision for collectively assessed homogeneous groups of loans with limited value	-118	-112	-108	-105	-107	-107	-94	-93
Collective provisions for individually assessed loans	-463	-415	-403	-340	-348	-310	-279	-272
<b>Impaired loans, net</b>	<b>2,785</b>	<b>3,028</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>
Total impaired loans reserve ratio	64.9%	59.6%	59.6%	58.3%	59.9%	56.9%	54.4%	52.5%
Proportion of impaired loans	0.13%	0.15%	0.15%	0.16%	0.16%	0.17%	0.17%	0.18%
Impaired loans reserve ratio excl. collective provisions	59.1%	54.1%	54.1%	53.9%	55.4%	52.9%	50.7%	48.8%
Loan loss ratio as a % of loans, quarterly	0.22%	0.04%	0.04%	0.04%	0.17%	0.10%	0.05%	0.04%
Loans past due > 60 days	5,371	5,518	4,067	3,925	4,123	4,928	4,629	4,473
Loans past due > 60 days, which are not impaired	968	1,060	1,116	946	1,061	1,381	1,229	1,270

## Segment information

### Operating profit per segment, quarterly

SEK m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Sweden	3,505	3,658	3,429	3,148	3,291	3,832	3,132	2,317
Handelsbanken UK	16	480	599	521	472	518	568	536
Handelsbanken Denmark	-105	237	226	270	-236	70	216	246
Handelsbanken Finland	167	211	189	213	236	211	225	183
Handelsbanken Norway	670	672	618	833	604	591	628	492
Handelsbanken the Netherlands	87	63	53	49	73	41	25	28
Capital Markets	306	294	441	501	272	298	417	365
Other	405	-130	-230	-122	215	199	127	854
Adjustments & eliminations	-54	-61	-68	-66	-229	-69	-61	-54
<b>Operating profit, Group</b>	<b>4,997</b>	<b>5,424</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>

### Total income per segment

SEK m	Q4 2017	Q3 2017	Change	Q4 2016	Change	Full year 2017	Full year 2016	Change	Full year 2016
Sweden	5,699	5,594	2%	5,332	7%	21,840	20,524	6%	20,524
Handelsbanken UK	1,399	1,351	4%	1,320	6%	5,391	5,155	5%	5,155
Handelsbanken Denmark	581	544	7%	566	3%	2,257	2,155	5%	2,155
Handelsbanken Finland	459	422	9%	442	4%	1,735	1,734	0%	1,734
Handelsbanken Norway	1,081	1,055	2%	1,066	1%	4,180	3,931	6%	3,931
Handelsbanken the Netherlands	223	180	24%	180	24%	735	521	41%	521
Handelsbanken Capital Markets	1,148	1,042	10%	1,136	1%	4,793	4,772	0%	4,772
Other	562	60		83		743	1,971	-62%	1,971
Adjustments & eliminations	-	-		-		-	-		-
<b>Total income</b>	<b>11,152</b>	<b>10,248</b>	<b>9%</b>	<b>10,125</b>	<b>10%</b>	<b>41,674</b>	<b>40,763</b>	<b>2%</b>	<b>40,763</b>

### Total expenses per segment

SEK m	Q4 2017	Q3 2017	Change	Q4 2016	Change	Full year 2017	Full year 2016	Change	Full year 2016
Sweden	-2,127	-1,894	12%	-1,860	14%	-7,892	-7,536	5%	-7,536
Handelsbanken UK	-827	-723	14%	-775	7%	-3,035	-2,903	5%	-2,903
Handelsbanken Denmark	-316	-286	10%	-325	-3%	-1,176	-1,150	2%	-1,150
Handelsbanken Finland	-241	-217	11%	-220	10%	-898	-843	7%	-843
Handelsbanken Norway	-375	-365	3%	-355	6%	-1,231	-1,269	-3%	-1,269
Handelsbanken the Netherlands	-137	-118	16%	-107	28%	-485	-354	37%	-354
Handelsbanken Capital Markets	-840	-757	11%	-856	-2%	-3,194	-3,371	-5%	-3,371
Other	-157	-190	-17%	114		-820	-599	37%	-599
Adjustments & eliminations	-54	-61	11%	-229	76%	-249	-413	-40%	-413
<b>Total expenses</b>	<b>-5,074</b>	<b>-4,611</b>	<b>10%</b>	<b>-4,613</b>	<b>10%</b>	<b>-18,980</b>	<b>-18,438</b>	<b>3%</b>	<b>-18,438</b>

### Operating profit per segment

SEK m	Q4 2017	Q3 2017	Change	Q4 2016	Change	Full year 2017	Full year 2016	Change	Full year 2016
Sweden	3,505	3,658	-4%	3,291	7%	13,740	12,572	9%	12,572
Handelsbanken UK	16	480	-97%	472	-97%	1,616	2,094	-23%	2,094
Handelsbanken Denmark	-105	237	-56%	-236	56%	628	296	112%	296
Handelsbanken Finland	167	211	-21%	236	-29%	780	855	-9%	855
Handelsbanken Norway	670	672	0%	604	11%	2,793	2,315	21%	2,315
Handelsbanken the Netherlands	87	63	38%	73	19%	252	167	51%	167
Handelsbanken Capital Markets	306	294	4%	272	12%	1,542	1,352	14%	1,352
Other	405	-130		215	88%	-77	1,395		1,395
Adjustments & eliminations	-54	-61	11%	-229	76%	-249	-413	40%	-413
<b>Operating profit</b>	<b>4,997</b>	<b>5,424</b>	<b>-8%</b>	<b>4,698</b>	<b>6%</b>	<b>21,025</b>	<b>20,633</b>	<b>2%</b>	<b>20,633</b>

## Handelsbanken Sweden

SEK m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net interest income	4,371	4,301	4,076	3,946	4,018	3,929	3,813	3,759
Net fee and commission income	1,146	1,113	1,117	1,058	1,102	1,047	1,080	1,004
Net gains/losses on financial transactions	167	173	176	147	184	167	242	132
Other income	15	7	16	11	28	4	4	11
<b>Total income</b>	<b>5,699</b>	<b>5,594</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>
Staff costs	-885	-876	-848	-856	-867	-278	-920	-1,606
Other expenses	-354	-268	-279	-279	-302	-261	-310	-280
Internal purchased and sold services	-871	-732	-773	-792	-680	-630	-677	-658
Depreciation, amortisation and impairments of property, equipment and intangible assets	-17	-18	-17	-27	-11	-19	-17	-20
<b>Total expenses</b>	<b>-2,127</b>	<b>-1,894</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>Profit before loan losses</b>	<b>3,572</b>	<b>3,700</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>
Net loan losses	-69	-42	-39	-60	-180	-128	-84	-24
Gains/losses on disposal of property, equipment and intangible assets	2	0	0	0	-1	1	1	-1
<b>Operating profit</b>	<b>3,505</b>	<b>3,658</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>
Profit allocation	311	322	330	294	300	271	224	202
<b>Operating profit after profit allocation</b>	<b>3,816</b>	<b>3,980</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>
Cost/income ratio, %	35.4	32.0	33.5	35.8	33.0	21.9	35.9	50.2
Loan loss ratio, %	0.02	0.01	0.01	0.02	0.06	0.04	0.03	0.01
Allocated capital	79,964	78,083	74,464	78,736	77,800	72,997	68,642	74,375
Return on allocated capital, %	14.9	15.9	15.7	13.6	14.4	17.5	15.3	10.6
Average number of employees	4,084	4,232	3,990	4,006	4,109	4,352	4,300	4,412
Number of branches	420	422	423	425	435	463	472	473

### Business volumes, Handelsbanken Sweden

Average volumes, SEK bn	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Loans to the public*								
Household	801	788	775	765	757	748	736	721
of which mortgage loans	752	738	725	714	705	695	681	667
Corporate	497	491	486	479	473	479	481	482
of which mortgage loans	290	285	280	275	269	270	272	274
<b>Total</b>	<b>1,298</b>	<b>1,279</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>
Deposits and borrowing from the public								
Household	333	325	316	307	306	302	291	281
Corporate	239	232	229	217	209	200	200	197
<b>Total</b>	<b>572</b>	<b>557</b>	<b>545</b>	<b>524</b>	<b>515</b>	<b>502</b>	<b>491</b>	<b>478</b>

\* Excluding loans to the National Debt Office.

## Handelsbanken UK

SEK m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net interest income	1,245	1,157	1,178	1,079	1,111	1,085	1,102	1,116
Net fee and commission income	165	147	150	140	147	121	132	119
Net gains/losses on financial transactions	-13	46	48	46	59	34	76	50
Other income	2	1	0	0	3	-1	0	1
<b>Total income</b>	<b>1,399</b>	<b>1,351</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>
Staff costs	-462	-452	-461	-453	-470	-444	-462	-473
Other expenses	-194	-117	-126	-112	-143	-109	-105	-106
Internal purchased and sold services	-155	-139	-151	-150	-151	-137	-137	-120
Depreciation, amortisation and impairments of property, equipment and intangible assets	-16	-15	-16	-16	-11	-11	-11	-13
<b>Total expenses</b>	<b>-827</b>	<b>-723</b>	<b>-754</b>	<b>-731</b>	<b>-775</b>	<b>-701</b>	<b>-715</b>	<b>-712</b>
<b>Profit before loan losses</b>	<b>572</b>	<b>628</b>	<b>622</b>	<b>534</b>	<b>545</b>	<b>538</b>	<b>595</b>	<b>574</b>
Net loan losses	-556	-148	-23	-12	-73	-20	-26	-41
Gains/losses on disposal of property, equipment and intangible assets	0	0	0	-1	0	0	-1	3
<b>Operating profit</b>	<b>16</b>	<b>480</b>	<b>599</b>	<b>521</b>	<b>472</b>	<b>518</b>	<b>568</b>	<b>536</b>
Profit allocation	11	9	7	8	9	11	7	8
<b>Operating profit after profit allocation</b>	<b>27</b>	<b>489</b>	<b>606</b>	<b>529</b>	<b>481</b>	<b>529</b>	<b>575</b>	<b>544</b>
Cost/income ratio, %	58.7	53.2	54.5	57.4	58.3	56.1	54.3	55.0
Loan loss ratio, %	1.13	0.30	0.05	0.02	0.15	0.04	0.05	0.08
Allocated capital	13,106	12,519	12,144	12,914	11,426	10,582	10,263	10,911
Return on allocated capital, %	0.6	12.2	15.6	12.8	13.1	15.6	17.5	15.6
Average number of employees	2,093	2,073	2,022	1,991	1,980	1,987	1,957	1,912
Number of branches	208	207	207	207	207	206	205	201

### Handelsbanken UK, in local currency

GBP m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net interest income	112.8	108.6	104.8	97.6	98.7	97.1	93.4	92.3
Net fee and commission income	14.8	13.9	13.3	12.7	13.1	10.8	11.2	9.8
Net gains/losses on financial transactions	-1.2	4.3	4.2	4.2	5.2	3.1	6.5	4.1
Other income	0.3	0.0	0.1	0.0	0.2	0.0	0.0	0.1
<b>Total income</b>	<b>126.7</b>	<b>126.8</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>
Staff costs	-41.9	-42.4	-41.0	-41.0	-41.8	-39.7	-39.2	-39.1
Other expenses	-17.6	-11.1	-11.2	-10.1	-12.8	-9.6	-8.9	-8.8
Internal purchased and sold services	-14.0	-13.1	-13.4	-13.6	-13.2	-12.4	-11.5	-10.0
Depreciation, amortisation and impairments of property, equipment and intangible assets	-1.4	-1.4	-1.4	-1.5	-1.0	-1.0	-1.0	-1.0
<b>Total expenses</b>	<b>-74.9</b>	<b>-68.0</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>Profit before loan losses</b>	<b>51.8</b>	<b>58.8</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>
Net loan losses	-50.6	-13.4	-2.1	-1.1	-6.3	-1.9	-2.2	-3.4
Gains/losses on disposal of property, equipment and intangible assets	0.0	0.0	-0.1	0.0	0.0	0.0	-0.1	0.3
<b>Operating profit</b>	<b>1.2</b>	<b>45.4</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>
Profit allocation	1.0	0.8	0.7	0.7	0.8	1.0	0.5	0.7
<b>Operating profit after profit allocation</b>	<b>2.2</b>	<b>46.2</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>

### Business volumes, Handelsbanken UK

Average volumes, GBP m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Loans to the public								
Household	6,311	6,210	6,073	5,916	5,754	5,609	5,456	5,288
Corporate	12,874	12,411	12,050	11,719	11,418	11,196	10,847	10,566
<b>Total</b>	<b>19,185</b>	<b>18,621</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>
Deposits and borrowing from the public								
Household	4,232	3,965	3,603	3,297	3,039	2,751	2,425	2,060
Corporate	9,174	9,113	8,490	7,840	7,550	7,526	7,051	6,744
<b>Total</b>	<b>13,406</b>	<b>13,078</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>

## Handelsbanken Denmark

SEK m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net interest income	439	433	425	417	447	425	405	409
Net fee and commission income	115	89	121	108	95	93	93	98
Net gains/losses on financial transactions	24	18	29	24	21	19	18	17
Other income	3	4	1	7	3	3	6	3
<b>Total income</b>	<b>581</b>	<b>544</b>	<b>576</b>	<b>556</b>	<b>566</b>	<b>540</b>	<b>522</b>	<b>527</b>
Staff costs	-174	-166	-163	-166	-177	-164	-155	-159
Other expenses	-51	-33	-36	-39	-66	-43	-41	-44
Internal purchased and sold services	-88	-84	-83	-80	-78	-71	-69	-69
Depreciation, amortisation and impairments of property, equipment and intangible assets	-3	-3	-4	-3	-4	-3	-4	-3
<b>Total expenses</b>	<b>-316</b>	<b>-286</b>	<b>-286</b>	<b>-288</b>	<b>-325</b>	<b>-281</b>	<b>-269</b>	<b>-275</b>
<b>Profit before loan losses</b>	<b>265</b>	<b>258</b>	<b>290</b>	<b>268</b>	<b>241</b>	<b>259</b>	<b>253</b>	<b>252</b>
Net loan losses	-372	-24	-66	-4	-478	-194	-38	-6
Gains/losses on disposal of property, equipment and intangible assets	2	3	2	6	1	5	1	0
<b>Operating profit</b>	<b>-105</b>	<b>237</b>	<b>226</b>	<b>270</b>	<b>-236</b>	<b>70</b>	<b>216</b>	<b>246</b>
Profit allocation	25	21	24	24	22	26	18	19
<b>Operating profit after profit allocation</b>	<b>-80</b>	<b>258</b>	<b>250</b>	<b>294</b>	<b>-214</b>	<b>96</b>	<b>234</b>	<b>265</b>
Cost/income ratio, %	52.1	50.6	47.7	49.7	55.3	49.6	49.8	50.4
Loan loss ratio, %	1.53	0.10	0.27	0.02	2.26	0.92	0.18	0.03
Allocated capital	5,711	5,708	5,535	6,382	6,221	6,412	6,146	6,023
Return on allocated capital, %	-4.3	14.0	14.1	14.4	-10.7	4.6	11.9	13.7
Average number of employees	609	608	605	611	617	627	626	626
Number of branches	57	57	57	57	57	57	57	57

### Handelsbanken Denmark, in local currency

DKK m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net interest income	333	337	327	326	340	333	325	327
Net fee and commission income	88	69	93	85	73	72	75	78
Net gains/losses on financial transactions	18	14	22	19	16	15	15	13
Other income	2	3	1	5	3	2	4	3
<b>Total income</b>	<b>441</b>	<b>423</b>	<b>443</b>	<b>435</b>	<b>432</b>	<b>422</b>	<b>419</b>	<b>421</b>
Staff costs	-130	-130	-125	-130	-136	-127	-125	-127
Other expenses	-39	-26	-28	-30	-50	-34	-33	-35
Internal purchased and sold services	-67	-65	-65	-62	-60	-55	-56	-55
Depreciation, amortisation and impairments of property, equipment and intangible assets	-3	-1	-3	-3	-3	-3	-2	-3
<b>Total expenses</b>	<b>-239</b>	<b>-222</b>	<b>-221</b>	<b>-225</b>	<b>-249</b>	<b>-219</b>	<b>-216</b>	<b>-220</b>
<b>Profit before loan losses</b>	<b>202</b>	<b>201</b>	<b>222</b>	<b>210</b>	<b>183</b>	<b>203</b>	<b>203</b>	<b>201</b>
Net loan losses	-291	-16	-53	-3	-374	-154	-31	-4
Gains/losses on disposal of property, equipment and intangible assets	1	3	2	4	1	3	1	0
<b>Operating profit</b>	<b>-88</b>	<b>188</b>	<b>171</b>	<b>211</b>	<b>-190</b>	<b>52</b>	<b>173</b>	<b>197</b>
Profit allocation	20	15	19	19	17	20	15	15
<b>Operating profit after profit allocation</b>	<b>-68</b>	<b>203</b>	<b>190</b>	<b>230</b>	<b>-173</b>	<b>72</b>	<b>188</b>	<b>212</b>

### Business volumes, Handelsbanken Denmark

Average volumes, DKK bn	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Loans to the public								
Household	45.1	44.3	43.8	43.4	42.5	41.3	40.1	39.1
Corporate	28.7	27.6	28.8	29.6	29.0	28.7	28.8	28.7
<b>Total</b>	<b>73.8</b>	<b>71.9</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>
Deposits and borrowing from the public								
Household	13.3	13.1	12.9	12.2	12.4	12.1	12.0	11.3
Corporate	19.3	19.8	18.6	18.5	16.2	15.7	13.5	17.1
<b>Total</b>	<b>32.6</b>	<b>32.9</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>



## Handelsbanken Finland

SEK m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net interest income	319	301	291	292	302	304	294	318
Net fee and commission income	118	110	121	113	116	108	102	93
Net gains/losses on financial transactions	18	7	13	14	21	8	45	13
Other income	4	4	6	4	3	1	3	3
<b>Total income</b>	<b>459</b>	<b>422</b>	<b>431</b>	<b>423</b>	<b>442</b>	<b>421</b>	<b>444</b>	<b>427</b>
Staff costs	-107	-95	-100	-94	-101	-94	-95	-90
Other expenses	-48	-46	-44	-42	-53	-37	-50	-70
Internal purchased and sold services	-80	-72	-78	-73	-62	-59	-60	-58
Depreciation, amortisation and impairments of property, equipment and intangible assets	-6	-4	-5	-4	-4	-4	-3	-3
<b>Total expenses</b>	<b>-241</b>	<b>-217</b>	<b>-227</b>	<b>-213</b>	<b>-220</b>	<b>-194</b>	<b>-208</b>	<b>-221</b>
<b>Profit before loan losses</b>	<b>218</b>	<b>205</b>	<b>204</b>	<b>210</b>	<b>222</b>	<b>227</b>	<b>236</b>	<b>206</b>
Net loan losses	-51	6	-15	3	14	-16	-11	-23
Gains/losses on disposal of property, equipment and intangible assets	0	0	0	-	0	0	0	0
<b>Operating profit</b>	<b>167</b>	<b>211</b>	<b>189</b>	<b>213</b>	<b>236</b>	<b>211</b>	<b>225</b>	<b>183</b>
Profit allocation	43	37	38	32	38	31	30	32
<b>Operating profit after profit allocation</b>	<b>210</b>	<b>248</b>	<b>227</b>	<b>245</b>	<b>274</b>	<b>242</b>	<b>255</b>	<b>215</b>
Cost/income ratio, %	48.0	47.3	48.4	46.8	45.8	42.9	43.9	48.1
Loan loss ratio, %	0.16	-0.02	0.05	-0.01	-0.05	0.05	0.04	0.08
Allocated capital	5,646	5,526	5,283	6,169	6,252	5,937	5,568	5,970
Return on allocated capital, %	11.6	14.0	13.4	12.4	13.7	12.7	14.3	11.2
Average number of employees	519	519	505	482	482	500	496	489
Number of branches	45	45	45	45	45	45	45	46

### Handelsbanken Finland, in local currency

EUR m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net interest income	32.7	31.5	30.0	30.7	30.9	31.9	31.7	34.1
Net fee and commission income	12.1	11.4	12.7	11.8	11.9	11.3	11.1	9.9
Net gains/losses on financial transactions	1.8	0.8	1.4	1.4	2.1	0.8	4.9	1.4
Other income	0.4	0.5	0.5	0.5	0.3	0.1	0.3	0.3
<b>Total income</b>	<b>47.0</b>	<b>44.2</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>
Staff costs	-10.9	-9.9	-10.4	-9.9	-10.3	-9.9	-10.2	-9.6
Other expenses	-5.1	-4.8	-4.4	-4.5	-5.3	-3.9	-5.4	-7.5
Internal purchased and sold services	-8.1	-7.4	-8.1	-7.7	-6.4	-6.1	-6.6	-6.2
Depreciation, amortisation and impairments of property, equipment and intangible assets	-0.5	-0.6	-0.6	-0.4	-0.4	-0.4	-0.4	-0.3
<b>Total expenses</b>	<b>-24.6</b>	<b>-22.7</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>Profit before loan losses</b>	<b>22.4</b>	<b>21.5</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>
Net loan losses	-5.3	0.6	-1.6	0.4	1.5	-1.7	-1.1	-2.5
Gains/losses on disposal of property, equipment and intangible assets	-0.1	0.0	0.0	-	0.0	0.0	0.0	0.0
<b>Operating profit</b>	<b>17.0</b>	<b>22.1</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>
Profit allocation	4.4	3.9	4.0	3.3	3.9	3.2	3.2	3.5
<b>Operating profit after profit allocation</b>	<b>21.4</b>	<b>26.0</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>

### Business volumes, Handelsbanken Finland

Average volumes, EUR m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Loans to the public								
Household	4,107	4,058	4,053	4,024	3,997	3,998	3,952	3,952
Corporate	8,901	8,858	9,061	8,922	8,822	8,747	8,733	8,742
<b>Total</b>	<b>13,008</b>	<b>12,916</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>
Deposits and borrowing from the public								
Household	1,569	1,547	1,642	1,625	1,508	1,485	1,432	1,381
Corporate	2,698	2,658	2,556	2,771	2,211	1,933	1,766	2,052
<b>Total</b>	<b>4,267</b>	<b>4,205</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>

## Handelsbanken Norway

SEK m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net interest income	953	930	898	885	933	856	797	769
Net fee and commission income	104	101	102	103	107	99	91	84
Net gains/losses on financial transactions	21	23	19	27	21	25	30	38
Other income	3	1	6	4	5	4	68	4
<b>Total income</b>	<b>1,081</b>	<b>1,055</b>	<b>1,025</b>	<b>1,019</b>	<b>1,066</b>	<b>984</b>	<b>986</b>	<b>895</b>
Staff costs	-192	-201	-192	15	-180	-175	-158	-163
Other expenses	-62	-54	-53	-54	-62	-46	-50	-48
Internal purchased and sold services	-118	-106	-103	-97	-107	-96	-90	-86
Depreciation, amortisation and impairments of property, equipment and intangible assets	-3	-4	-3	-4	-6	-3	4	-3
<b>Total expenses</b>	<b>-375</b>	<b>-365</b>	<b>-351</b>	<b>-140</b>	<b>-355</b>	<b>-320</b>	<b>-294</b>	<b>-300</b>
<b>Profit before loan losses</b>	<b>706</b>	<b>690</b>	<b>674</b>	<b>879</b>	<b>711</b>	<b>664</b>	<b>692</b>	<b>595</b>
Net loan losses	-36	-19	-56	-46	-107	-73	-64	-103
Gains/losses on disposal of property, equipment and intangible assets	0	1	0	0	0	0	0	0
<b>Operating profit</b>	<b>670</b>	<b>672</b>	<b>618</b>	<b>833</b>	<b>604</b>	<b>591</b>	<b>628</b>	<b>492</b>
Profit allocation	26	20	23	21	30	22	16	23
<b>Operating profit after profit allocation</b>	<b>696</b>	<b>692</b>	<b>641</b>	<b>854</b>	<b>634</b>	<b>613</b>	<b>644</b>	<b>515</b>
Cost/income ratio, %	33.9	34.0	33.5	13.5	32.4	31.8	29.3	32.7
Loan loss ratio, %	0.06	0.03	0.09	0.08	0.20	0.14	0.12	0.20
Allocated capital	15,837	15,407	15,521	16,808	15,883	14,441	12,870	13,383
Return on allocated capital, %	13.7	14.0	12.9	15.9	12.4	13.2	15.6	12.0
Average number of employees	673	692	662	662	667	681	658	665
Number of branches	49	49	49	49	50	50	50	50

### Handelsbanken Norway, in local currency

NOK m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net interest income	934	909	868	837	867	835	801	785
Net fee and commission income	102	99	98	98	98	98	92	85
Net gains/losses on financial transactions	20	23	19	25	19	24	30	39
Other income	4	1	5	4	3	3	69	4
<b>Total income</b>	<b>1,060</b>	<b>1,032</b>	<b>990</b>	<b>964</b>	<b>987</b>	<b>960</b>	<b>992</b>	<b>913</b>
Staff costs	-188	-195	-183	14	-167	-171	-159	-166
Other expenses	-61	-53	-51	-51	-58	-44	-51	-49
Internal purchased and sold services	-115	-104	-99	-92	-98	-95	-90	-88
Depreciation, amortisation and impairments of property, equipment and intangible assets	-3	-4	-4	-3	-6	-3	4	-3
<b>Total expenses</b>	<b>-367</b>	<b>-356</b>	<b>-337</b>	<b>-132</b>	<b>-329</b>	<b>-313</b>	<b>-296</b>	<b>-306</b>
<b>Profit before loan losses</b>	<b>693</b>	<b>676</b>	<b>653</b>	<b>832</b>	<b>658</b>	<b>647</b>	<b>696</b>	<b>607</b>
Net loan losses	-35	-19	-54	-44	-100	-71	-64	-105
Gains/losses on disposal of property, equipment and intangible assets	1	0	0	0	0	0	0	0
<b>Operating profit</b>	<b>659</b>	<b>657</b>	<b>599</b>	<b>788</b>	<b>558</b>	<b>576</b>	<b>632</b>	<b>502</b>
Profit allocation	24	20	22	20	28	21	17	23
<b>Operating profit after profit allocation</b>	<b>683</b>	<b>677</b>	<b>621</b>	<b>808</b>	<b>586</b>	<b>597</b>	<b>649</b>	<b>525</b>

### Business volumes, Handelsbanken Norway

Average volumes, NOK bn	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Loans to the public								
Household	89.7	88.8	88.4	88.0	87.6	86.4	85.3	84.3
Corporate	151.9	149.7	148.7	145.8	146.1	144.3	142.7	139.4
<b>Total</b>	<b>241.6</b>	<b>238.5</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>
Deposits and borrowing from the public								
Household	20.1	20.3	19.7	19.6	19.7	20.0	19.1	18.6
Corporate	48.3	51.4	49.0	48.8	54.2	45.8	44.2	40.8
<b>Total</b>	<b>68.4</b>	<b>71.7</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>

## Handelsbanken the Netherlands

SEK m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net interest income	155	142	135	125	126	117	100	95
Net fee and commission income	55	35	33	32	49	15	6	5
Net gains/losses on financial transactions	13	2	3	2	2	2	0	1
Share of profit of associates	0	0	1	1	2	0	-	-
Other income	0	1	0	0	1	0	-	-
<b>Total income</b>	<b>223</b>	<b>180</b>	<b>172</b>	<b>160</b>	<b>180</b>	<b>134</b>	<b>106</b>	<b>101</b>
Staff costs	-76	-72	-74	-67	-65	-56	-45	-44
Other expenses	-27	-20	-20	-18	-16	-20	-16	-8
Internal purchased and sold services	-29	-23	-24	-22	-24	-14	-19	-20
Depreciation, amortisation and impairments of property, equipment and intangible assets	-5	-3	-3	-2	-2	-2	-2	-1
<b>Total expenses</b>	<b>-137</b>	<b>-118</b>	<b>-121</b>	<b>-109</b>	<b>-107</b>	<b>-92</b>	<b>-82</b>	<b>-73</b>
<b>Profit before loan losses</b>	<b>86</b>	<b>62</b>	<b>51</b>	<b>51</b>	<b>73</b>	<b>42</b>	<b>24</b>	<b>28</b>
Net loan losses	1	1	2	-2	0	-1	1	0
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>87</b>	<b>63</b>	<b>53</b>	<b>49</b>	<b>73</b>	<b>41</b>	<b>25</b>	<b>28</b>
Profit allocation	1	0	2	0	1	0	2	0
<b>Operating profit after profit allocation</b>	<b>88</b>	<b>63</b>	<b>55</b>	<b>49</b>	<b>74</b>	<b>41</b>	<b>27</b>	<b>28</b>
Cost/income ratio, %	61.2	65.6	69.5	68.1	59.1	68.7	75.9	72.3
Loan loss ratio, %	-0.01	-0.01	-0.02	0.02	0.00	0.02	-0.02	0.00
Allocated capital	1,465	1,443	1,375	1,276	1,251	1,131	956	921
Return on allocated capital, %	18.8	13.7	12.4	12.0	18.6	11.2	8.6	9.8
Average number of employees	283	275	274	259	245	198	188	181
Number of branches	28	27	27	26	25	25	23	23

### Handelsbanken in the Netherlands, in local currency

Euro m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net interest income	15.8	14.9	14.0	13.1	12.9	12.3	10.8	10.2
Net fee and commission income	5.7	3.6	3.4	3.4	5.1	1.6	0.6	0.6
Net gains/losses on financial transactions	1.4	0.2	0.3	0.2	0.4	0.2	0.0	0.1
Other income	0.0	0.1	0.1	0.1	0.3	0.0	-	-
<b>Total income</b>	<b>22.9</b>	<b>18.8</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>
Staff costs	-7.8	-7.5	-7.6	-7.1	-6.8	-5.8	-4.9	-4.7
Other expenses	-2.9	-2.0	-2.1	-1.9	-1.6	-2.1	-1.7	-0.9
Internal purchased and sold services	-2.9	-2.4	-2.7	-2.1	-2.3	-1.6	-2.0	-2.2
Depreciation, amortisation and impairments of property, equipment and intangible assets	-0.4	-0.4	-0.2	-0.3	-0.3	-0.2	-0.2	-0.1
<b>Total expenses</b>	<b>-14.0</b>	<b>-12.3</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>Profit before loan losses</b>	<b>8.9</b>	<b>6.5</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>
Net loan losses	0.1	0.1	0.2	-0.2	0.0	-0.1	0.1	0.0
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>9.0</b>	<b>6.6</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>
Profit allocation	0.2	0.0	-0.1	0.3	0.1	0.0	0.2	0.0
<b>Operating profit after profit allocation</b>	<b>9.2</b>	<b>6.6</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>

### Business volumes, Handelsbanken the Netherlands

Average volumes, EUR m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Loans to the public								
Household	2,136	2,027	1,891	1,780	1,629	1,502	1,367	1,238
Corporate	1,803	1,697	1,717	1,695	1,667	1,741	1,397	1,273
<b>Total</b>	<b>3,939</b>	<b>3,724</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>
Deposits and borrowing from the public								
Household	109	92	84	78	73	65	58	53
Corporate	749	710	727	768	455	378	440	408
<b>Total</b>	<b>858</b>	<b>802</b>	<b>811</b>	<b>846</b>	<b>528</b>	<b>443</b>	<b>498</b>	<b>461</b>

## Handelsbanken Capital Markets

### Handelsbanken Capital Markets

SEK m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net interest income	116	120	118	118	151	135	134	137
Net fee and commission income	789	744	859	782	815	753	771	742
Net gains/losses on financial transactions	195	157	228	399	162	244	338	240
Risk result - insurance	34	19	53	36	6	25	35	76
Other income	14	2	3	7	2	3	1	2
<b>Total income</b>	<b>1,148</b>	<b>1,042</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>
Staff costs	-568	-541	-588	-544	-581	-580	-597	-610
Other expenses	-273	-201	-225	-223	-239	-203	-217	-212
Internal purchased and sold services	23	6	4	19	-17	-17	-22	0
Depreciation, amortisation and impairments of property, equipment and intangible assets	-22	-21	-22	-18	-19	-18	-19	-20
<b>Total expenses</b>	<b>-840</b>	<b>-757</b>	<b>-831</b>	<b>-766</b>	<b>-856</b>	<b>-818</b>	<b>-855</b>	<b>-842</b>
<b>Profit before loan losses</b>	<b>308</b>	<b>285</b>	<b>430</b>	<b>576</b>	<b>280</b>	<b>342</b>	<b>424</b>	<b>355</b>
Net loan losses	-1	9	11	-75	-8	-44	-7	10
<b>Operating profit</b>	<b>306</b>	<b>294</b>	<b>441</b>	<b>501</b>	<b>272</b>	<b>298</b>	<b>417</b>	<b>365</b>
Profit allocation	-417	-409	-424	-379	-400	-361	-297	-284
<b>Operating profit after profit allocation</b>	<b>-111</b>	<b>-115</b>	<b>17</b>	<b>122</b>	<b>-128</b>	<b>-63</b>	<b>120</b>	<b>81</b>
Cost/income ratio, %	114.9	119.6	99.3	79.5	116.3	102.4	87.1	92.2
Loan loss ratio, %	0.01	-0.08	-0.10	0.67	0.07	0.37	0.06	-0.08
Allocated capital	4,314	4,163	4,478	4,972	5,033	4,807	5,038	4,981
Return on allocated capital, %	-8.1	-8.6	1.1	7.7	-8.0	-4.1	7.5	5.0
Average number of employees	1,591	1,638	1,627	1,643	1,636	1,674	1,681	1,720

### Business volumes, Handelsbanken International

Average volumes, SEK bn	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Loans to the public								
Household	5.9	5.6	5.5	5.4	5.4	5.1	4.9	4.9
Corporate	25.5	24.4	26.5	29.9	31.7	30.2	30.1	30.4
<b>Total</b>	<b>31.4</b>	<b>30.0</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>
Deposits and borrowing from the public								
Household	4.4	4.6	3.8	3.6	3.6	3.8	3.7	2.8
Corporate	70.0	69.1	53.9	36.7	45.8	44.8	44.2	37.6
<b>Total</b>	<b>74.4</b>	<b>73.7</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>

**Markets & Asset Management**

SEK m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net interest income	12	-8	18	12	16	3	6	2
Net fee and commission income	529	425	607	538	565	524	548	521
Net gains/losses on financial transactions	216	173	235	406	181	249	333	253
Other income	10	3	0	1	1	3	-3	1
<b>Total income</b>	<b>767</b>	<b>593</b>	<b>860</b>	<b>957</b>	<b>763</b>	<b>779</b>	<b>884</b>	<b>777</b>
Staff costs	-261	-236	-283	-251	-277	-239	-304	-309
Other expenses	-234	-128	-249	-256	-256	-298	-240	-240
<b>Total expenses</b>	<b>-495</b>	<b>-364</b>	<b>-532</b>	<b>-507</b>	<b>-533</b>	<b>-537</b>	<b>-544</b>	<b>-549</b>
<b>Profit before loan losses</b>	<b>272</b>	<b>229</b>	<b>328</b>	<b>450</b>	<b>230</b>	<b>242</b>	<b>340</b>	<b>228</b>
Net loan losses	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>272</b>	<b>229</b>	<b>328</b>	<b>450</b>	<b>230</b>	<b>242</b>	<b>340</b>	<b>228</b>
<b>Operating profit after profit allocation</b>	<b>-34</b>	<b>-55</b>	<b>16</b>	<b>170</b>	<b>-72</b>	<b>-22</b>	<b>115</b>	<b>11</b>
Average number of employees	447	467	488	504	496	541	571	575

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

SEK m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net interest income	104	128	100	106	135	132	128	135
Net fee and commission income	260	319	252	244	250	229	223	221
Net gains/losses on financial transactions	-21	-16	-7	-7	-19	-5	5	-13
Other income	38	18	56	42	7	25	39	77
<b>Total income</b>	<b>381</b>	<b>449</b>	<b>401</b>	<b>385</b>	<b>373</b>	<b>381</b>	<b>395</b>	<b>420</b>
Staff costs	-307	-305	-305	-293	-304	-341	-293	-301
Other expenses	-38	-88	6	34	-19	60	-18	8
<b>Total expenses</b>	<b>-345</b>	<b>-393</b>	<b>-299</b>	<b>-259</b>	<b>-323</b>	<b>-281</b>	<b>-311</b>	<b>-293</b>
<b>Profit before loan losses</b>	<b>36</b>	<b>56</b>	<b>102</b>	<b>126</b>	<b>50</b>	<b>100</b>	<b>84</b>	<b>127</b>
Net loan losses	-1	9	11	-75	-8	-44	-7	10
<b>Operating profit</b>	<b>35</b>	<b>65</b>	<b>113</b>	<b>51</b>	<b>42</b>	<b>56</b>	<b>77</b>	<b>137</b>
<b>Operating profit after profit allocation</b>	<b>-76</b>	<b>-60</b>	<b>1</b>	<b>-48</b>	<b>-56</b>	<b>-41</b>	<b>5</b>	<b>70</b>
Average number of employees	1,144	1,171	1,139	1,139	1,140	1,133	1,110	1,145
Number of branches	12	13	13	13	13	13	13	13

**Handelsbanken Liv**

SEK m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
<b>Statutory Profit/loss, according to the alternative income statement</b>								
Administration result	219	235	228	224	211	204	182	172
Risk result	35	18	53	36	6	25	35	76
Financial result	-42	-31	-29	-27	-49	-20	-15	-17
<i>of which deferred capital contribution</i>	-40	-32	-29	-25	-49	-19	-15	-17
Other	33	39	43	34	46	40	35	25
<b>Operating profit</b>	<b>245</b>	<b>261</b>	<b>295</b>	<b>267</b>	<b>214</b>	<b>249</b>	<b>237</b>	<b>256</b>
AUM, SEK bn, end of period	139	136	133	128	123	120	111	109
<i>of which unit-linked</i>	107	104	101	97	93	90	83	81
<i>of which portfolio bond</i>	24	24	23	22	21	21	20	20
Premiums paid, SEK m	3,466	3,600	4,806	3,528	2,991	2,938	3,818	3,313
of which portfolio bond	971	1,406	1,513	1,145	959	909	1,086	1,235
of which unit-linked	2,369	2,044	3,148	2,237	1,891	1,877	2,583	1,928
of which occupational pensions	598	688	639	571	558	600	459	469
New sales mutual funds & custody, Sweden, SEK m	723	687	951	836	593	444	757	892

## Other and Adjustments & eliminations

### Other

SEK m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net interest income	179	203	200	219	211	190	163	192
Net fee and commission income	9	16	5	18	16	23	5	25
Net gains/losses on financial transactions	-261	-183	-199	-112	-201	613	-226	671
Share of profit of associates	30	14	-4	-28	-2	10	13	2
Other income	605	10	10	12	59	12	181	14
<b>Total income</b>	<b>562</b>	<b>60</b>	<b>12</b>	<b>109</b>	<b>83</b>	<b>848</b>	<b>136</b>	<b>904</b>
Staff costs	-674	-683	-763	-698	-323	-1,084	-459	-469
Other expenses	-703	-598	-627	-663	-637	-515	-557	-535
Internal purchased and sold services	1,318	1,150	1,208	1,195	1,119	1,024		
Depreciation, amortisation and impairments of property, equipment and intangible assets	-98	-59	-60	-65	-45	-74	-67	-62
<b>Total expenses</b>	<b>-157</b>	<b>-190</b>	<b>-242</b>	<b>-231</b>	<b>114</b>	<b>-649</b>	<b>-9</b>	<b>-55</b>
<b>Profit before loan losses</b>	<b>405</b>	<b>-130</b>	<b>-230</b>	<b>-122</b>	<b>197</b>	<b>199</b>	<b>127</b>	<b>849</b>
Net loan losses								
Gains/losses on disposal of property, equipment and intangible assets	0	0	0	0	18	0	0	5
<b>Operating profit</b>	<b>405</b>	<b>-130</b>	<b>-230</b>	<b>-122</b>	<b>215</b>	<b>199</b>	<b>127</b>	<b>854</b>
Profit allocation	-	-	-	-	-	-	-	-
<b>Operating profit after profit allocation</b>	<b>405</b>	<b>-130</b>	<b>-230</b>	<b>-122</b>	<b>215</b>	<b>199</b>	<b>127</b>	<b>854</b>
Average number of employees	2,103	2,065	2,003	1,930	1,879	1,840	1,810	1,830

### Adjustments & eliminations

SEK m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
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	-40	-48	-53	-55	-217	-66	-61	-54
Other expenses	-	-	-	-	-	-	-	-
Depreciation, amortisation and impairments of property, equipment and intangible assets	-14	-13	-15	-11	-12	-3	-	-
<b>Total expenses</b>	<b>-54</b>	<b>-61</b>	<b>-68</b>	<b>-66</b>	<b>-229</b>	<b>-69</b>	<b>-61</b>	<b>-54</b>
<b>Profit before loan losses</b>	<b>-54</b>	<b>-61</b>	<b>-68</b>	<b>-66</b>	<b>-229</b>	<b>-69</b>	<b>-61</b>	<b>-54</b>
Net loan losses	-	-	-	-	-	-	-	-
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>-54</b>	<b>-61</b>	<b>-68</b>	<b>-66</b>	<b>-229</b>	<b>-69</b>	<b>-61</b>	<b>-54</b>

# Balance sheet

## Balance sheet - Svenska Handelsbanken Group

SEK m	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
<b>Assets</b>								
Cash and balances with central banks	226,314	377,821	436,848	387,092	199,362	353,680	501,744	463,957
Other loans to central banks	38,920	111,008	52,718	79,245	25,527	103,113	81,267	43,790
Interest-bearing securities eligible as collateral with central banks	129,006	112,339	119,603	97,262	97,205	119,532	117,753	95,474
Loans to other credit institutions	20,250	30,742	33,526	34,542	31,347	41,410	48,479	47,442
Loans to the public	2,065,761	2,040,589	2,011,455	1,991,434	1,963,622	1,965,649	1,937,155	1,902,479
Value change of interest-hedged item in portfolio hedge	36	36	33	31	35	51	45	36
Bonds and other interest-bearing securities	49,601	61,996	61,243	65,436	63,909	53,855	46,223	53,856
Shares	14,052	20,885	21,353	23,397	20,412	35,964	52,541	39,318
Investments in associates	297	217	212	218	255	259	257	248
Assets where the customer bears the value change risk	135,617	132,381	128,870	123,595	118,646	115,532	107,004	104,316
Derivative instruments	56,070	56,913	61,940	73,111	82,633	78,688	92,381	73,885
Reinsurance assets	14	9	9	9	9	10	10	10
Intangible assets	9,861	9,670	9,579	9,460	9,393	9,293	8,450	8,304
Property and equipment	2,238	2,404	2,353	2,363	2,387	2,323	2,264	2,262
Current tax assets	242	2,217	1,379	518	38	2,409	1,575	588
Deferred tax assets	399	394	436	534	962	1,978	1,979	1,262
Net pension assets	1,239	1,615	1,368	379	-	-	-	-
Assets held for sale	-	1	3	3	1	2	-	1,671
Other assets	10,715	13,565	12,302	29,034	5,615	19,496	25,810	12,106
Prepaid expenses and accrued income	6,345	6,253	5,864	5,266	6,222	5,691	5,708	5,839
<b>Total assets</b>	<b>2,766,977</b>	<b>2,981,055</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>Liabilities and equity</b>								
Due to credit institutions	174,820	205,355	202,681	205,971	178,781	205,274	207,312	192,902
Deposits and borrowing from the public	941,967	1,112,138	1,120,291	1,049,699	829,336	1,009,427	1,134,500	1,042,076
Liabilities where the customer bears the value change risk	135,617	132,488	128,962	123,653	118,745	115,600	107,054	104,392
Issued securities	1,276,595	1,279,283	1,264,536	1,295,668	1,261,765	1,315,684	1,320,083	1,258,169
Derivative instruments	24,876	30,147	31,654	24,297	31,738	33,296	37,283	44,302
Short positions	2,072	10,081	7,876	11,753	1,572	11,441	8,581	10,181
Insurance liabilities	549	554	562	599	574	583	591	603
Current tax liabilities	394	2,147	1,388	809	514	1,657	1,008	460
Deferred tax liabilities	6,853	7,560	7,749	7,842	7,875	9,788	10,006	9,578
Provisions	153	298	426	615	731	734	773	796
Net pension liabilities	-	-	-	-	2,161	6,547	6,544	3,824
Liabilities related to assets held for sale	-	-	-	-	-	-	-	843
Other liabilities	15,863	15,828	13,851	21,684	9,427	16,452	18,817	12,527
Accrued expenses and deferred income	12,718	13,665	13,436	15,399	14,580	15,359	15,608	19,427
Subordinated liabilities	32,896	32,560	32,782	33,199	33,400	33,008	32,903	33,986
<b>Total liabilities</b>	<b>2,625,373</b>	<b>2,842,104</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>
Minority interest	11	9	6	6	6	6	5	5
Share capital	3,013	3,013	3,013	3,013	3,013	3,008	3,001	2,956
Share premium	5,629	5,629	5,629	5,629	5,628	5,410	5,081	3,204
Reserves	8,106	9,215	9,339	10,237	9,268	10,639	11,037	10,348
Retained earnings	108,746	108,746	108,746	108,745	102,222	102,222	102,222	102,222
Profit for the period, attributable to shareholders in Svenska Handelsbanken AB	16,099	12,339	8,167	4,111	16,244	12,800	8,236	4,042
<b>Total equity</b>	<b>141,604</b>	<b>138,951</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>Total liabilities and equity</b>	<b>2,766,977</b>	<b>2,981,055</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>

## Business volumes – Lending to the public

### CREDIT POLICY

#### Credit process

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

#### Basic guidelines

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

#### Loans to the public by sector

Loans net	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
SEK m, end of period								
Private individuals	1,039,928	1,025,852	1,008,417	993,567	981,895	969,723	949,129	925,114
<i>of which mortgage loans in Stadshypotek</i>	850,923	835,632	821,195	807,870	800,059	788,838	771,987	749,851
<i>of which other mortgage loans</i>	128,595	126,122	122,724	121,979	119,975	119,872	117,379	114,867
<i>of which other loans to private individuals</i>	60,410	64,098	64,498	63,718	61,861	61,013	59,763	60,396
Housing co-operative associations	205,966	200,524	195,264	190,917	186,996	182,501	178,746	174,547
<i>of which mortgage loans in Stadshypotek</i>	172,253	168,070	163,870	159,579	156,823	154,492	152,507	150,913
Property management, Note 1	564,667	554,230	547,999	542,581	539,503	537,654	533,445	518,058
Manufacturing	26,922	27,499	25,449	27,479	27,111	28,483	31,990	31,268
Retail	21,081	22,655	23,588	23,405	21,677	23,943	24,229	24,327
Hotels and restaurants	8,334	8,902	8,444	8,392	8,484	8,724	8,619	8,819
Shipping, passenger & goods transport by sea	7,174	6,938	7,486	8,235	8,131	8,974	9,200	9,300
Other transport and communication	16,063	17,238	15,425	14,927	14,578	14,675	14,485	13,334
Construction	19,519	19,873	18,450	19,066	17,942	18,001	16,511	16,009
Electricity, gas, water	21,912	23,979	23,974	24,504	25,185	24,447	24,070	26,670
Agriculture, hunting and forestry	13,018	12,446	11,716	11,567	11,696	12,492	12,344	11,335
Other service industry	21,993	18,342	18,724	19,000	19,495	21,115	20,839	20,336
Holding companies, insurance companies, funds etc.	67,556	68,814	72,200	71,057	66,414	64,761	68,525	73,205
State & municipalities	13,611	13,197	13,361	15,967	15,891	18,659	16,180	18,982
Other corporate lending	18,480	20,515	21,361	21,110	18,972	31,807	29,122	31,447
<b>Total loans to the public, before taking into account collective provisions</b>	<b>2,066,224</b>	<b>2,041,004</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>
Collective provisions	-463	-415	-403	-340	-348	-310	-279	-272
<b>Total loans to the public</b>	<b>2,065,761</b>	<b>2,040,589</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>



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

SEK m, end of period	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
<b>Lending in Sweden</b>								
State-owned property companies	4,329	4,329	4,427	4,228	3,228	3,630	5,040	5,040
Municipal-owned property companies	8,874	8,934	8,999	9,561	9,771	9,792	9,890	11,025
Residential property companies	105,994	102,838	101,682	100,131	99,572	93,412	93,243	93,468
<i>of which mortgage loans in Stadshypotek</i>	92,260	89,624	88,507	87,030	85,133	78,029	77,872	77,688
Other property companies	125,098	129,077	127,959	124,864	127,448	131,743	136,648	136,938
<i>of which mortgage loans in Stadshypotek</i>	52,930	54,628	55,092	53,366	52,923	56,911	58,361	59,838
<b>Total lending in Sweden</b>	<b>244,295</b>	<b>245,178</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>Lending outside Sweden</b>								
Denmark	20,297	20,724	20,169	19,476	19,637	17,736	16,726	16,299
Finland	37,298	35,586	35,944	34,316	33,887	33,094	32,117	28,708
Norway	104,219	103,386	101,167	102,822	103,659	107,813	99,509	91,472
Great Britain	125,504	118,806	116,268	115,677	111,511	109,312	110,629	111,147
The Netherlands	27,628	25,884	24,635	23,949	23,194	21,970	20,935	16,051
Other countries	5,426	4,666	6,749	7,557	7,596	9,152	8,708	7,910
<b>Total lending outside Sweden</b>	<b>320,372</b>	<b>309,052</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>Total lending - Property management</b>	<b>564,667</b>	<b>554,230</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>

**Credit risk exposure**

SEK m	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
Loans to the public	2,065,761	2,040,589	2,011,455	1,991,434	1,963,622	1,965,649	1,937,155	1,902,479
<i>of which reverse repos</i>	6,607	7,126	8,322	11,182	7,493	14,041	11,360	14,279
Loans to other credit institutions	20,250	30,742	33,526	34,542	31,347	41,410	48,479	47,442
<i>of which reverse repos</i>	1,338	5,738	11,175	10,805	4,088	16,984	19,330	20,592
Interest-bearing securities eligible as collateral with c <sub>1</sub>	129,006	112,339	119,603	97,262	97,205	119,532	117,753	95,474
Bonds and other interest-bearing securities	49,601	61,996	61,243	65,436	63,909	53,855	46,223	53,856
Derivative instruments*	56,070	56,913	61,940	73,111	82,633	78,688	92,381	73,885
Contingent liabilities	75,666	75,666	75,293	80,481	78,530	82,361	78,459	74,351
<i>of which guarantees, credits</i>	10,177	9,936	10,088	9,839	9,643	10,110	10,440	9,209
<i>of which guarantees, other</i>	57,878	59,119	58,620	64,512	63,108	67,122	63,551	60,672
<i>of which letters of credit</i>	7,611	6,611	6,585	6,130	5,779	5,129	4,468	4,470
Other commitments	443,383	439,836	441,532	427,927	425,267	431,564	425,390	416,763
<i>of which unutilised part of granted overdraft facilities</i>	131,121	130,647	131,721	132,366	128,967	128,930	130,525	127,904
<i>of which loan commitments</i>	290,643	286,953	290,250	273,876	272,729	274,810	268,866	257,692
<i>of which other</i>	21,619	22,236	19,561	21,685	23,571	27,824	25,999	31,167
<b>Total</b>	<b>2,839,737</b>	<b>2,818,081</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>
Cash and balances with central banks	226,314	377,821	436,848	387,092	199,362	353,680	501,744	463,957
Other loans to central banks	38,920	111,008	52,718	79,245	25,527	103,113	81,267	43,790
<b>Total</b>	<b>3,104,971</b>	<b>3,306,910</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>

\* Refers to the total of positive market values.

**Credit risk exposure by country**

SEK m	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
Sweden	1,827,830	1,886,604	1,805,480	1,808,377	1,747,065	1,837,267	1,813,309	1,738,495
Great Britain	354,400	359,425	348,415	341,880	306,840	284,762	313,178	295,181
Norway	315,786	322,225	335,810	332,345	323,009	336,680	302,702	296,502
Denmark	156,471	150,745	150,712	150,633	142,986	150,599	148,084	136,506
Finland	248,210	260,341	272,680	267,295	252,486	280,480	227,103	206,108
The Netherlands	46,917	44,721	43,106	40,467	40,115	41,338	38,776	32,836
Other countries	155,357	282,849	337,955	295,533	154,901	298,726	485,699	466,369
<b>Total</b>	<b>3,104,971</b>	<b>3,306,910</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>

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

SEK bn, end of period	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
Handelsbanken Sweden	1,303	1,292	1,276	1,250	1,231	1,227	1,224	1,206
Handelsbanken UK	213	207	200	200	193	190	188	189
Handelsbanken Denmark	99	95	95	94	96	93	90	87
Handelsbanken Finland	124	123	123	122	120	121	118	115
Handelsbanken Norway	245	245	240	243	245	249	233	220
Handelsbanken the Netherlands	40	37	35	34	32	31	30	24
Handelsbanken International	31	30	30	32	35	36	36	35
Other	9	11	12	14	10	16	16	23
<b>Total</b>	<b>2,064</b>	<b>2,040</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>

\* Excluding loans to the National Debt Office.

**Loans to households - by country**

SEK bn, end of period	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
Handelsbanken Sweden	806	796	785	770	760	754	745	728
<i>of which mortgages</i>	759	745	733	719	710	700	690	673
Handelsbanken UK	70	69	67	67	65	64	63	63
Handelsbanken Denmark	61	58	57	56	56	55	52	49
Handelsbanken Finland	38	37	37	36	36	37	35	35
Handelsbanken Norway	90	91	89	92	93	93	87	83
Handelsbanken the Netherlands	21	20	19	18	16	15	14	12
Handelsbanken International	6	6	6	5	5	5	5	5
Other	4	3	2	3	3	2	2	2
<b>Total</b>	<b>1,095</b>	<b>1,080</b>	<b>1,062</b>	<b>1,047</b>	<b>1,034</b>	<b>1,025</b>	<b>1,003</b>	<b>977</b>

**Corporate lending - by country \***

SEK bn, end of period	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
Handelsbanken Sweden	497	496	491	480	471	473	479	478
<i>of which mortgages</i>	292	288	284	278	273	268	270	272
Handelsbanken UK	143	138	133	133	128	126	125	126
Handelsbanken Denmark	38	37	38	38	40	38	38	38
Handelsbanken Finland	86	86	86	86	84	84	83	80
Handelsbanken Norway	155	154	151	151	152	156	146	137
Handelsbanken the Netherlands	19	17	16	16	16	16	16	12
Handelsbanken International	25	24	24	27	30	31	31	30
Other	5	8	10	11	7	14	14	21
<b>Total</b>	<b>968</b>	<b>960</b>	<b>949</b>	<b>942</b>	<b>929</b>	<b>938</b>	<b>932</b>	<b>922</b>

\* Excluding loans to the National Debt Office.

## Business volumes – Savings and deposits

### Assets under management, Handelsbanken Group

SEK bn, end of period	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
Mutual funds, excl. PPM and Unit-linked	362	354	340	326	308	299	284	282
PPM	32	30	29	29	26	24	22	21
Unit-linked insurance	107	104	102	97	93	90	83	80
<i>of which external mutual funds</i>	-3	-3	-3	-3	-2	-2	-2	-2
<b>Total mutual funds</b>	<b>498</b>	<b>485</b>	<b>468</b>	<b>449</b>	<b>425</b>	<b>411</b>	<b>387</b>	<b>381</b>
Structured products	13	14	15	16	17	17	17	18
Portfolio bond insurance	24	24	23	22	21	21	20	20
<i>of which in mutual funds and structured products</i>	-10	-9	-9	-8	-8	-8	-7	-7
Traditional insurance	8	8	8	8	8	8	9	9
<i>of which in mutual funds and structured products</i>	-1	-1	-1	-1	-1	-1	0	0
Discretionary and Institutional assets, excl. insurance	224	221	216	216	207	206	178	180
<i>of which in mutual funds and structured products</i>	-144	-143	-138	-134	-127	-119	-117	-117
<b>Total assets under management, excl. securities in custody</b>	<b>612</b>	<b>599</b>	<b>582</b>	<b>568</b>	<b>542</b>	<b>535</b>	<b>487</b>	<b>484</b>
Securities in custody, excl. mutual funds	344	355	357	347	332	326	309	308
Securities in custody, excl. mutual funds, foundations associated with Handelsbanken	53	55	56	56	52	46	44	45

\* Including the whole volume managed by Heartwood, of which SEK 26 bn in Heartwoods mutual funds.

### Assets in mutual funds per country

SEK bn, end of period	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016
Sweden	440	427	416	401	382
Denmark	18	17	17	16	14
Finland	11	11	10	10	10
Norway	22	22	20	18	17
The Netherlands	6	6	6	6	6
Other countries and eliminations	1	2	-1	-2	-4
<b>Total mutual funds</b>	<b>498</b>	<b>485</b>	<b>468</b>	<b>449</b>	<b>425</b>
Great Britain (Heartwood)	26	24	23	22	21
<b>Total</b>	<b>524</b>	<b>509</b>	<b>491</b>	<b>471</b>	<b>446</b>

### Net savings in the Bank's mutual funds

SEK bn	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Sweden	5.9	5.3	5.8	5.0	4.4
Denmark	0.1	0.1	0.8	1.3	0.4
Finland	-0.2	0.3	0.3	-0.6	0.4
Norway	0.9	0.6	1.8	1.0	0.8
The Netherlands	0.0	0.0	0.0	0.0	0.0
Other countries and eliminations	-0.3	0.4	-1.6	1.2	-0.6
<b>Total mutual funds</b>	<b>6.4</b>	<b>6.7</b>	<b>7.1</b>	<b>7.9</b>	<b>5.5</b>
Great Britain (Heartwood)	0.9	0.7	1.3	0.6	0.9
<b>Total</b>	<b>7.3</b>	<b>7.4</b>	<b>8.4</b>	<b>8.5</b>	<b>6.4</b>

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

SEK bn, end of period	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
Handelsbanken Sweden	569	567	560	561	508	512	500	481
Handelsbanken UK	146	142	136	126	117	111	111	103
Handelsbanken Denmark	41	39	44	34	37	35	34	30
Handelsbanken Finland	41	43	40	39	36	33	29	30
Handelsbanken Norway	60	68	66	72	65	79	62	61
Handelsbanken the Netherlands	7	8	7	9	3	7	3	6
Handelsbanken International	43	78	63	50	31	54	45	44
Other	35	167	203	159	32	179	351	288
<b>Total</b>	<b>942</b>	<b>1,112</b>	<b>1,120</b>	<b>1,050</b>	<b>829</b>	<b>1,009</b>	<b>1,135</b>	<b>1,042</b>

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

SEK bn, end of period	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
Handelsbanken Sweden	336	335	328	314	309	308	305	288
Handelsbanken UK	48	45	41	38	37	31	30	25
Handelsbanken Denmark	17	17	17	16	16	16	15	14
Handelsbanken Finland	15	16	15	14	14	14	14	13
Handelsbanken Norway	20	21	21	20	21	21	20	18
Handelsbanken the Netherlands	1.1	1.0	0.9	0.8	0.8	0.7	0.6	0.5
Handelsbanken International	4	5	4	4	4	4	4	4
Other	4	3	3	3	2	4	3	3
<b>Total</b>	<b>445</b>	<b>443</b>	<b>430</b>	<b>410</b>	<b>404</b>	<b>399</b>	<b>392</b>	<b>365</b>

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

SEK bn, end of period	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
Handelsbanken Sweden	233	232	232	247	199	204	195	193
Handelsbanken UK	98	97	95	88	80	80	81	78
Handelsbanken Denmark	24	22	27	18	21	19	19	16
Handelsbanken Finland	26	27	25	25	22	19	15	17
Handelsbanken Norway	40	47	45	52	44	58	42	43
Handelsbanken the Netherlands	6	7	6	8	2	6	2	5
Handelsbanken International	39	73	59	46	27	50	41	40
Other	31	164	200	156	30	175	348	285
<b>Total</b>	<b>497</b>	<b>669</b>	<b>690</b>	<b>640</b>	<b>425</b>	<b>611</b>	<b>743</b>	<b>677</b>

## Own funds and capital requirement

### Own funds CRR

SEK m	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
<b>TIER 1 CAPITAL</b>								
Equity, Group	141,604	138,951	134,900	131,741	136,381	134,085	129,582	122,777
Accrued unpaid dividend last year	-	-	-	-	-	-	-	-
Accrued dividend current year	-14,581	-7,759	-5,127	-2,595	-9,721	-6,400	-4,118	-2,021
Adjustment of Group result	-820	-629	-429	-195	3,829	-162	34	-202
Adjustment of Group equity	3,337	3,311	3,289	3,267	-593	3,532	3,518	1,731
Minority interests	-11	-9	-6	-6	-6	-6	-5	-5
<b>Equity (consolidated entities)</b>	<b>129,529</b>	<b>133,865</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>
Deducted items								
Goodwill and other intangible assets	-9,787	-9,599	-9,513	-9,409	-9,355	-9,268	-8,433	-8,293
Value adjustments (fair value)	-409	-426	-477	-633	-645	-637	-685	-665
Special deduction for IRB institutions	-2,357	-2,246	-2,272	-2,270	-1,527	-1,567	-1,543	-1,452
Positions in securitisation	-	-	-	-	-	-	-	-
Net pension assets	-	-	-	-	-	-	-	-
Own shares	-569	-619	-607	-622	-636	-593	-529	-556
Adjustments in accordance with stability filter								
Cash flow hedges	-654	-1,464	-1,907	-2,749	-2,487	-7,850	-8,815	-7,690
Unrealised accumulated gains, shares	-	-	-	-	-	-	-	-
<b>Common equity tier 1 capital, gross</b>	<b>115,753</b>	<b>119,511</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>
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>115,753</b>	<b>119,511</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>
Additional tier 1 instruments	11,746	11,718	12,011	12,598	12,768	12,156	12,045	11,570
<b>Total tier 1 capital</b>	<b>127,499</b>	<b>131,229</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>TIER 2 CAPITAL</b>								
Subordinated loans	17,745	14,469	17,431	17,293	17,354	17,392	17,135	17,111
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>16,616</b>	<b>13,340</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>Total own funds</b>	<b>144,115</b>	<b>144,569</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>

### Available Distributable Items (ADI)

SEK m	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
Available Distributable Items (ADI)	115,753	101,971	101,639	116,529	115,240	96,742	109,006	103,624
Deducted dividend	14,581	3,420	2,482	2,595	9,721	5,020	4,118	2,021
Minimum capital requirement	-22,906	-21,141	-20,990	-22,026	-20,645	-20,001	-21,352	-20,525
Capital conservation buffer	-12,726	-11,745	-11,661	-12,236	-11,470	-11,112	-11,862	-11,403
Countercyclical capital buffer	-6,121	-5,477	-5,415	-5,524	-4,039	-4,162	-4,269	-2,728
Systemic risk buffer	-15,271	0	0	-14,684	-13,764	0	-14,235	-13,683
<b>Total Available Distributable Items</b>	<b>73,310</b>	<b>67,028</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>

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	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Credit risk according to standardised approach	83,833	82,243	82,608	79,126	80,896	79,204	77,323	74,358
Credit risk according to IRB Approach	348,386	345,377	344,497	329,180	299,370	305,951	320,041	304,506
Market risk	10,310	12,437	10,004	11,705	10,910	10,216	8,890	9,954
Credit valuation adjustment risk (CVA)	4,890	5,743	5,477	7,832	7,429	8,122	8,064	7,104
Operational risk	61,613	61,613	61,613	61,613	60,182	60,182	60,182	60,182
<b>Total risk exposure amount</b>	<b>509,032</b>	<b>507,413</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>
Common equity tier 1 capital	115,753	119,511	117,851	116,529	115,240	111,134	109,006	103,624
<b>Common equity tier 1 ratio, CRR</b>	<b>22.7%</b>	<b>23.6%</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>

**Capital adequacy analysis**

	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
Common equity tier 1 ratio, CRR	22.7%	23.6%	23.4%	23.8%	25.1%	24.0%	23.0%	22.7%
Tier 1 ratio, CRR	25.0%	25.9%	25.8%	26.4%	27.9%	26.6%	25.5%	25.3%
Total capital ratio, CRR	28.3%	28.5%	29.0%	29.7%	31.4%	30.1%	28.9%	28.8%
Own funds in relation to capital requirement according to Basel I floor	142%	144%	148%	149%	148%	144%	142%	139%

**Capital requirement**

SEK m	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
Credit risk according to standardised approach	6,707	6,579	6,609	6,330	6,472	6,336	6,186	5,949
Credit risk according to IRB Approach	27,871	27,630	27,560	26,334	23,950	24,476	25,603	24,360
Total capital requirement for market risks	825	995	800	936	873	817	711	796
Credit valuation adjustment risk (CVA)	391	460	438	627	594	650	645	568
Operational risk	4,929	4,929	4,929	4,929	4,815	4,815	4,815	4,815
<b>Total capital requirement</b>	<b>40,723</b>	<b>40,593</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>
Adjustment according to Basel I floor	62,125	61,403	60,239	59,790	61,531	61,134	59,499	58,870
<b>Capital requirement, Basel I floor</b>	<b>102,848</b>	<b>101,996</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>
Total own funds, Basel I floor	146,472	146,815	148,436	147,561	145,760	141,120	138,600	132,628

**Capital requirement market risks**

SEK m	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
<b>Outright products</b>								
Interest rate risk	808	973	784	916	854	800	692	777
of which general risk	572	649	497	616	598	651	534	598
of which specific risk	236	324	287	300	256	149	158	179
Equity price risk	9	6	6	6	4	5	5	6
of which general risk	3	1	1	2	1	1	1	1
of which specific risk	6	5	4	4	3	4	3	4
of which mutual funds	0	0	1	0	0	0	1	1
Exchange rate risk	-	-	-	-	-	-	-	-
Commodities risk	5	10	7	8	9	7	8	7
<b>Options</b>								
Scenario approach	3	6	3	6	6	5	6	6
of which interest rate risk	0	1	0	1	1	1	2	1
of which equity risk	3	5	3	5	5	4	4	5
of which foreign exchange risk	-	-	-	-	-	-	-	-
of which commodity risk	0	0	0	0	0	0	0	0
Securitisation (specific risk)	-	-	0	0	0	0	0	0
Settlement risk	0	-	0	-	0	0	0	0
<b>Total capital requirement for market risks</b>	<b>825</b>	<b>995</b>	<b>800</b>	<b>936</b>	<b>873</b>	<b>817</b>	<b>711</b>	<b>796</b>

## Credit risks IRB approach

Exposure amount								
SEK m	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
<b>Sovereign and central banks</b>	<b>357,719</b>	<b>586,231</b>	<b>581,859</b>					
<b>Corporate</b>	<b>852,845</b>	<b>845,155</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>
Corporate lending	835,665	823,026	818,366	807,818	798,330	810,827	807,327	795,311
<i>of which other loans foundation approach *</i>	109,608	107,830	109,110	107,315	116,048	121,732	125,156	120,994
<i>of which other loans advanced approach *</i>	726,057	715,196	709,256	700,503	682,282	689,095	682,171	674,317
<i>of which large companies</i>	152,189	147,880	149,881	148,270	126,774	139,070	137,163	137,862
<i>of which medium-sized companies</i>	80,590	81,358	78,803	78,917	81,640	78,575	77,698	75,268
<i>of which property companies</i>	493,278	485,958	480,572	473,316	473,868	471,450	467,310	461,187
Counterparty risk	17,180	22,129	22,399	26,791	22,670	28,401	38,953	32,017
<b>Housing co-operative associations</b>	<b>195,265</b>	<b>191,056</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>Retail</b>	<b>1,026,668</b>	<b>1,015,343</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>
Private individuals	1,001,733	989,914	974,568	964,069	955,346	947,847	930,268	903,907
<i>of which property loans</i>	925,491	912,824	897,973	883,931	874,253	865,890	849,302	825,270
<i>of which other loans</i>	76,242	77,090	76,595	80,138	81,093	81,957	80,966	78,637
Small companies	24,935	25,429	25,808	26,549	26,924	27,334	27,625	26,962
<b>Institutions</b>	<b>72,223</b>	<b>74,545</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>
Lending to institutions	16,332	15,048	15,523	17,498	20,066	15,985	17,370	17,179
Counterparty risk	55,891	59,497	70,542	85,787	85,119	90,429	101,619	83,987
<i>of which repos and securities loans</i>	7,667	14,707	18,069	18,505	14,070	27,810	33,206	32,894
<i>of which derivatives</i>	48,224	44,790	52,473	67,282	71,049	62,619	68,413	51,093
<b>Equity exposures</b>	<b>1,512</b>	<b>2,362</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>
<i>of which listed shares</i>	661	981	766	-	-	-	4,090	4,220
<i>of which other shares</i>	851	1,381	1,362	1,389	1,340	1,352	1,330	826
<b>Non credit-obligation assets</b>	<b>2,238</b>	<b>2,404</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>Securitisation positions</b>	<b>20</b>	<b>20</b>	<b>21</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>23</b>	<b>24</b>
<b>Total IRB Approach</b>	<b>2,508,490</b>	<b>2,717,116</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>

Risk-weighted exposure amount								
SEK m	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
<b>Sovereign and central banks</b>	<b>7,474</b>	<b>9,799</b>	<b>9,659</b>					
<b>Corporates</b>	<b>237,107</b>	<b>228,919</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>
Corporate lending	233,707	225,363	226,639	218,014	190,709	197,569	199,669	193,624
<i>of which other loans foundation approach *</i>	32,467	29,053	30,858	28,684	35,946	36,719	38,484	36,953
<i>of which other loans advanced approach *</i>	201,240	196,310	195,781	189,330	154,763	160,850	161,185	156,671
<i>of which large companies</i>	58,176	55,072	55,131	53,222	57,176	63,228	63,008	59,851
<i>of which medium-sized companies</i>	37,839	38,401	37,042	36,516	32,486	31,333	32,544	31,570
<i>of which property companies</i>	105,225	102,837	103,608	99,592	65,101	66,289	65,634	65,250
Counterparty risk	3,400	3,556	4,161	4,044	3,941	4,802	5,461	4,722
<b>Housing co-operative associations</b>	<b>9,974</b>	<b>10,164</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>Households</b>	<b>72,574</b>	<b>71,397</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>
Private individuals	65,742	64,535	64,412	65,812	65,258	65,599	64,283	58,972
<i>of which property loans</i>	51,092	50,386	50,295	48,827	48,178	48,064	47,020	43,965
<i>of which other loans</i>	14,650	14,149	14,117	16,985	17,080	17,535	17,263	15,007
Small companies	6,832	6,862	7,111	7,153	7,140	7,334	7,418	7,504
<b>Institutions</b>	<b>13,929</b>	<b>14,717</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>
Lending to institutions	5,232	4,895	5,128	5,959	6,175	5,047	5,664	5,749
Counterparty risk	8,697	9,822	8,879	12,082	11,222	11,209	11,594	9,937
<i>of which repos and securities loans</i>	173	317	312	378	631	559	795	766
<i>of which derivatives</i>	8,524	9,506	8,567	11,704	10,591	10,650	10,799	9,171
<b>Equity exposures</b>	<b>5,068</b>	<b>7,956</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>
<i>of which listed shares</i>	1,916	2,844	2,220	-	-	-	11,860	12,239
<i>of which other shares</i>	3,152	5,112	5,042	5,139	4,959	5,004	4,922	3,057
<b>Exposures without a counterparty</b>	<b>2,238</b>	<b>2,404</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>Securitisation positions</b>	<b>22</b>	<b>21</b>	<b>22</b>	<b>23</b>	<b>24</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Total IRB approach</b>	<b>348,386</b>	<b>345,377</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>

\* 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	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
<b>Sovereign and central banks</b>	<b>598</b>	<b>784</b>	<b>772</b>					
<b>Corporates</b>	<b>18,969</b>	<b>18,314</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>
Corporate lending	18,697	18,030	18,131	17,441	15,257	15,806	15,974	15,490
<i>of which other loans foundation approach *</i>	2,598	2,325	2,469	2,295	2,876	2,938	3,079	2,956
<i>of which other loans advanced approach *</i>	16,099	15,705	15,662	15,146	12,381	12,868	12,895	12,534
<i>of which large companies</i>	4,654	4,406	4,411	4,258	4,574	5,058	5,041	4,788
<i>of which medium-sized companies</i>	3,027	3,072	2,963	2,921	2,599	2,507	2,603	2,526
<i>of which property companies</i>	8,418	8,227	8,288	7,967	5,208	5,303	5,251	5,220
Couterparty risk	272	284	333	324	315	384	436	379
<b>Housing co-operative associations</b>	<b>798</b>	<b>813</b>	<b>710</b>	<b>687</b>	<b>604</b>	<b>565</b>	<b>552</b>	<b>515</b>
<b>Households</b>	<b>5,806</b>	<b>5,712</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>
Private individuals	5,259	5,163	5,153	5,265	5,221	5,248	5,143	4,718
<i>of which property lending</i>	4,087	4,031	4,024	3,906	3,854	3,845	3,762	3,517
<i>of which other lending</i>	1,172	1,132	1,129	1,359	1,367	1,403	1,381	1,201
Small companies	547	549	569	572	571	587	593	600
<b>Institutions</b>	<b>1,114</b>	<b>1,177</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>
Lending to institutions	418	392	410	477	494	404	453	460
Couterparty risk	696	786	710	966	898	897	928	795
<i>of which repos and securities loans</i>	14	25	25	30	50	45	64	61
<i>of which derivatives</i>	682	760	685	936	848	852	864	734
<b>Equity exposures</b>	<b>405</b>	<b>636</b>	<b>581</b>	<b>411</b>	<b>397</b>	<b>400</b>	<b>1,343</b>	<b>1,223</b>
<i>of which listed shares</i>	153	227	178	-	-	-	949	979
<i>of which other shares</i>	252	409	403	411	397	400	394	244
<b>Exposures without a counterparty</b>	<b>179</b>	<b>192</b>	<b>188</b>	<b>189</b>	<b>191</b>	<b>186</b>	<b>181</b>	<b>180</b>
<b>Securitisation positions</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total IRB approach</b>	<b>27,871</b>	<b>27,630</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>Average risk weight, %</b>								
SEK m	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
<b>Sovereign and central banks</b>	<b>2.1</b>	<b>1.7</b>	<b>1.7</b>					
<b>Corporates</b>	<b>27.8</b>	<b>27.1</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>
Corporate lending	28.0	27.4	27.7	27.0	23.9	24.4	24.7	24.3
<i>of which other loans foundation approach *</i>	29.6	26.9	28.3	26.7	31.0	30.2	30.7	30.5
<i>of which other loans advanced approach *</i>	27.7	27.4	27.6	27.0	22.7	23.3	23.6	23.2
<i>of which large companies</i>	38.2	37.2	36.8	35.9	45.1	45.5	45.9	43.4
<i>of which medium-sized companies</i>	47.0	47.2	47.0	46.3	39.8	39.9	41.9	41.9
<i>of which property companies</i>	21.3	21.2	21.6	21.0	13.7	14.1	14.0	14.1
Couterparty risk	19.8	16.1	18.6	15.1	17.4	16.9	14.0	14.7
<b>Housing co-operative associations</b>	<b>5.1</b>	<b>5.3</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>Households</b>	<b>7.1</b>	<b>7.0</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>
Private individuals	6.6	6.5	6.6	6.8	6.8	6.9	6.9	6.5
<i>of which property lending</i>	5.5	5.5	5.6	5.5	5.5	5.6	5.5	5.3
<i>of which other lending</i>	19.2	18.4	18.4	21.2	21.1	21.4	21.3	19.1
Small companies	27.4	27.0	27.6	26.9	26.5	26.8	26.9	27.8
<b>Institutions</b>	<b>19.3</b>	<b>19.7</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>
Lending to institutions	32.0	32.5	33.0	34.1	30.8	31.6	32.6	33.5
Couterparty risk	15.6	16.5	12.6	14.1	13.2	12.4	11.4	11.8
<i>of which repos and securities loans</i>	2.3	2.2	1.7	2.0	4.5	2.0	2.4	2.3
<i>of which derivatives</i>	17.7	21.2	16.3	17.4	14.9	17.0	15.8	17.9
<b>Equity exposures</b>	<b>335.1</b>	<b>336.8</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>
<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>106.0</b>	<b>106.0</b>	<b>105.9</b>	<b>7.4</b>	<b>7.4</b>	<b>7.4</b>
<b>Total IRB approach</b>	<b>13.9</b>	<b>12.7</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>

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



## Funding

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

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

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

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

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

### Funding

SEK m (carrying amount)	31 Dec 2017	Of which up to 12 mths	Other maturities	Unspec. maturity
Deposits and borrowing from the public	941,967	43,738	8,578	889,651
Due to credit institutions	174,820	142,562	9,299	22,959
Issued securities	1,276,595	606,772	669,823	
<i>of which Bonds</i>	862,806			
<i>of which covered bonds (Stadshypotek)</i>	621,958			
<i>of which other bonds</i>	240,848			
<i>of which Certificates</i>	413,789			
<i>of which Certificate of deposits (CD:s)</i>	271,927			
<i>of which Commercial paper (CP:s)</i>	137,237			
<b>Total</b>	<b>2,393,382</b>	<b>793,072</b>	<b>687,700</b>	<b>912,610</b>
Subordinated liabilities	32,896			
Equity	141,604			
<b>Total funding</b>	<b>2,567,882</b>			

During the fourth quarter of 2017, the issued bond volume was SEK 54 billion. The volume of issued covered bonds was SEK 51 billion and subordinated loans SEK 3 billion. Maturing bond volume during the quarter was SEK 18 billion. The volume of so called CD's (Certificates of Deposit) in USD amounted to USD 25.0 billion at the 31 of December 2017.

### Long-term funding

SEK bn	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
<b>Issued during the quarter</b>								
Senior bonds	0	12		10		23	6	21
Covered bonds	51	22	18	47	19	36	44	49
Subordinated loans	3							
<b>Total bonds</b>	<b>54</b>	<b>34</b>	<b>18</b>	<b>57</b>	<b>19</b>	<b>59</b>	<b>50</b>	<b>70</b>
Extendible notes								
<b>Total issued</b>	<b>54</b>	<b>34</b>	<b>18</b>	<b>57</b>	<b>19</b>	<b>59</b>	<b>50</b>	<b>70</b>
Matured during the quarter	-18	-28	-69	-37	-5	-65	-11	-54
<b>Net</b>	<b>36</b>	<b>6</b>	<b>-51</b>	<b>20</b>	<b>14</b>	<b>-6</b>	<b>39</b>	<b>16</b>

**Maturity profile**

31 December 2017

SEK bn	2018	2019	2020	2021	2022	2023	2024-
Senior bonds	38	59	46	43	43	1	15
Covered bonds	170	114	92	115	61	27	4
<b>Total</b>	<b>208</b>	<b>173</b>	<b>138</b>	<b>158</b>	<b>104</b>	<b>28</b>	<b>19</b>

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

Programme (in millions)	Currency	Programme size	Utilised amount	Countervalue SEK m
ECP*	EUR	15,000	6,984	68,728
ECP (Stadshypotek)*	EUR	4,000	-	-
French Commercial Paper	EUR	7,500	4,051	39,860
Swedish Commercial Paper	SEK	25,000	-	-
Swedish Commercial Paper (Stadshypotek)	SEK	90,000	-	-
USCP	USD	15,000	3,497	28,697
AMTN	AUD	5,000	1,275	8,175
AMTCN (Stadshypotek)	AUD	5,000	-	-
EMTN*	USD	50,000	17,432	143,032
EMTCN (Stadshypotek)*	EUR	20,000	11,252	110,729
US 144A/3(a)(2)	USD	20,000	12,150	99,692
Stadshypotek US 144A	USD	15,000	5,000	41,026
Samurai	JPY	400,000	147,800	10,779
MTN*	SEK	100,000	10,000	10,000
General funding >1 Y*	USD	15,000	3,206	26,306
Extendible Notes	USD	15,000	-	-
<b>Total</b>				<b>587,024</b>
Total programme (or limited) amounts, SEK m		1,832,544		
Unutilised amount, SEK m		1,245,520		
<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**

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
Aug 2017	USD 1 000 m 3Y FXD T+55 bps
Aug 2017	USD 500 m 3Y FRN 3m\$L +36 bps
Oct 2017	EUR 500 m 10Y FXD Covered bond MS -5 bps
Nov 2017	EUR 750 m 7Y FXD Covered bond MS -8

## Non-Encumbered Assets (NEA)

31 December 2017		
SEK bn	NEA	Accumulated coverage ratio in % of unsecured funding*
Holdings with central banks and securities in the liquidity portfolio	444	53%
Mortgage loans	549	118%
Other household lending	190	141%
Property company lending lowest risk class (1-3)	276	174%
Other corporate lending lowest risk class (1-3)	141	191%
Loans to credit institutions lowest risk class (1-3)	19	193%
Other corporate lending	248	223%
Other assets	9	224%
<b>Total non-encumbered assets (NEA)</b>	<b>1,876</b>	<b>224%</b>
<b>Encumbered assets without underlying liabilities**</b>	<b>61</b>	
Encumbered assets with underlying liabilities	830	
<b>Total assets, Group</b>	<b>2,767</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

31 December 2017								
SEK m	Central bank funding	Payment systems/ securities settlement	Repos	Covered bonds	Derivatives	Securities loans	Leases	Insurance agreements
Cash		2,488		5,000	5,540			3,515
Government instruments and bonds		48,690	5,172		2,755			6,459
Loans to the public		2,244		660,805			9,563	
Equities						6,054		555
Other								132,097
<b>Total</b>		<b>53,422</b>	<b>5,172</b>	<b>665,805</b>	<b>8,295</b>	<b>6,054</b>	<b>9,563</b>	<b>142,626</b>

Assets pledged according to CSA agreements for outstanding derivatives since 1 January 2012: Max: 50,676 Min: 5,160 Average: 11,932

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 eight 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 29%. The ratio of non-encumbered assets to unsecured wholesale funding was 224% at the end of the fourth quarter compared to 236% at the end of the previous quarter and 210% one year ago.

### Covered Bonds, outstanding issues

SEK bn (nominal amount)	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
Swedish cover pool	567	547	528	558	562	550	564	552
<i>of which issues in SEK</i>	433	417	397	436	425	413	429	416
<i>of which issues in other currencies</i>	134	130	131	122	137	137	135	136
Norwegian cover pool	25	24	23	24	29	29	27	22
<i>of which issues in NOK</i>	25	24	23	24	29	29	27	22
Finnish cover pool	17	10	10	10	5			
<i>of which issues in EUR</i>	17	10	10	10	5			
<b>Total</b>	<b>609</b>	<b>580</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	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
Stadshypotek total lending to the public in Sweden	1,051,541	1,033,062	1,017,891	996,758	983,160	967,739	959,874	944,891
Assets available for Cover Pool	967,320	952,522	938,560	926,050	902,862	895,299	885,148	871,766
Assets utilized for Cover Pool	618,744	596,654	586,719	629,441	626,458	616,378	635,616	629,118
Substitute Assets, cash on a locked account	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
 WA Max-LTV Cover Pool, as defined by ASCB	 53.8%	 51.5%	 50.7%	 51.1%	 50.0%	 51.3%	 51.1%	 54.0%
<b>LTV-distribution</b>								
0-10%	22.9%	24.8%	25.4%	24.9%	25.5%	24.8%	24.8%	23.4%
10-20%	19.8%	20.5%	20.9%	20.8%	21.3%	20.9%	20.9%	19.9%
20-30%	17.1%	16.9%	17.0%	17.1%	17.4%	17.2%	17.2%	16.8%
30-40%	14.4%	13.8%	13.6%	13.8%	13.7%	13.7%	13.8%	13.7%
40-50%	11.4%	10.7%	10.4%	10.6%	10.2%	10.4%	10.5%	10.8%
50-60%	8.0%	7.4%	7.2%	7.3%	6.9%	7.3%	7.3%	8.2%
60-70%	5.0%	4.5%	4.3%	4.3%	4.0%	4.5%	4.3%	5.5%
70-75%	1.4%	1.3%	1.3%	1.2%	1.1%	1.3%	1.2%	1.7%
 WA loan size, SEK	 634,500	 630,600	 624,300	 644,900	 647,500	 642,700	 640,800	 637,100
WA seasoning of Cover Pool, months	61	64	64	62	64	64	62	42
<b>Interest index distribution</b>								
Floating	55.0%	48.0%	46.7%	52.0%	47.0%	45.9%	49.8%	47.0%
Fixed rate	45.0%	52.0%	53.3%	48.0%	53.0%	54.2%	50.2%	53.0%

## 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 444 billion (see table below). In addition, there was an unutilised issue amount for covered bonds and other liquidity-creating measures.

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

Market value					
SEK m	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016
Cash and balances with and other lending to central banks	265,234	488,559	489,210	465,038	224,533
Balances with banks and the National Debt Office, overnight	2,041	2,086	1,555	2,301	7,712
Securities issued by governments and public entities	132,385	114,761	123,699	99,652	96,217
Covered bonds	44,249	46,387	48,011	53,093	53,647
Securities issued by non-financial companies	141	262	934	287	27
Securities issued by financial companies	275	277	106	301	124
<b>Total</b>	<b>444,325</b>	<b>652,332</b>	<b>663,515</b>	<b>620,672</b>	<b>382,260</b>
<i>of which in SEK</i>	<i>142,452</i>	<i>197,104</i>	<i>135,228</i>	<i>151,277</i>	<i>126,241</i>
<i>of which in EUR</i>	<i>94,685</i>	<i>107,857</i>	<i>122,095</i>	<i>123,353</i>	<i>108,380</i>
<i>of which in USD</i>	<i>74,168</i>	<i>196,348</i>	<i>246,228</i>	<i>195,289</i>	<i>47,449</i>
<i>of which in other currencies</i>	<i>133,020</i>	<i>151,023</i>	<i>159,964</i>	<i>150,753</i>	<i>100,190</i>

31 December 2017					
Market value, SEK m	SEK	EUR	USD	Other	Total
Cash and balances with and other lending to central banks	6,766	85,624	48,079	124,765	265,234
Balances with other banks and the National Debt Office, overnight	1,831	13	19	178	2,041
Securities issued by governments	92,916	6,916	22,173	-	122,005
Securities issued by municipalities and other public entities	6,433	-	3,897	50	10,380
Covered bonds, external issuers	31,911	1,973	-	6,625	40,509
Own covered bonds	2,338	-	-	1,402	3,740
Securities issued by non-financial companies	126	15	-	-	141
Securities issued by financial companies	131	144	-	-	275
<b>Total</b>	<b>142,452</b>	<b>94,685</b>	<b>74,168</b>	<b>133,020</b>	<b>444,325</b>

### Liquidity Coverage Ratio (LCR)

Liquidity coverage ratio (LCR), %	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
EUR	175	139	132	178	136	178	181	134
USD	482	225	177	236	322	164	121	161
<b>Total*</b>	<b>133</b>	<b>126</b>	<b>120</b>	<b>148</b>	<b>126</b>	<b>162</b>	<b>139</b>	<b>151</b>

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

### Net stable funding ratio (NSFR)

%	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016
Net stable funding ratio (NSFR), %	102	104	106	106	102

## MATURITY ANALYSIS

## Maturities for financial assets and liabilities

31 December 2017 SEK m	Up to 30 days	31 days - 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	265,234	-	-	-	-	-	-	265,234
Interest-bearing securities eligible as collateral with central banks	129,006	-	-	-	-	-	-	129,006
Bonds and other interest-bearing securities	49,601	-	-	-	-	-	-	49,601
Loans to credit institutions	13,654	1,349	782	270	1,479	2,615	101	20,250
-of which reverse repos	1,338	-	-	-	-	-	-	1,338
Loans to the public	54,445	241,057	173,900	174,446	394,647	1,027,266	-	2,065,761
-of which reverse repos	6,607	-	-	-	-	-	-	6,607
Other	20,858	-	-	-	-	-	216,267	237,125
-of which shares and participating interests	14,052	-	-	-	-	-	-	14,052
-of which claims on investment banking settlements	6,806	-	-	-	-	-	-	6,806
<b>Total</b>	<b>532,798</b>	<b>242,406</b>	<b>174,682</b>	<b>174,716</b>	<b>396,126</b>	<b>1,029,881</b>	<b>216,368</b>	<b>2,766,977</b>
<b>Liabilities</b>								
Due to credit institutions	90,298	48,732	3,532	4,191	485	4,623	22,959	174,820
-of which repos	126	-	-	-	-	-	-	126
-of which deposits from central banks	34,268	26,293	546	-	-	-	1,496	62,603
Deposits and borrowing from the public	9,398	29,494	4,846	671	2,272	5,635	889,651	941,967
-of which repos	0	-	-	-	-	-	-	0
Issued securities	61,473	361,749	183,550	191,460	420,836	57,527	-	1,276,595
-of which covered bonds	4,528	91,078	79,757	117,232	276,370	52,993	-	621,958
-of which certificates and other securities with original maturity of less than one year	55,467	240,266	66,229	-	-	-	-	361,962
-of which senior bonds and other securities with original maturity of more than one year	1,478	30,405	37,564	74,228	144,466	4,534	-	292,675
Subordinated liabilities	-	-	-	20,100	12,796	-	-	32,896
Other	8,661	-	-	-	-	-	332,038	340,699
-of which short positions	2,072	-	-	-	-	-	-	2,072
-of which investment banking settlement debts	6,589	-	-	-	-	-	-	6,589
<b>Total</b>	<b>169,830</b>	<b>439,975</b>	<b>191,928</b>	<b>216,422</b>	<b>436,389</b>	<b>67,785</b>	<b>1,244,648</b>	<b>2,766,977</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**

31 December 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	48,079	-	-	-	-	-	-	48,079
Bonds and other interest-bearing securities	28,590	-	-	-	-	-	-	28,590
Loans to credit institutions	5,146	775	32	155	1,198	2,403	2	9,711
Loans to the public	4,327	11,012	780	838	10,183	1,046	-	28,186
Other, including derivatives	47,871	125,585	9,493	57,154	86,076	2,348	-	328,527
<b>Total assets</b>	<b>134,013</b>	<b>137,372</b>	<b>10,305</b>	<b>58,147</b>	<b>97,457</b>	<b>5,797</b>	<b>2</b>	<b>443,093</b>
Due to credit institutions	10,716	7,732	283	-	-	-	184	18,915
Deposits and borrowing from the public	5,553	1,768	18	2	34	-	22,598	29,973
Issued securities	36,012	126,794	76,123	63,389	74,641	-	-	376,959
Subordinated liabilities	-	-	-	-	9,796	-	-	9,796
Other, including derivatives	-	-	-	-	-	-	7,455	7,455
<b>Total liabilities</b>	<b>52,281</b>	<b>136,294</b>	<b>76,424</b>	<b>63,391</b>	<b>84,471</b>	<b>-</b>	<b>30,237</b>	<b>443,098</b>

**Maturities for assets and liabilities in EUR**

31 December 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	85,625	-	-	-	-	-	-	85,625
Bonds and other interest-bearing securities	9,236	-	-	-	-	-	-	9,236
Loans to credit institutions	5,327	43	6	-	222	102	-	5,700
Loans to the public	5,622	20,005	11,868	19,284	63,158	80,511	-	200,448
Other, including derivatives	12,836	61,881	-	12,058	81,290	19,506	-	187,571
<b>Total assets</b>	<b>118,646</b>	<b>81,929</b>	<b>11,874</b>	<b>31,342</b>	<b>144,670</b>	<b>100,119</b>	<b>-</b>	<b>488,580</b>
Due to credit institutions	37,813	20,389	1,946	7	243	178	996	61,572
Deposits and borrowing from the public	1,349	8,622	1,444	0	-	-	93,038	104,453
Issued securities	15,945	92,020	18,199	17,024	103,663	35,874	-	282,725
Subordinated liabilities	-	-	-	14,751	-	-	-	14,751
Other, including derivatives	-	-	1,842	-	-	-	23,102	24,944
<b>Total liabilities</b>	<b>55,107</b>	<b>121,031</b>	<b>23,431</b>	<b>31,782</b>	<b>103,906</b>	<b>36,052</b>	<b>117,136</b>	<b>488,445</b>

**Maturities for assets and liabilities in SEK**

31 December 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	6,766	-	-	-	-	-	-	6,766
Bonds and other interest-bearing securities	137,540	-	-	-	-	-	-	137,540
Loans to credit institutions	1,571	294	81	113	-	0	-	2,059
Loans to the public	28,706	147,337	115,014	89,111	182,095	725,204	-	1,287,467
<b>Total assets</b>	<b>174,583</b>	<b>147,631</b>	<b>115,095</b>	<b>89,224</b>	<b>182,095</b>	<b>725,204</b>	<b>-</b>	<b>1,433,832</b>
Due to credit institutions	22,491	14,135	166	4,117	236	4,101	17,538	62,784
Deposits and borrowing from the public	1,124	5,181	3,234	650	2,232	5,635	541,156	559,212
Issued securities	6,102	69,072	79,061	90,053	205,449	19,029	-	468,766
Subordinated liabilities	-	-	-	5,349	3,000	-	-	8,349
Other, including derivatives	43,384	68,457	10,518	42,769	75,034	19,669	75,923	335,754
<b>Total liabilities</b>	<b>73,101</b>	<b>156,845</b>	<b>92,979</b>	<b>142,938</b>	<b>285,951</b>	<b>48,434</b>	<b>634,617</b>	<b>1,434,865</b>

## Share and shareholders

### The Handelsbanken share

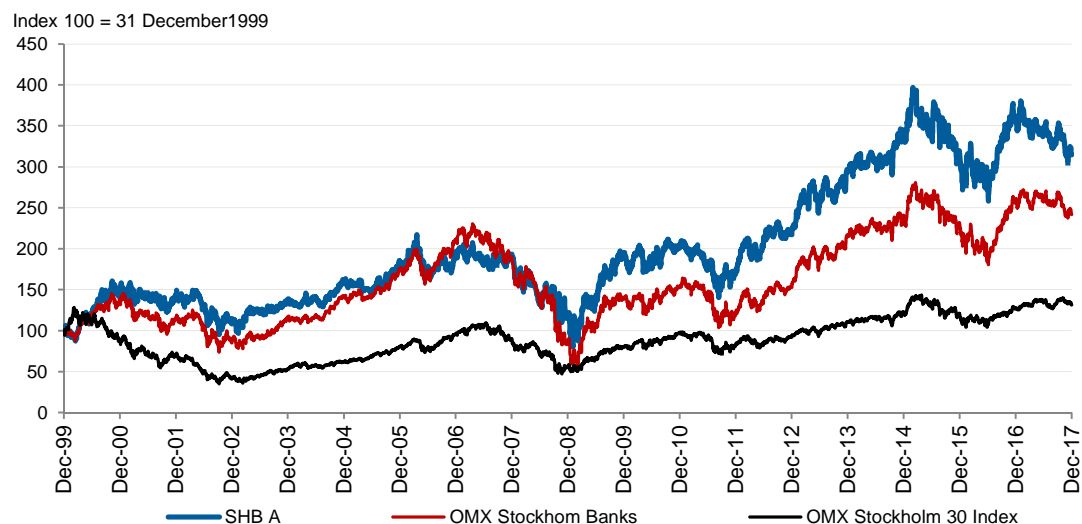
	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
Market capitalisation, end of period, SEK bn	218	239	234	239	246	229	197	197
Share price SHB class A, end of period, SEK	112.20	122.90	120.60	122.90	126.60	117.90	101.80	103.30
Ordinary dividend, SEK	5.50	-	-	-	5.00	-	-	-
Total dividend	7.50	-	-	-	5.00	-	-	-
Number of converted shares	-	-	-	22,151	3,294,729	5,009,634	28,800,955	-
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	1,944,173,551	1,944,173,551	1,944,151,400	1,940,856,671	1,935,847,037	1,907,046,082
Number of outstanding shares after dilution, end of period	1,974,525,521	1,974,776,264	1,975,025,212	1,975,278,248	1,974,290,244	1,974,528,804	1,975,789,501	1,976,193,169
Average number of shares converted during the period	22,151	22,151	22,151	17,718	36,343,029	30,547,119	12,852,916	-
Average holdings of own shares (repurchased and holdings in trading book)	-	-	-	-	-	-	-	-
Average number of outstanding shares	1,944,173,551	1,944,173,551	1,944,173,551	1,944,169,118	1,943,389,111	1,937,593,201	1,919,898,998	1,907,027,157
- after dilution	1,974,776,264	1,975,025,212	1,975,278,248	1,974,290,244	1,974,528,804	1,975,789,501	1,976,193,169	1,972,726,192

### Dividend

The Board proposes that the record day for the dividend be Friday, 23 March 2018, which means that Handelsbanken's shares will be traded ex-dividend on Thursday, 22 March 2018. If the meeting resolves in accordance with the proposal, Euroclear expects to distribute the dividend on Wednesday, 28 March 2018.



**Share performance, since 31 Dec 1999**



**The largest Swedish shareholders**

The largest Swedish shareholders			
31 December 2017	Number of shares	% of votes	% of capital
Industrivärden	196,423,948	10.3	10.1
Oktogonen Foundation	195,872,046	10.2	10.1
Lundberg-gruppen	60,575,000	3.2	3.1
Swedbank Robur funds	54,116,743	2.8	2.8
Alecta	40,769,000	2.1	2.1
Handelsbanken funds	31,495,407	1.6	1.6
Didner & Gerge funds	18,220,178	1.0	0.9
SEB funds	16,947,098	0.9	0.9
3rd National Swedish Pension Fund	14,091,278	0.7	0.7
SPP funds	12,408,864	0.6	0.6
J. Wallanders & T. Hedelius stiftelse, T. Browaldhs stiftelse	12,300,000	0.6	0.6
AFA Insurance	11,770,541	0.6	0.6
Folksam	10,247,154	0.5	0.5
Avanza Funds	8,559,678	0.4	0.4
4th National Swedish Pension Fund	7,842,334	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 for the last four quarters 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 addition to the general requirements, the supervisory authority may add institution-specific requirements in accordance with second pillar of the regulations.

### 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. In this context, credit risk means that if a given counterparty's creditworthiness weakens, the balance sheet values of all derivative transactions with this counterparty with a positive market value decrease – and thus the Bank's equity decreases. To factor in this risk in the capital adequacy, the credit valuation adjustment risk has been introduced as part of the capital adequacy regulations.

### 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. Amounts for off-balance-sheet items 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:

### 2018

7 February 2018

Highlights of Annual report 2017

21 March 2018

Annual General Meeting

25 April 2018

Interim report January – March 2018

18 July 2018

Interim report January – June 2018

24 October 2018

Interim report January – September 2018

# Handelsbanken