

Fact book
2018

Q2

Contents

■ This is Handelsbanken	3
■ Income statement	
○ Income statement – Handelsbanken Group	4
○ EPS - Earnings Per Share	4
○ Consolidated statement of comprehensive income	5
○ Key figures	6
○ Calculation of key figures	7
○ One-offs and special items	8
○ Fees for the Stabilisation Fund, etc.	8
○ Exchange rates	9
○ Notes	
▪ Net interest income	10
▪ Net fee and commission income	10
▪ Net gains/losses on financial transactions	11
▪ Other expenses	11
▪ Loan losses	12
▪ Loan losses	12
■ Segment information	13
▪ Handelsbanken Sweden	14
▪ Handelsbanken UK	15
▪ Handelsbanken Denmark	16
▪ Handelsbanken Finland	17
▪ Handelsbanken Norway	18
▪ Handelsbanken Netherlands	19
▪ Handelsbanken Capital Markets	20
▪ Other	22
■ Balance sheet	23
■ Business volumes	24
○ Lending to the public	
▪ By sector	24
▪ Credit risk exposure	25
▪ By country, end of period	26
○ Savings and deposits	
▪ Assets under management	27
▪ Deposits and borrowing from the public by country	28
■ Own funds and capital requirement	29
■ Funding	33
■ Liquidity	37
■ Share and shareholders	40
■ Definitions and explanations	42
■ Contacts and Financial calendar	46

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.)*

Low risk tolerance

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

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

Follow-up and business control

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

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

Income statement

Income statement - Svenska Handelsbanken Group

SEK m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Interest income	12,353	11,106	10,853	10,631	10,398	10,210	10,220	9,943
Interest expense	-4,449	-3,458	-3,076	-3,044	-3,077	-3,129	-2,921	-2,902
Net interest income	7,904	7,648	7,777	7,587	7,321	7,081	7,299	7,041
Net fee and commission income	2,551	2,461	2,501	2,355	2,508	2,354	2,447	2,259
Net gains/losses on financial transactions	290	129	164	243	317	547	269	1,112
Risk result - insurance	15	41	34	19	53	36	6	25
Other dividend income	12	2	576	2	11	2	2	1
Share of profit of associates	2	-9	30	14	-3	-27	0	10
Other income	861	52	70	28	31	43	102	25
Total income	11,635	10,324	11,152	10,248	10,238	10,036	10,125	10,473
Staff costs	-3,363	-3,217	-3,178	-3,134	-3,242	-2,918	-2,981	-2,941
Other expenses	-1,644	-1,625	-1,712	-1,337	-1,410	-1,430	-1,518	-1,234
Depreciation, amortisation and impairment of property, equipment and intangible assets	-189	-172	-184	-140	-145	-150	-114	-137
Total expenses	-5,196	-5,014	-5,074	-4,611	-4,797	-4,498	-4,613	-4,312
Profit before loan losses	6,439	5,310	6,078	5,637	5,441	5,538	5,512	6,161
Net loan losses	-222	-153	-1,084	-217	-186	-196	-832	-476
Gains/losses on disposal of property, equipment and intangible assets	3	4	3	4	2	5	18	6
Operating profit	6,220	5,161	4,997	5,424	5,257	5,347	4,698	5,691
Taxes	-989	-1,157	-1,235	-1,251	-1,201	-1,236	-1,254	-1,127
Profit for the period from continuing operations	5,231	4,004	3,762	4,173	4,056	4,111	3,444	4,564
Profit for the period	5,231	4,004	3,762	4,173	4,056	4,111	3,444	4,564
Attributable to								
Shareholders in Svenska Handelsbanken AB	5,231	4,003	3,760	4,172	4,056	4,111	3,444	4,564
Minority interest	0	1	2	1	0	0	0	0

Earnings per share

	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Profit for the year, attributable to shareholders in Svenska Handelsbanken AB	5,231	4,003	3,760	4,172	4,056	4,111	3,444	4,564
- of which interest expense on convertible subordinated loan after tax	-51	-25	-25	-25	-18	-31	-25	-27
Average number of outstanding shares, million	1,944.2	1,944.2	1,944.2	1,944.2	1,944.2	1,944.2	1,943.4	1,937.6
Average number of outstanding shares after dilution, million	1,975.3	1,974.5	1,974.8	1,975.0	1,975.3	1,974.3	1,974.5	1,975.8
Earnings per share, SEK	2.69	2.06	1.93	2.15	2.09	2.11	1.77	2.36
- after dilution	2.66	2.04	1.92	2.13	2.06	2.10	1.76	2.32

Consolidated statement of other comprehensive income

SEK m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Profit for the period	5,231	4,004	3,762	4,173	4,056	4,111	3,444	4,564
Other comprehensive income								
Items that will not be reclassified to the income statement								
Defined benefit plans	-470	-1,775	216	372	1,013	2,318	4,998	91
Instruments measured at fair value through other comprehensive income - equity instruments	56							
Tax on items that will not be reclassified to income statement	101	389	-48	-82	-223	-511	-1,096	-20
<i>of which defined benefit pension plans</i>	102	389	-48	-82	-223	-511	-1,096	-20
<i>of which equity instruments measured at fair value through other comprehensive income</i>	-1	0						
Total items that will not be reclassified to the income statement	-313	-1,347	168	290	790	1,807	3,902	71
Items that may subsequently be reclassified to the income statement								
Cash flow hedges	699	-1,054	-1,038	-578	-1,070	336	-6,875	-1,238
Available-for-sale instruments		-	-552	24	21	37	-23	-565
Instruments measured at fair value through other comprehensive income - debt instruments	-2							
Translation differences for the period	1,105	3,233	14	-76	-869	-1,310	168	970
<i>of which hedging net investment in foreign operations</i>	-465	-92	-386	-304	-24	-795	255	-179
Tax on items that may subsequently be reclassified to the income statement	-51	252	299	216	230	99	1,457	364
<i>of which cash flow hedges</i>	-154	232	228	135	228	-74	1,512	273
<i>of which available-for-sale instruments</i>			-14	13	-2	-2	1	52
<i>of which debt instruments measured at fair value through other comprehensive income</i>	0	0						
<i>of which hedging net investment in foreign operations</i>	103	20	85	68	4	175	-56	39
Total items that may subsequently be reclassified to the income statement	1,751	2,432	-1,277	-414	-1,688	-838	-5,273	-469
Total other comprehensive income for the period	1,438	1,085	-1,109	-124	-898	969	-1,371	-398
Total comprehensive income for the period	6,669	5,089	2,653	4,049	3,158	5,080	2,073	4,166
Attributable to								
Shareholders in Svenska Handelsbanken AB	6,668	5,089	2,653	4,049	3,158	5,080	2,073	4,166
Minority interest	1	0	0	0	0	0	0	0

Handelsbanken Group - Key figures

SEK m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Return on equity	16.0%	11.7%	11.2%	12.9%	12.9%	12.4%	10.6%	14.7%
C/l ratio	44.7%	48.6%	45.5%	45.0%	46.9%	44.8%	45.6%	41.2%
C/l ratio, incl. loan losses	46.6%	50.0%	55.2%	47.1%	48.7%	46.8%	53.8%	45.7%
Adjusted equity per share, SEK	71.30	68.23	72.90	71.12	68.82	66.77	69.28	65.49
Common equity tier 1 ratio, CRR	21.4%	21.6%	22.7%	23.6%	23.4%	23.8%	25.1%	24.0%
Total capital ratio, CRR	28.3%	28.3%	28.3%	28.5%	29.0%	29.7%	31.4%	30.1%
Average number of employees, continuing operations	12,219	12,066	11,956	12,102	11,687	11,584	11,615	11,859
Number of branches, Sweden	407	415	420	422	423	425	435	463
Number of branches, Great Britain	208	208	208	207	207	207	207	206
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	45
Number of branches in Norway	49	49	49	49	49	49	50	50
Number of branches in the Netherlands	29	28	28	27	27	26	25	25
Number of branches in other countries	12	12	12	13	13	13	13	13
Total number of branches	807	814	819	820	821	822	832	859

Average number of employees

	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Sweden	7,240	7,108	7,082	7,218	6,892	6,846	6,888	7,108
UK	2,314	2,244	2,188	2,178	2,136	2,103	2,090	2,097
Norway	761	759	748	769	743	742	747	767
Denmark	665	660	654	652	649	655	660	677
Finland	655	639	633	638	620	600	598	620
The Netherlands	311	303	295	287	285	271	256	208
Total in home markets	11,946	11,713	11,600	11,742	11,325	11,217	11,239	11,477
Greater China (Incl. Hong Kong)	74	73	73	71	69	72	73	71
USA	67	66	67	68	67	66	66	69
Luxembourg	52	52	55	57	58	58	57	56
Germany	42	43	42	42	42	43	43	42
Poland	37	37	38	38	39	41	41	40
Singapore	33	35	34	36	37	37	40	40
Estonia	17	18	18	18	18	17	19	20
France	7	7	7	7	7	8	11	16
Latvia	7	7	7	7	7	6	7	8
Lithuania	6	6	6	5	5	5	5	5
Austria	-	-	-	1	3	4	4	5
Other countries (Representative office)	8	9	9	10	10	10	10	10
Total	12,296	12,066	11,956	12,102	11,687	11,584	11,615	11,859

Calculation of key figures

For definitions, please see page 42-44

Return on equity

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

SEK m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Equity	138,279	131,613	141,604	138,951	134,900	131,741	136,381	134,085
Adjustment defined benefit pension plans	-2,957	-3,325	-4,711	-4,543	-4,253	-3,463	-1,656	2,246
Adjustment fair value reserve	-593	-540	-499	-1,064	-1,028	-1,009	-974	-996
Adjustment hedge reserve	-377	168	-654	-1,464	-1,907	-2,749	-2,487	-7,850
Reversed weighted dividend	0	11,056	0	0	0	9,080	0	0
Total adjusted equity	134,352	138,972	135,740	131,880	127,712	133,600	131,264	127,485
Adjusted equity, average *	131,134	137,356	133,810	129,796	126,116	132,432	129,375	124,530
Adjustment for impact of conversions on adjusted equity, quarterly average	0	0	-1	-1	-1	-1	-2,370	-2,090
Actual quarterly average of converted shares	0	0	1	1	1	1	2,430	2,033
Capital Markets's holdings of SHB shares, average	0	0	0	0	0	0	0	0
Adjusted equity, quarterly average	131,134	137,356	133,810	129,796	126,116	132,432	129,435	124,473
Profit for the period	5,231	4,004	3,762	4,173	4,056	4,111	3,444	4,564
Return on equity, total operations	16.0%	11.7%	11.2%	12.9%	12.9%	12.4%	10.6%	14.7%

* Opening balance for the period adjusted for weighted dividend.

Adjusted equity per share

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

SEK m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Equity	138,279	131,613	141,604	138,951	134,900	131,741	136,381	134,085
Adjustment minority share	-11	-13	-11	-9	-6	-6	-6	-6
Adjustment hedge reserve	-377	168	-654	-1,464	-1,907	-2,749	-2,487	-7,850
Outstanding convertible loan (included in subordinated liabilities item)	-3,070	3,038	3,006	2,974	2,942	2,911	2,882	3,073
Total adjusted equity	134,821	134,806	143,945	140,452	135,929	131,897	136,770	129,302
Number of outstanding shares after dilution (millions)	1,977	1,976	1,975	1,975	1,975	1,975	1,974	1,975
Adjusted shareholders' equity per share, SEK	71.30	68.23	72.90	71.12	68.82	66.77	69.28	65.49

One-offs and special items in Operating profit

SEK m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Special items								
Benchmark effect in Stadshypotek	25	-35	-6	44	-31	-8	37	-51
Oktagonen (The Bank's profit-sharing system)	-207	-233	-133	-149	-243	-243		
Performance-related remuneration	-20	-9	-19	-7	-27	-20	-34	-12
Total Special items	-202	-277	-158	-112	-301	-271	3	-63
One-offs								
Capital gains from the sale of shares in UC AB	837							
Changes in the pension plan in the UK operations		141						
Dividend from VISA Sweden			576					
Transition to a defined contribution pension plan in the Norwegian operations						239		
Capital gains from the sale of shares in Industrivärden								764
Total One-offs	837	141	576			239		707
Total	635	-136	418	-112	-301	-32	3	644

Fees for the Resolution Fund and deposit guarantee

SEK m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Swedish Resolution Fund								
Handelsbanken Sweden	-289	-284	-203	-203	-201	-205	-100	-102
Handelsbanken UK	-54	-53	-37	-39	-39	-39	-19	-17
Handelsbanken Denmark	-24	-23	-14	-15	-15	-15	-7	-7
Handelsbanken Finland	-31	-30	-20	-23	-23	-24	-9	-11
Handelsbanken Norway	-66	-65	-45	-41	-41	-42	-15	-20
Handelsbanken the Netherlands	-9	-9	-4	-5	-4	-5	-2	-2
Handelsbanken Capital Markets	-21	-21	-15	-19	-15	-16	-9	-18
Other	-134	-132	-92	-90	-89	-92	-79	-68
Total fees for the Swedish Resolution Fund	-628	-617	-430	-435	-427	-438	-240	-245
Swedish deposit guarantee								
Handelsbanken Sweden	-60	-60	-56	-31	-69	-69	-64	-63
Handelsbanken UK	-5	-6	-5	-2	-6	-6	-6	-5
Handelsbanken Denmark	-4	-4	-4	-3	-4	-4	-2	-4
Handelsbanken Finland	-3	-3	-3	-2	-3	-3	-3	-3
Handelsbanken Norway	-5	-5	-4	-2	-6	-6	-3	-5
Handelsbanken the Netherlands	0	0	0	0	0	0	-1	0
Handelsbanken Capital Markets	0	0	0	-1	0	0	0	0
Other	-	-	-	-	-	-	-	-
Total fees for Swedish deposit guarantee	-77	-78	-72	-41	-88	-88	-79	-80
Norwegian deposit guarantee								
Handelsbanken Norway	-1	-	-2	-1	-1	-1	-1	-1
Total	-706	-695	-504	-477	-516	-527	-320	-326

The fees are booked in the Net Interest Income.

Exchange rates

SEK, End of period (Balance sheet)	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	Change y/y	Change q/q
DKK	1.4038	1.3799	1.3217	1.2972	1.2951	8%	2%
EUR	10.4597	10.2840	9.8408	9.6545	9.6308	9%	2%
GBP	11.8215	11.7514	11.0920	10.9393	10.9431	8%	1%
NOK	1.0980	1.0619	1.0008	1.0259	1.0047	9%	3%
USD	8.9838	8.3587	8.2051	8.1849	8.4337	7%	7%

SEK, Average as from 1 Jan (Income statement)	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	Change y/y	Change q/q
DKK	1.3627	1.3391	1.2953	1.2884	1.2901	6%	2%
EUR	10.1470	9.9708	9.6352	9.5823	9.5947	6%	2%
GBP	11.5386	11.2914	10.9918	10.9775	11.1524	3%	2%
NOK	1.0577	1.0350	1.0333	1.0380	1.0461	1%	2%
USD	8.3868	8.1126	8.5405	8.6152	8.8658	-5%	3%

The effect of exchange rate movements - Home markets outside Sweden

Jan - Jun 2018 vs. same period last year							
SEK m	GB	DK	FI	NO	NL	HCM	Total
Net interest income	77	47	34	19	15	8	200
Net fee and commission income	10	13	14	2	4	13	56
Net result of financial transactions	3	3	1	0	0	2	9
Other income	0	0	1	0	0	1	2
Total income	90	63	50	21	19	24	267
Staff costs	-32	-19	-11	-2	-8	-8	-80
Other administrative expenses	-17	-12	-13	-3	-4	-8	-57
Depreciation and amortisation	-1	0	0	0	0	0	-1
Total expenses	-50	-31	-24	-5	-12	-16	-138
Net loan losses	-1	-4	1	-1	0	0	-5
Operating profit	39	28	27	15	7	8	124

Q2 2018 vs. previous quarter							
SEK m	GB	DK	FI	NO	NL	HCM	Total
Net interest income	56	15	11	39	6	4	131
Net fee and commission income	7	4	4	5	1	6	27
Net result of financial transactions	2	1	0	1	0	1	5
Other income	0	0	0	0	0	1	1
Total income	65	20	15	45	7	12	164
Staff costs	-37	-6	-4	-9	-3	-8	-67
Other administrative expenses	-16	-4	-4	-7	-2	-2	-35
Depreciation and amortisation	-1	0	0	0	0	0	-1
Total expenses	-54	-10	-8	-16	-5	-10	-103
Net loan losses	-1	0	0	-4	0	0	-5
Operating profit	10	10	7	25	2	2	56

Net interest income

SEK m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Interest income								
Loans to credit institutions and central banks	661	668	635	636	522	347	228	322
Loans to the public	10,427	9,941	9,820	9,654	9,750	9,695	9,962	9,800
Interest-bearing securities eligible as collateral with central banks	108	58	44	44	43	57	-99	101
Bonds and other interest-bearing securities	244	219	186	150	164	176	191	167
Derivative instruments	535	-112	-120	-123	-380	-326	-331	-661
Other interest income	341	324	342	321	359	320	346	331
Total interest income	12,316	11,098	10,907	10,682	10,458	10,269	10,297	10,060
<i>of which interest income reported in Net gains/losses on financial transactions</i>	<i>-37</i>	<i>-8</i>	<i>54</i>	<i>51</i>	<i>60</i>	<i>59</i>	<i>77</i>	<i>117</i>
Interest income according to income statement	12,353	11,106	10,853	10,631	10,398	10,210	10,220	9,943
<i>of which interest income according to the effective interest method</i>	<i>11,593</i>	<i>11,058</i>	<i>10,863</i>	<i>10,639</i>	<i>10,679</i>	<i>10,425</i>	<i>10,464</i>	<i>10,520</i>
Interest expense								
Due to credit institutions and central banks	-377	-384	-335	-338	-309	-299	-293	-250
Deposits and borrowing from the general public	-455	-369	-414	-439	-398	-294	-288	-349
Issued securities	-4,524	-3,991	-3,826	-3,726	-4,023	-4,157	-4,361	-4,405
Derivative instruments	1,986	2,277	2,294	2,198	2,454	2,432	2,651	2,697
Subordinated liabilities	-393	-347	-344	-351	-356	-360	-388	-373
State fees	-706	-695	-504	-477	-516	-527	-320	-326
Other interest expense	-88	-73	-59	-	-19	-28	-26	-58
Total interest expense	-4,557	-3,582	-3,188	-3,133	-3,167	-3,233	-3,025	-3,064
<i>of which interest expense reported in Net gains/losses on financial transactions</i>	<i>-108</i>	<i>-124</i>	<i>-112</i>	<i>-89</i>	<i>-90</i>	<i>-104</i>	<i>-104</i>	<i>-162</i>
Interest expense according to income statement	-4,449	-3,458	-3,076	-3,044	-3,077	-3,129	-2,921	-2,902
Net interest income	7,904	7,648	7,777	7,587	7,321	7,081	7,299	7,041

Net fee and commission income

SEK m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Brokerage and other securities commissions	177	181	207	172	246	261	256	198
Mutual funds	941	889	946	869	895	849	835	776
Custody and other asset management fees	246	245	200	189	169	164	183	145
Advisory services	53	62	36	37	105	56	59	56
Insurance	178	176	169	167	168	160	163	162
Payments	896	826	895	857	847	760	857	815
Loans and deposits	336	330	328	301	308	301	309	293
Guarantees	98	93	92	93	99	97	107	108
Other	123	125	125	122	125	124	126	116
Total fee and commission income	3,048	2,927	2,998	2,807	2,962	2,772	2,895	2,669
Securities	-53	-59	-65	-57	-70	-72	-74	-50
Payments	-425	-384	-413	-379	-368	-331	-355	-341
Other	-19	-23	-19	-16	-16	-15	-19	-19
Total fee and commission expense	-497	-466	-497	-452	-454	-418	-448	-410
Net fee and commission income	2,551	2,461	2,501	2,355	2,508	2,354	2,447	2,259

Net gains/losses on financial transactions

SEK m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Trading, derivatives, FX effect etc			347	322	439	706	940	249
Financial instruments at fair value through profit or loss, mandatory including FX effects	138	273						
Other financial instruments at fair value through profit/loss			-184	-98	-132	-139	-641	77
<i>of which interest-bearing securities</i>			-182	-90	-123	-129	-627	89
<i>of which loans</i>			-2	-8	-9	-10	-14	-12
Financial instruments at fair value through profit or loss, fair value option	116	-122						
Financial instruments at amortised cost	50	33	53	58	32	13	29	61
<i>of which loans</i>	93	78	111	91	86	84	114	119
<i>of which interest-bearing securities</i>	-							
<i>of which issued securities</i>	-43	-45	-58	-33	-54	-71	-85	-58
Financial instruments available for sale			2		4	2	4	769
Financial instrument at fair value through other comprehensive income	-							
Hedge accounting	-1	-20	-14	-8	3	-10	-14	-25
<i>of which net gains/losses on fair value hedges</i>	4	4	-8	1	6	-6	1	-21
<i>of which cash flow hedge ineffectiveness</i>	-5	-24	-6	-9	-3	-4	-15	-4
Gains/losses on unbundled insurance contracts	-13	-35	-40	-31	-29	-25	-49	-19
Total	290	129	164	243	317	547	269	1,112

Other expenses

SEK m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Property and premises	-326	-314	-333	-294	-290	-318	-319	-304
External IT costs	-524	-563	-514	-454	-489	-478	-476	-394
Communication	-90	-87	-79	-71	-75	-84	-79	-73
Travel and marketing	-85	-69	-102	-59	-88	-68	-96	-57
Purchased services	-438	-411	-471	-300	-317	-318	-338	-259
Supplies	-42	-46	-52	-40	-38	-48	-43	-42
Other administrative expenses	-139	-135	-161	-119	-113	-116	-167	-105
Other expenses	-1,644	-1,625	-1,712	-1,337	-1,410	-1,430	-1,518	-1,234

Loan losses

SEK m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Provision Stage 3								
The period's provision Stage 3	-426	-239						
Reversal of Stage 3 provisions to Stage 1 or Stage 2	64	97						
Total	-362	-142						
Provision Stage 1 and Stage 2								
The period's net provision Stage 2	34	-16						
The period's net provision Stage 1	23	30						
Total	57	14						
Provision off-balance-sheet items								
The period's net provision Stage 3	-4	-36						
The period's net provision Stage 2	2	7						
The period's net provision Stage 1	22	9						
Total	20	-20						
Write-offs								
Actual loan losses for the period	-829	-1,629						
Utilised share of previous provision Stage 3	815	1,596						
Total	-14	-33						
Recoveries	77	28						
Net loan losses	-222	-153	-1,084	-217	-186	-196	-832	-476
<i>of which loans to the public</i>	<i>-242</i>	<i>-134</i>						

Loan losses – Key ratios

	30 Jun 2018	31 Mar 2018
Loan loss ratio, % of loans to the public, quarter	0.05	0.03
Total loan loss reserve ratio loans to the public, %	0.17	0.20
Loan loss reserve ratio Stage 1 loans to the public, %	0.02	0.02
Loan loss reserve ratio Stage 2 loans to the public, %	0.96	1.22
Loan loss reserve ratio Stage 3 loans to the public, %	39.23	40.19
Proportion of loans to the public Stage 3, %	0.21	0.23

Operating profit per segment, quarterly

SEK m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Sweden	3,382	3,208	3,505	3,658	3,429	3,148	3,291	3,832
Handelsbanken UK	626	711	16	480	599	521	472	518
Handelsbanken Denmark	274	242	-105	237	226	270	-236	70
Handelsbanken Finland	143	215	167	211	189	213	236	211
Handelsbanken Norway	638	632	670	672	618	833	604	591
Handelsbanken the Netherlands	72	69	87	63	53	49	73	41
Capital Markets	527	529	306	294	441	501	272	298
Other	591	-411	405	-130	-230	-122	215	199
Adjustments & eliminations	-33	-34	-54	-61	-68	-66	-229	-69
Operating profit, Group	6,220	5,161	4,997	5,424	5,257	5,347	4,698	5,691

Total income per segment

SEK m	Q2 2018	Q1 2018	Change	Q2 2017	Change	Jan-Jun 2018	Jan-Jun 2017	Change	Full year 2017
Sweden	5,459	5,381	1%	5,385	1%	10,840	10,547	3%	21,840
Handelsbanken UK	1,612	1,503	7%	1,376	17%	3,115	2,641	18%	5,391
Handelsbanken Denmark	587	560	5%	576	2%	1,147	1,132	1%	2,257
Handelsbanken Finland	476	452	5%	431	10%	928	854	9%	1,735
Handelsbanken Norway	1,100	1,041	6%	1,025	7%	2,141	2,044	5%	4,180
Handelsbanken the Netherlands	217	197	10%	172	26%	414	332	25%	735
Handelsbanken Capital Markets	1,382	1,328	4%	1,261	10%	2,710	2,603	4%	4,793
Other	802	-138		12		664	121	449%	743
Adjustments & eliminations	-	-		-		-	-		-
Total income	11,635	10,324	13%	10,238	14%	21,959	20,274	8%	41,674

Total expenses per segment

SEK m	Q2 2018	Q1 2018	Change	Q2 2017	Change	Jan-Jun 2018	Jan-Jun 2017	Change	Full year 2017
Sweden	-2,048	-2,059	-1%	-1,917	7%	-4,107	-3,871	6%	-7,892
Handelsbanken UK	-957	-767	25%	-754	27%	-1,724	-1,485	16%	-3,035
Handelsbanken Denmark	-322	-314	3%	-286	13%	-636	-574	11%	-1,176
Handelsbanken Finland	-252	-243	4%	-227	11%	-495	-440	13%	-898
Handelsbanken Norway	-376	-369	2%	-351	7%	-745	-491	52%	-1,231
Handelsbanken the Netherlands	-145	-140	4%	-121	20%	-285	-230	24%	-485
Handelsbanken Capital Markets	-852	-815	5%	-831	3%	-1,667	-1,597	4%	-3,194
Other	-211	-273	-23%	-242	-13%	-484	-473	2%	-820
Adjustments & eliminations	-33	-34	3%	-68	51%	-67	-134	-50%	-249
Total expenses	-5,196	-5,014	4%	-4,797	8%	-10,210	-9,295	10%	-18,980

Operating profit per segment

SEK m	Q2 2018	Q1 2018	Change	Q2 2017	Change	Jan-Jun 2018	Jan-Jun 2017	Change	Full year 2017
Sweden	3,382	3,208	5%	3,429	-1%	6,590	6,577	0%	13,740
Handelsbanken UK	626	711	-12%	599	5%	1,337	1,120	19%	1,616
Handelsbanken Denmark	274	242	13%	226	21%	516	496	4%	628
Handelsbanken Finland	143	215	-33%	189	-24%	358	402	-11%	780
Handelsbanken Norway	638	632	1%	618	3%	1,270	1,451	-12%	2,793
Handelsbanken the Netherlands	72	69	4%	53	36%	141	102	38%	252
Handelsbanken Capital Markets	527	529	0%	441	20%	1,056	942	12%	1,542
Other	591	-411		-230		180	-352		-77
Adjustments & eliminations	-33	-34	3%	-68	51%	-67	-134	50%	-249
Operating profit	6,220	5,161	21%	5,257	18%	11,381	10,604	7%	21,025

Handelsbanken Sweden

SEK m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Net interest income	4,276	4,241	4,371	4,301	4,076	3,946	4,018	3,929
Net fee and commission income	989	959	1,146	1,113	1,117	1,058	1,102	1,047
Net gains/losses on financial transactions	190	149	167	173	176	147	184	167
Other income	4	32	15	7	16	11	28	4
Total income	5,459	5,381	5,699	5,594	5,385	5,162	5,332	5,147
Staff costs	-879	-901	-885	-876	-848	-856	-867	-278
Other expenses	-288	-273	-354	-268	-279	-279	-302	-261
Internal purchased and sold services	-865	-868	-871	-732	-773	-792	-680	-630
Depreciation, amortisation and impairments of property, equipment and intangible assets	-16	-17	-17	-18	-17	-27	-11	-19
Total expenses	-2,048	-2,059	-2,127	-1,894	-1,917	-1,954	-1,860	-1,188
Profit before loan losses	3,411	3,322	3,572	3,700	3,468	3,208	3,472	3,959
Net loan losses	-31	-115	-69	-42	-39	-60	-180	-128
Gains/losses on disposal of property, equipment and intangible assets	2	1	2	0	0	0	-1	1
Operating profit	3,382	3,208	3,505	3,658	3,429	3,148	3,291	3,832
Profit allocation	487	443	311	322	330	294	300	271
Operating profit after profit allocation	3,869	3,651	3,816	3,980	3,759	3,442	3,591	4,103
Cost/income ratio, %	34.4	35.4	35.4	32.0	33.5	35.8	33.0	21.9
Loan loss ratio (IFRS 9), %	0.01	0.04						
Loan loss ratio (IAS 39), %			0.02	0.01	0.01	0.02	0.06	0.04
Allocated capital	75,137	82,804	79,964	78,083	74,464	78,736	77,800	72,997
Return on allocated capital, %	16.1	13.8	14.9	15.9	15.7	13.6	14.4	17.5
Average number of employees	4,031	4,057	4,084	4,232	3,990	4,006	4,109	4,352
Number of branches	407	415	420	422	423	425	435	463

Business volumes, Handelsbanken Sweden

Average volumes, SEK bn	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Loans to the public*								
Household	824	812	801	788	775	765	757	748
of which mortgage loans	776	764	752	738	725	714	705	695
Corporate	509	502	497	491	486	479	473	479
of which mortgage loans	298	293	290	285	280	275	269	270
Total	1,333	1,314	1,298	1,279	1,261	1,244	1,230	1,227
Deposits and borrowing from the public								
Household	343	334	333	325	316	307	306	302
Corporate	243	243	239	232	229	217	209	200
Total	586	577	572	557	545	524	515	502

* Excluding loans to the National Debt Office.

Handelsbanken UK

SEK m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Net interest income	1,388	1,282	1,245	1,157	1,178	1,079	1,111	1,085
Net fee and commission income	174	167	165	147	150	140	147	121
Net gains/losses on financial transactions	50	54	-13	46	48	46	59	34
Other income	0	0	2	1	0	0	3	-1
Total income	1,612	1,503	1,399	1,351	1,376	1,265	1,320	1,239
Staff costs	-528	-363	-462	-452	-461	-453	-470	-444
Other expenses	-213	-208	-194	-117	-126	-112	-143	-109
Internal purchased and sold services	-197	-178	-155	-139	-151	-150	-151	-137
Depreciation, amortisation and impairments of property, equipment and intangible assets	-19	-18	-16	-15	-16	-16	-11	-11
Total expenses	-957	-767	-827	-723	-754	-731	-775	-701
Profit before loan losses	655	736	572	628	622	534	545	538
Net loan losses	-28	-25	-556	-148	-23	-12	-73	-20
Gains/losses on disposal of property, equipment and intangible assets	-1	0	0	0	0	-1	0	0
Operating profit	626	711	16	480	599	521	472	518
Profit allocation	8	7	11	9	7	8	9	11
Operating profit after profit allocation	634	718	27	489	606	529	481	529
Cost/income ratio, %	59.1	50.8	58.7	53.2	54.5	57.4	58.3	56.1
Loan loss ratio (IFRS 9), %	0.05	0.05						
Loan loss ratio (IAS 39), %			1.13	0.30	0.05	0.02	0.15	0.04
Allocated capital	13,286	12,894	13,106	12,519	12,144	12,914	11,426	10,582
Return on allocated capital, %	14.9	17.4	0.6	12.2	15.6	12.8	13.1	15.6
Average number of employees	2,228	2,155	2,093	2,073	2,022	1,991	1,980	1,987
Number of branches	208	208	208	207	207	207	207	206

Handelsbanken UK, in local currency

GBP m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Net interest income	118.0	113.5	112.8	108.6	104.8	97.6	98.7	97.1
Net fee and commission income	14.7	14.8	14.8	13.9	13.3	12.7	13.1	10.8
Net gains/losses on financial transactions	4.2	4.8	-1.2	4.3	4.2	4.2	5.2	3.1
Other income	0.0	0.0	0.3	0.0	0.1	0.0	0.2	0.0
Total income	136.9	133.1	126.7	126.8	122.4	114.5	117.2	111.0
Staff costs	-45.1	-32.1	-41.9	-42.4	-41.0	-41.0	-41.8	-39.7
Other expenses	-18.1	-18.4	-17.6	-11.1	-11.2	-10.1	-12.8	-9.6
Internal purchased and sold services	-16.7	-15.8	-14.0	-13.1	-13.4	-13.6	-13.2	-12.4
Depreciation, amortisation and impairments of property, equipment and intangible assets	-1.6	-1.6	-1.4	-1.4	-1.4	-1.5	-1.0	-1.0
Total expenses	-81.5	-67.9	-74.9	-68.0	-67.0	-66.2	-68.8	-62.7
Profit before loan losses	55.4	65.2	51.8	58.8	55.4	48.3	48.4	48.3
Net loan losses	-2.3	-2.3	-50.6	-13.4	-2.1	-1.1	-6.3	-1.9
Gains/losses on disposal of property, equipment and intangible assets	-0.1	0.0	0.0	0.0	-0.1	0.0	0.0	0.0
Operating profit	53.0	62.9	1.2	45.4	53.2	47.2	42.1	46.4
Profit allocation	0.6	0.6	1.0	0.8	0.7	0.7	0.8	1.0
Operating profit after profit allocation	53.6	63.5	2.2	46.2	53.9	47.9	42.9	47.4

Business volumes, Handelsbanken UK

Average volumes, GBP m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Loans to the public								
Household	6,501	6,416	6,311	6,210	6,073	5,916	5,754	5,609
Corporate	13,610	13,247	12,874	12,411	12,050	11,719	11,418	11,196
Total	20,111	19,663	19,185	18,621	18,123	17,635	17,172	16,805
Deposits and borrowing from the public								
Household	4,519	4,336	4,232	3,965	3,603	3,297	3,039	2,751
Corporate	8,971	8,851	9,174	9,113	8,490	7,840	7,550	7,526
Total	13,490	13,187	13,406	13,078	12,093	11,137	10,589	10,277

Handelsbanken Denmark

SEK m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Net interest income	438	415	439	433	425	417	447	425
Net fee and commission income	114	118	115	89	121	108	95	93
Net gains/losses on financial transactions	32	24	24	18	29	24	21	19
Other income	3	3	3	4	1	7	3	3
Total income	587	560	581	544	576	556	566	540
Staff costs	-180	-180	-174	-166	-163	-166	-177	-164
Other expenses	-49	-42	-51	-33	-36	-39	-66	-43
Internal purchased and sold services	-91	-89	-88	-84	-83	-80	-78	-71
Depreciation, amortisation and impairments of property, equipment and intangible assets	-2	-3	-3	-3	-4	-3	-4	-3
Total expenses	-322	-314	-316	-286	-286	-288	-325	-281
Profit before loan losses	265	246	265	258	290	268	241	259
Net loan losses	9	-6	-372	-24	-66	-4	-478	-194
Gains/losses on disposal of property, equipment and intangible assets	0	2	2	3	2	6	1	5
Operating profit	274	242	-105	237	226	270	-236	70
Profit allocation	17	18	25	21	24	24	22	26
Operating profit after profit allocation	291	260	-80	258	250	294	-214	96
Cost/income ratio, %	53.3	54.3	52.1	50.6	47.7	49.7	55.3	49.6
Loan loss ratio (IFRS 9), %	-0.04	0.02						
Loan loss ratio (IAS 39), %			1.53	0.10	0.27	0.02	2.26	0.92
Allocated capital	5,841	5,794	5,711	5,708	5,535	6,382	6,221	6,412
Return on allocated capital, %	15.6	14.0	-4.3	14.0	14.1	14.4	-10.7	4.6
Average number of employees	621	617	609	608	605	611	617	627
Number of branches	57	57	57	57	57	57	57	57

Handelsbanken Denmark, in local currency

DKK m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Net interest income	316	310	333	337	327	326	340	333
Net fee and commission income	82	88	88	69	93	85	73	72
Net gains/losses on financial transactions	23	19	18	14	22	19	16	15
Other income	2	2	2	3	1	5	3	2
Total income	423	419	441	423	443	435	432	422
Staff costs	-130	-134	-130	-130	-125	-130	-136	-127
Other expenses	-35	-32	-39	-26	-28	-30	-50	-34
Internal purchased and sold services	-65	-67	-67	-65	-65	-62	-60	-55
Depreciation, amortisation and impairments of property, equipment and intangible assets	-2	-2	-3	-1	-3	-3	-3	-3
Total expenses	-232	-235	-239	-222	-221	-225	-249	-219
Profit before loan losses	191	184	202	201	222	210	183	203
Net loan losses	7	-4	-291	-16	-53	-3	-374	-154
Gains/losses on disposal of property, equipment and intangible assets	-	1	1	3	2	4	1	3
Operating profit	198	181	-88	188	171	211	-190	52
Profit allocation	12	13	20	15	19	19	17	20
Operating profit after profit allocation	210	194	-68	203	190	230	-173	72

Business volumes, Handelsbanken Denmark

Average volumes, DKK bn	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Loans to the public								
Household	46.2	46.0	45.1	44.3	43.8	43.4	42.5	41.3
Corporate	29.5	28.9	28.7	27.6	28.8	29.6	29.0	28.7
Total	75.7	74.9	73.8	71.9	72.6	73.0	71.5	70.0
Deposits and borrowing from the public								
Household	13.8	13.2	13.3	13.1	12.9	12.2	12.4	12.1
Corporate	18.5	21.4	19.3	19.8	18.6	18.5	16.2	15.7
Total	32.3	34.6	32.6	32.9	31.5	30.7	28.6	27.8

Handelsbanken Finland

SEK m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Net interest income	332	313	319	301	291	292	302	304
Net fee and commission income	124	122	118	110	121	113	116	108
Net gains/losses on financial transactions	17	13	18	7	13	14	21	8
Other income	3	4	4	4	6	4	3	1
Total income	476	452	459	422	431	423	442	421
Staff costs	-108	-104	-107	-95	-100	-94	-101	-94
Other expenses	-52	-45	-48	-46	-44	-42	-53	-37
Internal purchased and sold services	-87	-89	-80	-72	-78	-73	-62	-59
Depreciation, amortisation and impairments of property, equipment and intangible assets	-5	-5	-6	-4	-5	-4	-4	-4
Total expenses	-252	-243	-241	-217	-227	-213	-220	-194
Profit before loan losses	224	209	218	205	204	210	222	227
Net loan losses	-81	6	-51	6	-15	3	14	-16
Gains/losses on disposal of property, equipment and intangible assets	0	0	0	0	0	-	0	0
Operating profit	143	215	167	211	189	213	236	211
Profit allocation	56	40	43	37	38	32	38	31
Operating profit after profit allocation	199	255	210	248	227	245	274	242
Cost/income ratio, %	47.4	49.4	48.0	47.3	48.4	46.8	45.8	42.9
Loan loss ratio (IFRS 9), %	0.28	-0.12						
Loan loss ratio (IAS 39), %			0.16	-0.02	0.05	-0.01	-0.05	0.05
Allocated capital	6,036	6,456	5,646	5,526	5,283	6,169	6,252	5,937
Return on allocated capital, %	10.3	12.3	11.6	14.0	13.4	12.4	13.7	12.7
Average number of employees	537	523	519	519	505	482	482	500
Number of branches	45	45	45	45	45	45	45	45

Handelsbanken Finland, in local currency

EUR m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Net interest income	32.2	31.4	32.7	31.5	30.0	30.7	30.9	31.9
Net fee and commission income	12.0	12.2	12.1	11.4	12.7	11.8	11.9	11.3
Net gains/losses on financial transactions	1.5	1.4	1.8	0.8	1.4	1.4	2.1	0.8
Other income	0.3	0.4	0.4	0.5	0.5	0.5	0.3	0.1
Total income	46.0	45.4	47.0	44.2	44.6	44.4	45.2	44.1
Staff costs	-10.4	-10.5	-10.9	-9.9	-10.4	-9.9	-10.3	-9.9
Other expenses	-5.0	-4.5	-5.1	-4.8	-4.4	-4.5	-5.3	-3.9
Internal purchased and sold services	-8.5	-8.9	-8.1	-7.4	-8.1	-7.7	-6.4	-6.1
Depreciation, amortisation and impairments of property, equipment and intangible assets	-0.5	-0.5	-0.5	-0.6	-0.6	-0.4	-0.4	-0.4
Total expenses	-24.4	-24.4	-24.6	-22.7	-23.5	-22.5	-22.4	-20.3
Profit before loan losses	21.6	21.0	22.4	21.5	21.1	21.9	22.8	23.8
Net loan losses	-7.9	0.6	-5.3	0.6	-1.6	0.4	1.5	-1.7
Gains/losses on disposal of property, equipment and intangible assets	0.0	0.0	-0.1	0.0	0.0	-	0.0	0.0
Operating profit	13.7	21.6	17.0	22.1	19.5	22.3	24.3	22.1
Profit allocation	5.5	4.0	4.4	3.9	4.0	3.3	3.9	3.2
Operating profit after profit allocation	19.2	25.6	21.4	26.0	23.5	25.6	28.2	25.3

Business volumes, Handelsbanken Finland

Average volumes, EUR m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Loans to the public								
Household	4,083	4,125	4,107	4,058	4,053	4,024	3,997	3,998
Corporate	9,066	8,879	8,901	8,858	9,061	8,922	8,822	8,747
Total	13,149	13,004	13,008	12,916	13,114	12,946	12,819	12,745
Deposits and borrowing from the public								
Household	1,569	1,511	1,569	1,547	1,642	1,625	1,508	1,485
Corporate	2,617	3,006	2,698	2,658	2,556	2,771	2,211	1,933
Total	4,186	4,517	4,267	4,205	4,198	4,396	3,719	3,418

Handelsbanken Norway

SEK m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Net interest income	969	922	953	930	898	885	933	856
Net fee and commission income	103	95	104	101	102	103	107	99
Net gains/losses on financial transactions	25	23	21	23	19	27	21	25
Other income	3	1	3	1	6	4	5	4
Total income	1,100	1,041	1,081	1,055	1,025	1,019	1,066	984
Staff costs	-207	-199	-192	-201	-192	15	-180	-175
Other expenses	-63	-52	-62	-54	-53	-54	-62	-46
Internal purchased and sold services	-102	-114	-118	-106	-103	-97	-107	-96
Depreciation, amortisation and impairments of property, equipment and intangible assets	-4	-4	-3	-4	-3	-4	-6	-3
Total expenses	-376	-369	-375	-365	-351	-140	-355	-320
Profit before loan losses	724	672	706	690	674	879	711	664
Net loan losses	-88	-41	-36	-19	-56	-46	-107	-73
Gains/losses on disposal of property, equipment and intangible assets	2	1	0	1	0	0	0	0
Operating profit	638	632	670	672	618	833	604	591
Profit allocation	33	27	26	20	23	21	30	22
Operating profit after profit allocation	671	659	696	692	641	854	634	613
Cost/income ratio, %	33.2	34.6	33.9	34.0	33.5	13.5	32.4	31.8
Loan loss ratio (IFRS 9), %	0.14	0.07						
Loan loss ratio (IAS 39), %			0.06	0.03	0.09	0.08	0.20	0.14
Allocated capital	15,047	15,680	15,837	15,407	15,521	16,808	15,883	14,441
Return on allocated capital, %	13.9	13.1	13.7	14.0	12.9	15.9	12.4	13.2
Average number of employees	689	683	673	692	662	662	667	681
Number of branches	49	49	49	49	49	49	50	50

Handelsbanken Norway, in local currency

NOK m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Net interest income	897	891	934	909	868	837	867	835
Net fee and commission income	96	92	102	99	98	98	98	98
Net gains/losses on financial transactions	23	22	20	23	19	25	19	24
Other income	3	1	4	1	5	4	3	3
Total income	1,019	1,006	1,060	1,032	990	964	987	960
Staff costs	-191	-192	-188	-195	-183	14	-167	-171
Other expenses	-59	-50	-61	-53	-51	-51	-58	-44
Internal purchased and sold services	-94	-110	-115	-104	-99	-92	-98	-95
Depreciation, amortisation and impairments of property, equipment and intangible assets	-4	-4	-3	-4	-4	-3	-6	-3
Total expenses	-348	-356	-367	-356	-337	-132	-329	-313
Profit before loan losses	671	650	693	676	653	832	658	647
Net loan losses	-82	-40	-35	-19	-54	-44	-100	-71
Gains/losses on disposal of property, equipment and intangible assets	1	1	1	0	0	0	0	0
Operating profit	590	611	659	657	599	788	558	576
Profit allocation	30	26	24	20	22	20	28	21
Operating profit after profit allocation	620	637	683	677	621	808	586	597

Business volumes, Handelsbanken Norway

Average volumes, NOK bn	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Loans to the public								
Household	90.7	90.2	89.7	88.8	88.4	88.0	87.6	86.4
Corporate	159.4	156.2	151.9	149.7	148.7	145.8	146.1	144.3
Total	250.1	246.4	241.6	238.5	237.1	233.8	233.7	230.7
Deposits and borrowing from the public								
Household	20.3	20.1	20.1	20.3	19.7	19.6	19.7	20.0
Corporate	42.4	43.0	48.3	51.4	49.0	48.8	54.2	45.8
Total	62.7	63.1	68.4	71.7	68.7	68.4	73.9	65.8

Handelsbanken the Netherlands

	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
SEK m	2018	2018	2017	2017	2017	2017	2016	2016
Net interest income	168	157	155	142	135	125	126	117
Net fee and commission income	43	39	55	35	33	32	49	15
Net gains/losses on financial transactions	5	1	13	2	3	2	2	2
Share of profit of associates	-	-	0	0	1	1	2	0
Other income	1	0	0	1	0	0	1	0
Total income	217	197	223	180	172	160	180	134
Staff costs	-90	-84	-76	-72	-74	-67	-65	-56
Other expenses	-24	-21	-27	-20	-20	-18	-16	-20
Internal purchased and sold services	-26	-32	-29	-23	-24	-22	-24	-14
Depreciation, amortisation and impairments of property, equipment and intangible assets	-5	-3	-5	-3	-3	-2	-2	-2
Total expenses	-145	-140	-137	-118	-121	-109	-107	-92
Profit before loan losses	72	57	86	62	51	51	73	42
Net loan losses	0	12	1	1	2	-2	0	-1
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-
Operating profit	72	69	87	63	53	49	73	41
Profit allocation	1	0	1	0	2	0	1	0
Operating profit after profit allocation	73	69	88	63	55	49	74	41
Cost/income ratio, %	66.5	71.1	61.2	65.6	69.5	68.1	59.1	68.7
Loan loss ratio (IFRS 9), %	0.00	-0.12						
Loan loss ratio (IAS 39), %			-0.01	-0.01	-0.02	0.02	0.00	0.02
Allocated capital	1,581	1,558	1,465	1,443	1,375	1,276	1,251	1,131
Return on allocated capital, %	14.4	13.9	18.8	13.7	12.4	12.0	18.6	11.2
Average number of employees	298	291	283	275	274	259	245	198
Number of branches	29	28	28	27	27	26	25	25

Handelsbanken in the Netherlands, in local currency

	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Euro m	2018	2018	2017	2017	2017	2017	2016	2016
Net interest income	16.2	15.8	15.8	14.9	14.0	13.1	12.9	12.3
Net fee and commission income	4.2	3.9	5.7	3.6	3.4	3.4	5.1	1.6
Net gains/losses on financial transactions	0.5	0.1	1.4	0.2	0.3	0.2	0.4	0.2
Other income	0.1	0.0	0.0	0.1	0.1	0.1	0.3	0.0
Total income	21.0	19.8	22.9	18.8	17.8	16.8	18.7	14.1
Staff costs	-8.8	-8.4	-7.8	-7.5	-7.6	-7.1	-6.8	-5.8
Other expenses	-2.3	-2.1	-2.9	-2.0	-2.1	-1.9	-1.6	-2.1
Internal purchased and sold services	-2.6	-3.1	-2.9	-2.4	-2.7	-2.1	-2.3	-1.6
Depreciation, amortisation and impairments of property, equipment and intangible assets	-0.4	-0.4	-0.4	-0.4	-0.2	-0.3	-0.3	-0.2
Total expenses	-14.1	-14.0	-14.0	-12.3	-12.6	-11.4	-11.0	-9.7
Profit before loan losses	6.9	5.8	8.9	6.5	5.2	5.4	7.7	4.4
Net loan losses	0.0	1.2	0.1	0.1	0.2	-0.2	0.0	-0.1
Gains/losses on disposal of property, equipment and intangible assets	0.0	-	-	-	-	-	-	-
Operating profit	6.9	7.0	9.0	6.6	5.4	5.2	7.7	4.3
Profit allocation	0.1	0.0	0.2	0.0	-0.1	0.3	0.1	0.0
Operating profit after profit allocation	7.0	7.0	9.2	6.6	5.3	5.5	7.8	4.3

Business volumes, Handelsbanken the Netherlands

	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Average volumes, EUR m	2018	2018	2017	2017	2017	2017	2016	2016
Loans to the public								
Household	2,339	2,218	2,136	2,027	1,891	1,780	1,629	1,502
Corporate	2,042	1,997	1,803	1,697	1,717	1,695	1,667	1,741
Total	4,381	4,215	3,939	3,724	3,608	3,475	3,296	3,243
Deposits and borrowing from the public								
Household	127	118	109	92	84	78	73	65
Corporate	956	1,077	749	710	727	768	455	378
Total	1,083	1,195	858	802	811	846	528	443

Handelsbanken Capital Markets

Handelsbanken Capital Markets

SEK m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Net interest income	119	110	116	120	118	118	151	135
Net fee and commission income	997	952	789	744	859	782	815	753
Net gains/losses on financial transactions	253	221	195	157	228	399	162	244
Risk result - insurance	15	41	34	19	53	36	6	25
Other income	-2	4	14	2	3	7	2	3
Total income	1,382	1,328	1,148	1,042	1,261	1,342	1,136	1,160
Staff costs	-579	-570	-568	-541	-588	-544	-581	-580
Other expenses	-249	-229	-273	-201	-225	-223	-239	-203
Internal purchased and sold services	6	12	23	6	4	19	-17	-17
Depreciation, amortisation and impairments of property, equipment and intangible assets	-30	-28	-22	-21	-22	-18	-19	-18
Total expenses	-852	-815	-840	-757	-831	-766	-856	-818
Profit before loan losses	530	513	308	285	430	576	280	342
Net loan losses	-3	16	-1	9	11	-75	-8	-44
Operating profit	527	529	306	294	441	501	272	298
Profit allocation	-602	-535	-417	-409	-424	-379	-400	-361
Operating profit after profit allocation	-75	-6	-111	-115	17	122	-128	-63
Cost/income ratio, %	109.2	102.8	114.9	119.6	99.3	79.5	116.3	102.4
Loan loss ratio (IFRS 9), %	0.03	-0.09						
Loan loss ratio (IAS 39), %			0.01	-0.08	-0.10	0.67	0.07	0.37
Allocated capital	4,170	4,342	4,314	4,163	4,478	4,972	5,033	4,807
Return on allocated capital, %	-5.6	-0.4	-8.1	-8.6	1.1	7.7	-8.0	-4.1
Average number of employees	1,585	1,577	1,591	1,638	1,627	1,643	1,636	1,674

Business volumes, Handelsbanken International

Average volumes, SEK bn	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Loans to the public								
Household	6.6	6.2	5.9	5.6	5.5	5.4	5.4	5.1
Corporate	25.9	25.6	25.5	24.4	26.5	29.9	31.7	30.2
Total	32.5	31.8	31.4	30.0	32.0	35.3	37.1	35.3
Deposits and borrowing from the public								
Household	4.6	4.1	4.4	4.6	3.8	3.6	3.6	3.8
Corporate	62.0	54.5	70.0	69.1	53.9	36.7	45.8	44.8
Total	66.6	58.6	74.4	73.7	57.7	40.3	49.4	48.6

Markets & Asset Management

SEK m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Net interest income	10	7	12	-8	18	12	16	3
Net fee and commission income	662	626	529	425	607	538	565	524
Net gains/losses on financial transactions	244	230	216	173	235	406	181	249
Other income	-3	2	10	3	0	1	1	3
Total income	913	865	767	593	860	957	763	779
Staff costs	-261	-255	-261	-236	-283	-251	-277	-239
Other expenses	-250	-233	-234	-128	-249	-256	-256	-298
Total expenses	-511	-488	-495	-364	-532	-507	-533	-537
Profit before loan losses	402	377	272	229	328	450	230	242
Net loan losses	0	0	-	-	-	-	-	-
Operating profit	402	377	272	229	328	450	230	242
Operating profit after profit allocation	-12	0	-34	-55	16	170	-72	-22
Average number of employees	428	435	447	467	488	504	496	541

Pension & Life, International and Business Support

SEK m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Net interest income	109	103	104	128	100	106	135	132
Net fee and commission income	335	326	260	319	252	244	250	229
Net gains/losses on financial transactions	9	-9	-21	-16	-7	-7	-19	-5
Other income	16	43	38	18	56	42	7	25
Total income	469	463	381	449	401	385	373	381
Staff costs	-318	-315	-307	-305	-305	-293	-304	-341
Other expenses	-23	-12	-38	-88	6	34	-19	60
Total expenses	-341	-327	-345	-393	-299	-259	-323	-281
Profit before loan losses	128	136	36	56	102	126	50	100
Net loan losses	-3	16	-1	9	11	-75	-8	-44
Operating profit	125	152	35	65	113	51	42	56
Operating profit after profit allocation	-63	-6	-76	-60	1	-48	-56	-41
Average number of employees	1,157	1,142	1,144	1,171	1,139	1,139	1,140	1,133
Number of branches	12	12	12	13	13	13	13	13

Handelsbanken Liv

SEK m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Statutory Profit/loss, according to the alternative income statement								
Administration result	238	220	219	235	228	224	211	204
Risk result	15	41	35	18	53	36	6	25
Financial result	-14	-38	-42	-31	-29	-27	-49	-20
<i>of which deferred capital contribution</i>	-14	-34	-40	-32	-29	-25	-49	-19
Other	40	39	33	39	43	34	46	40
Operating profit	279	262	245	261	295	267	214	249
AUM, SEK bn, end of period	150	142	139	136	133	128	123	120
<i>of which unit-linked</i>	116	109	107	104	101	97	93	90
<i>of which portfolio bond</i>	27	24	24	24	23	22	21	21
Premiums paid, SEK m	5,772	4,380	3,466	3,600	4,806	3,528	2,991	2,938
of which portfolio bond	2,419	1,553	971	1,406	1,513	1,145	959	909
of which unit-linked	3,209	2,678	2,369	2,044	3,148	2,237	1,891	1,877
of which occupational pensions	697	717	598	688	639	571	558	600
New sales mutual funds & custody, Sweden, SEK m	1,588	803	723	687	951	836	593	444

Other and Adjustments & eliminations

Other

SEK m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Net interest income	214	208	179	203	200	219	211	190
Net fee and commission income	7	9	9	16	5	18	16	23
Net gains/losses on financial transactions	-282	-356	-261	-183	-199	-112	-201	613
Share of profit of associates	2	-9	30	14	-4	-28	-2	10
Other income	861	10	605	10	10	12	59	12
Total income	802	-138	562	60	12	109	83	848
Staff costs	-773	-796	-674	-683	-763	-698	-323	-1,084
Other expenses	-706	-755	-703	-598	-627	-663	-637	-515
Internal purchased and sold services	1,362	1,358	1,318	1,150	1,208	1,195		
Depreciation, amortisation and impairments of property, equipment and intangible assets	-94	-80	-98	-59	-60	-65	-45	-74
Total expenses	-211	-273	-157	-190	-242	-231	114	-649
Profit before loan losses	591	-411	405	-130	-230	-122	197	199
Net loan losses								
Gains/losses on disposal of property, equipment and intangible assets	0	0	0	0	0	0	18	0
Operating profit	591	-411	405	-130	-230	-122	215	199
Profit allocation								
Operating profit after profit allocation	591	-411	405	-130	-230	-122	215	199
Average number of employees	2,231	2,163	2,103	2,065	2,003	1,930	1,879	1,840

Adjustments & eliminations

SEK m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Net interest income	-	-	-	-	-	-	-	-
Net fee and commission income	-	-	-	-	-	-	-	-
Net gains/losses on financial transactions	-	-	-	-	-	-	-	-
Risk result - insurance	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-
Total income	-	-	-	-	-	-	-	-
Staff costs	-19	-20	-40	-48	-53	-55	-217	-66
Other expenses	-	-	-	-	-	-	-	-
Depreciation, amortisation and impairments of property, equipment and intangible assets	-14	-14	-14	-13	-15	-11	-12	-3
Total expenses	-33	-34	-54	-61	-68	-66	-229	-69
Profit before loan losses	-33	-34	-54	-61	-68	-66	-229	-69
Net loan losses	-	-	-	-	-	-	-	-
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-
Operating profit	-33	-34	-54	-61	-68	-66	-229	-69

Balance sheet

Balance sheet - Svenska Handelsbanken Group

SEK m	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016
Assets								
Cash and balances with central banks	375,243	276,999	226,314	377,821	436,848	387,092	199,362	353,680
Other loans to central banks	61,104	99,545	38,920	111,008	52,718	79,245	25,527	103,113
Interest-bearing securities eligible as collateral with central banks	141,828	103,579	129,006	112,339	119,603	97,262	97,205	119,532
Loans to other credit institutions	36,985	35,475	20,250	30,742	33,526	34,542	31,347	41,410
Loans to the public	2,194,038	2,143,107	2,065,761	2,040,589	2,011,455	1,991,434	1,963,622	1,965,649
Value change of interest-hedged item in portfolio hedge	37	36	36	36	33	31	35	51
Bonds and other interest-bearing securities	62,009	59,175	49,601	61,996	61,243	65,436	63,909	53,855
Shares	13,462	19,093	14,052	20,885	21,353	23,397	20,412	35,964
Investments in associates	254	289	297	217	212	218	255	259
Assets where the customer bears the value change risk	147,265	138,442	135,617	132,381	128,870	123,595	118,646	115,532
Derivative instruments	67,016	59,069	56,070	56,913	61,940	73,111	82,633	78,688
Reinsurance assets	14	14	14	9	9	9	9	10
Intangible assets	10,397	10,161	9,861	9,670	9,579	9,460	9,393	9,293
Property and equipment	2,289	2,252	2,238	2,404	2,353	2,363	2,387	2,323
Current tax assets	2,823	2,141	242	2,217	1,379	518	38	2,409
Deferred tax assets	445	355	399	394	436	534	962	1,978
Net pension assets	-	-	1,239	1,615	1,368	379	-	-
Assets held for sale	20	-	-	1	3	3	1	2
Other assets	15,334	10,420	10,715	13,565	12,302	29,034	5,615	19,496
Prepaid expenses and accrued income	3,790	3,424	6,345	6,253	5,864	5,266	6,222	5,691
Total assets	3,134,353	2,963,576	2,766,977	2,981,055	2,961,094	2,922,929	2,627,580	2,908,935
Liabilities and equity								
Due to credit institutions	211,927	193,642	174,820	205,355	202,681	205,971	178,781	205,274
Deposits and borrowing from the public	1,126,480	1,065,678	941,967	1,112,138	1,120,291	1,049,699	829,336	1,009,427
Liabilities where the customer bears the value change risk	147,264	138,448	135,617	132,488	128,962	123,653	118,745	115,600
Issued securities	1,406,806	1,331,913	1,276,595	1,279,283	1,264,536	1,295,668	1,261,765	1,315,684
Derivative instruments	21,960	25,902	24,876	30,147	31,654	24,297	31,738	33,296
Short positions	10,594	7,559	2,072	10,081	7,876	11,753	1,572	11,441
Insurance liabilities	552	1,165	549	554	562	599	574	583
Current tax liabilities	1,444	789	394	2,147	1,388	809	514	1,657
Deferred tax liabilities	5,942	6,247	6,853	7,560	7,749	7,842	7,875	9,788
Provisions	258	268	153	298	426	615	731	734
Net pension liabilities	525	11	-	-	-	-	2,161	6,547
Other liabilities	15,398	13,791	15,863	15,828	13,851	21,684	9,427	16,452
Accrued expenses and deferred income	3,777	4,929	12,718	13,665	13,436	15,399	14,580	15,359
Subordinated liabilities	43,147	41,621	32,896	32,560	32,782	33,199	33,400	33,008
Total liabilities	2,996,074	2,831,963	2,625,373	2,842,104	2,826,194	2,791,188	2,491,199	2,774,850
Minority interest	11	13	11	9	6	6	6	6
Share capital	3,013	3,013	3,013	3,013	3,013	3,013	3,013	3,008
Share premium	5,629	5,629	5,629	5,629	5,629	5,629	5,628	5,410
Reserves	10,629	9,192	8,106	9,215	9,339	10,237	9,268	10,639
Retained earnings	109,763	109,763	108,746	108,746	108,746	108,745	102,222	102,222
Profit for the period, attributable to shareholders in Svenska Handelsbanken AB	9,234	4,003	16,099	12,339	8,167	4,111	16,244	12,800
Total equity	138,279	131,613	141,604	138,951	134,900	131,741	136,381	134,085
Total liabilities and equity	3,134,353	2,963,576	2,766,977	2,981,055	2,961,094	2,922,929	2,627,580	2,908,935

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.

Average volume - Loans to the public

SEK bn	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016
Loans to the public, average volume quarterly	2,176	2,110	2,066	2,019	2,017	1,988	1,981	1,946
Loans to the public, average volume acc	2,143	2,110	2,023	2,008	2,002	1,988	1,937	1,923

Loans to the public by sector

Loans net	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016
SEK m, end of period								
Private individuals	1,092,599	1,071,696	1,039,928	1,025,852	1,008,417	993,567	981,895	969,723
<i>of which mortgage loans in Stadshypotek</i>	884,818	870,033	850,923	835,632	821,195	807,870	800,059	788,838
<i>of which other mortgage loans</i>	151,727	137,753	128,595	126,122	122,724	121,979	119,975	119,872
<i>of which other loans to private individuals</i>	56,054	63,910	60,410	64,098	64,498	63,718	61,861	61,013
Housing co-operative associations	223,473	214,851	205,966	200,524	195,264	190,917	186,996	182,501
<i>of which mortgage loans in Stadshypotek</i>	186,133	179,357	172,253	168,070	163,870	159,579	156,823	154,492
Property management, Note 1	604,178	591,767	564,667	554,230	547,999	542,581	539,503	537,654
Manufacturing	32,319	27,518	26,922	27,499	25,449	27,479	27,111	28,483
Retail	22,332	21,636	21,081	22,655	23,588	23,405	21,677	23,943
Hotels and restaurants	8,729	8,869	8,334	8,902	8,444	8,392	8,484	8,724
Shipping, passenger & goods transport by sea	8,914	8,374	7,174	6,938	7,486	8,235	8,131	8,974
Other transport and communication	15,382	16,409	16,063	17,238	15,425	14,927	14,578	14,675
Construction	23,484	21,525	19,519	19,873	18,450	19,066	17,942	18,001
Electricity, gas, water	22,547	22,540	21,912	23,979	23,974	24,504	25,185	24,447
Agriculture, hunting and forestry	14,736	13,576	13,018	12,446	11,716	11,567	11,696	12,492
Other service industry	23,397	22,561	21,993	18,342	18,724	19,000	19,495	21,115
Holding companies, insurance companies, funds etc.	67,451	69,459	67,556	68,814	72,200	71,057	66,414	64,761
State & municipalities	11,807	12,562	13,611	13,197	13,361	15,967	15,891	18,659
Other corporate lending	22,690	19,764	18,480	20,515	21,361	21,110	18,972	31,807
Total loans to the public, before taking into account collective provisions	2,194,038	2,143,107	2,066,224	2,041,004	2,011,858	1,991,774	1,963,970	1,965,959
Collective provisions			-463	-415	-403	-340	-348	-310
Total loans to the public	2,194,038	2,143,107	2,065,761	2,040,589	2,011,455	1,991,434	1,963,622	1,965,649

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

SEK m, end of period	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016
Lending in Sweden								
State-owned property companies	4,045	4,350	4,329	4,329	4,427	4,228	3,228	3,630
Municipal-owned property companies	8,450	8,648	8,874	8,934	8,999	9,561	9,771	9,792
Residential property companies	107,603	106,716	105,994	102,838	101,682	100,131	99,572	93,412
<i>of which mortgage loans in Stadshypotek</i>	<i>94,195</i>	<i>93,130</i>	<i>92,260</i>	<i>89,624</i>	<i>88,507</i>	<i>87,030</i>	<i>85,133</i>	<i>78,029</i>
Other property companies	127,129	125,848	125,098	129,077	127,959	124,864	127,448	131,743
<i>of which mortgage loans in Stadshypotek</i>	<i>53,550</i>	<i>52,628</i>	<i>52,930</i>	<i>54,628</i>	<i>55,092</i>	<i>53,366</i>	<i>52,923</i>	<i>56,911</i>
Total lending in Sweden	247,227	245,562	244,295	245,178	243,067	238,784	240,019	238,577
Lending outside Sweden								
Denmark	21,190	20,600	20,297	20,724	20,169	19,476	19,637	17,736
Finland	41,297	40,441	37,298	35,586	35,944	34,316	33,887	33,094
Norway	118,879	112,914	104,219	103,386	101,167	102,822	103,659	107,813
Great Britain	139,535	136,624	125,504	118,806	116,268	115,677	111,511	109,312
The Netherlands	31,115	30,055	27,628	25,884	24,635	23,949	23,194	21,970
Other countries	4,935	5,571	5,426	4,666	6,749	7,557	7,596	9,152
Total lending outside Sweden	356,951	325,605	320,372	309,052	304,932	303,797	299,484	299,077
Total lending - Property management	604,178	571,167	564,667	554,230	547,999	542,581	539,503	537,654

Credit risk exposure

SEK m	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016
Loans to the public	2,194,038	2,143,107	2,065,761	2,040,589	2,011,455	1,991,434	1,963,622	1,965,649
<i>of which reverse repos</i>	<i>8,726</i>	<i>6,698</i>	<i>6,607</i>	<i>7,126</i>	<i>8,322</i>	<i>11,182</i>	<i>7,493</i>	<i>14,041</i>
Loans to other credit institutions	36,985	35,475	20,250	30,742	33,526	34,542	31,347	41,410
<i>of which reverse repos</i>	<i>11,116</i>	<i>11,032</i>	<i>1,338</i>	<i>5,738</i>	<i>11,175</i>	<i>10,805</i>	<i>4,088</i>	<i>16,984</i>
Interest-bearing securities eligible as collateral with c ₁	141,828	103,579	129,006	112,339	119,603	97,262	97,205	119,532
Bonds and other interest-bearing securities	62,009	59,175	49,601	61,996	61,243	65,436	63,909	53,855
Derivative instruments*	67,016	59,069	56,070	56,913	61,940	73,111	82,633	78,688
Contingent liabilities	89,404	88,634	75,666	75,666	75,293	80,481	78,530	82,361
<i>of which guarantees, credits</i>	<i>10,079</i>	<i>9,729</i>	<i>10,177</i>	<i>9,936</i>	<i>10,088</i>	<i>9,839</i>	<i>9,643</i>	<i>10,110</i>
<i>of which guarantees, other</i>	<i>73,291</i>	<i>72,274</i>	<i>57,878</i>	<i>59,119</i>	<i>58,620</i>	<i>64,512</i>	<i>63,108</i>	<i>67,122</i>
<i>of which letters of credit</i>	<i>6,034</i>	<i>6,631</i>	<i>7,611</i>	<i>6,611</i>	<i>6,585</i>	<i>6,130</i>	<i>5,779</i>	<i>5,129</i>
Other commitments	459,482	457,688	443,383	439,836	441,532	427,927	425,267	431,564
<i>of which unutilised part of granted overdraft facilities</i>	<i>125,580</i>	<i>129,845</i>	<i>131,121</i>	<i>130,647</i>	<i>131,721</i>	<i>132,366</i>	<i>128,967</i>	<i>128,930</i>
<i>of which loan commitments</i>	<i>309,984</i>	<i>299,383</i>	<i>290,643</i>	<i>286,953</i>	<i>290,250</i>	<i>273,876</i>	<i>272,729</i>	<i>274,810</i>
<i>of which other</i>	<i>23,918</i>	<i>28,460</i>	<i>21,619</i>	<i>22,236</i>	<i>19,561</i>	<i>21,685</i>	<i>23,571</i>	<i>27,824</i>
Total	3,050,762	2,946,727	2,839,737	2,818,081	2,804,592	2,770,193	2,742,513	2,773,059
Cash and balances with central banks	375,243	276,999	226,314	377,821	436,848	387,092	199,362	353,680
Other loans to central banks	61,104	99,545	38,920	111,008	52,718	79,245	25,527	103,113
Total	3,487,109	3,323,271	3,104,971	3,306,910	3,294,158	3,236,530	2,967,402	3,229,852

* Refers to the total of positive market values.

Credit risk exposure by country

SEK m	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016
Sweden	1,927,853	1,900,265	1,827,830	1,886,604	1,805,480	1,808,377	1,747,065	1,837,267
Great Britain	380,447	350,125	354,400	359,425	348,415	341,880	306,840	284,762
Norway	359,949	348,963	315,786	322,225	335,810	332,345	323,009	336,680
Denmark	172,811	169,561	156,471	150,745	150,712	150,633	142,986	150,599
Finland	288,589	290,116	248,210	260,341	272,680	267,295	252,486	280,480
The Netherlands	66,106	53,106	46,917	44,721	43,106	40,467	40,115	41,338
Other countries	291,354	211,135	155,357	282,849	337,955	295,533	154,901	298,726
Total	3,487,109	3,323,271	3,104,971	3,306,910	3,294,158	3,236,530	2,967,402	3,229,852

Loans to the public - by country *

SEK bn, end of period	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016
Handelsbanken Sweden	1,346	1,325	1,303	1,292	1,276	1,250	1,231	1,227
Handelsbanken UK	238	233	213	207	200	200	193	190
Handelsbanken Denmark	107	105	99	95	95	94	96	93
Handelsbanken Finland	140	136	124	123	123	122	120	121
Handelsbanken Norway	277	262	245	245	240	243	245	249
Handelsbanken the Netherlands	46	45	40	37	35	34	32	31
Handelsbanken International	32	31	31	30	30	32	35	36
Other	7	6	9	11	12	14	10	16
Total	2,194	2,143	2,064	2,040	2,010	1,989	1,963	1,963

* Excluding loans to the National Debt Office.

Loans to households - by country

SEK bn, end of period	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016
Handelsbanken Sweden	832	819	806	796	785	770	760	754
<i>of which Stadshypotek</i>	782	771	759	745	733	719	710	700
Handelsbanken UK	77	76	70	69	67	67	65	64
Handelsbanken Denmark	65	64	61	58	57	56	56	55
Handelsbanken Finland	44	43	38	37	37	36	36	37
Handelsbanken Norway	101	95	90	91	89	92	93	93
Handelsbanken the Netherlands	25	24	21	20	19	18	16	15
Handelsbanken International	7	6	6	6	6	5	5	5
Other	0	2	4	3	2	3	3	2
Total	1,151	1,129	1,095	1,080	1,062	1,047	1,034	1,025

Corporate lending - by country *

SEK bn, end of period	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016
Handelsbanken Sweden	514	506	497	496	491	480	471	473
<i>of which Stadshypotek</i>	303	296	292	288	284	278	273	268
Handelsbanken UK	161	157	143	138	133	133	128	126
Handelsbanken Denmark	42	41	38	37	38	38	40	38
Handelsbanken Finland	96	93	86	86	86	86	84	84
Handelsbanken Norway	176	167	155	154	151	151	152	156
Handelsbanken the Netherlands	21	21	19	17	16	16	16	16
Handelsbanken International	25	25	25	24	24	27	30	31
Other	8	4	5	8	10	11	7	14
Total	1,043	1,014	968	960	949	942	929	938

* Excluding loans to the National Debt Office.

Business volumes – Savings and deposits

Assets under management, Handelsbanken Group

SEK bn, end of period	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016
Mutual funds, excl. PPM and Unit-linked	387	373	362	354	340	332	314	299
PPM	35	33	32	30	29	28	26	24
Unit-linked insurance	116	110	107	104	102	97	93	90
<i>of which external mutual funds</i>	-4	-3	-3	-3	-3	-3	-2	-2
Total mutual funds	534	513	498	485	468	454	431	411
Structured products	10	12	13	14	15	16	17	17
Portfolio bond insurance	27	24	24	24	23	22	21	21
<i>of which in mutual funds and structured products</i>	-11	-10	-10	-9	-9	-8	-8	-8
Traditional insurance	8	8	8	8	8	8	8	8
<i>of which in mutual funds and structured products</i>	-1	-1	-1	-1	-1	-1	-1	-1
Discretionary and Institutional assets, excl. insurance	236	229	224	221	216	216	207	206
<i>of which in mutual funds and structured products</i>	-152	-148	-144	-143	-138	-134	-127	-119
Total assets under management, excl. securities in custody	651	627	612	599	582	573	548	535
Securities in custody, excl. mutual funds	346	340	344	355	357	347	332	326
Securities in custody, excl. mutual funds, foundations associated with Handelsbanken	50	51	53	55	56	56	52	46

* Including the whole volume managed by Heartwood, of which SEK 28 bn in Heartwoods mutual funds.

Assets in mutual funds per country

SEK bn, end of period	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016
Sweden	467	446	440	427	416	401	382
Denmark	19	18	18	17	17	16	14
Finland	13	13	11	11	10	10	10
Norway	27	25	22	22	20	18	17
The Netherlands	6	6	6	6	6	6	6
Other countries and eliminations	2	5	1	2	-1	3	3
Total mutual funds	534	513	498	485	468	454	431
Great Britain (Heartwood)	30	28	26	24	23	22	21
Total	564	541	524	509	491	476	452

Net savings in the Bank's mutual funds

SEK bn	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Sweden	3.0	4.4	5.9	5.3	5.8	5.0	4.4
Denmark	0.1	0.7	0.1	0.1	0.8	1.3	0.4
Finland	-0.6	1.2	-0.2	0.3	0.3	-0.6	0.4
Norway	0.3	0.8	0.9	0.6	1.8	1.0	0.8
The Netherlands	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other countries and eliminations	0.1	-0.1	-0.3	0.4	-1.6	1.2	-0.6
Total mutual funds	2.9	7.0	6.4	6.7	7.1	7.9	5.5
Great Britain (Heartwood)	0.9	0.8	0.9	0.7	1.3	0.6	0.9
Total	3.8	7.8	7.3	7.4	8.4	8.5	6.4

Deposits and borrowing from the public - by country

SEK bn, end of period	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016
Handelsbanken Sweden	595	590	569	567	560	561	508	512
Handelsbanken UK	162	153	146	142	136	126	117	111
Handelsbanken Denmark	51	40	41	39	44	34	37	35
Handelsbanken Finland	45	46	41	43	40	39	36	33
Handelsbanken Norway	69	65	60	68	66	72	65	79
Handelsbanken the Netherlands	12	13	7	8	7	9	3	7
Handelsbanken International	58	63	43	78	63	50	31	54
Other	134	96	35	167	203	159	32	179
Total	1,126	1,066	942	1,112	1,120	1,050	829	1,009

Deposits and borrowing from households - by country

SEK bn, end of period	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016
Handelsbanken Sweden	356	344	336	335	328	314	309	308
Handelsbanken UK	56	52	48	45	41	38	37	31
Handelsbanken Denmark	20	18	17	17	17	16	16	16
Handelsbanken Finland	17	16	15	16	15	14	14	14
Handelsbanken Norway	24	21	20	21	21	20	21	21
Handelsbanken the Netherlands	1.5	1.3	1.1	1.0	0.9	0.8	0.8	0.7
Handelsbanken International	5	4	4	5	4	4	4	4
Other	1	3	4	3	3	3	2	4
Total	481	459	445	443	430	410	404	399

Deposits and borrowing from corporates - by country

SEK bn, end of period	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016
Handelsbanken Sweden	238	245	233	232	232	247	199	204
Handelsbanken UK	106	101	98	97	95	88	80	80
Handelsbanken Denmark	31	22	24	22	27	18	21	19
Handelsbanken Finland	28	30	26	27	25	25	22	19
Handelsbanken Norway	45	44	40	47	45	52	44	58
Handelsbanken the Netherlands	10	12	6	7	6	8	2	6
Handelsbanken International	53	59	39	73	59	46	27	50
Other	133	93	31	164	200	156	30	175
Total	644	606	497	669	690	640	425	611

Own funds and capital requirement

Own funds CRR

SEK m	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016
TIER 1 CAPITAL								
Equity, Group	138,279	131,613	141,604	138,951	134,900	131,741	136,381	134,085
Accrued unpaid dividend previous year	-	-	-	-	-	-	-	-
Accrued dividend current year	-8,389	-3,620	-14,581	-7,759	-5,127	-2,595	-9,721	-6,400
Adjustment of Group result	-444	-210	-820	-629	-429	-195	3,829	-162
Adjustment of Group equity	2,549	2,529	3,337	3,311	3,289	3,267	-593	3,532
Minority interests	-11	-13	-11	-9	-6	-6	-6	-6
Equity (consolidated entities)	131,984	130,299	129,529	133,865	132,627	132,212	129,890	131,049
Deducted items								
Goodwill and other intangible assets	-10,328	-10,091	-9,787	-9,599	-9,513	-9,409	-9,355	-9,268
Value adjustments (fair value)	-385	-386	-409	-426	-477	-633	-645	-637
Negative amounts resulting from the calculation of expected loss amounts	-1,974	-1,748	-2,357	-2,246	-2,272	-2,270	-1,527	-1,567
Positions in securitisation	-	-	-	-	-	-	-	-
Net pension assets	-	-	-	-	-	-	-	-
Own shares	-516	-551	-569	-619	-607	-622	-636	-593
Adjustments in accordance with stability filter								
Cash flow hedges	-377	168	-654	-1,464	-1,907	-2,749	-2,487	-7,850
Unrealised accumulated gains, shares	-	-	-	-	-	-	-	-
Common equity tier 1 capital, gross	118,404	117,691	115,753	119,511	117,851	116,529	115,240	111,134
Threshold deductions								
Capital contributions to unconsolidated financial entities >10% CET1	-	-	-	-	-	-	-	-
Deferred tax assets >10% CET1	-	-	-	-	-	-	-	-
Amount of capital contributions and deferred tax assets >15%	-	-	-	-	-	-	-	-
Common equity tier 1 capital	118,404	117,691	115,753	119,511	117,851	116,529	115,240	111,134
Additional tier 1 instruments	12,685	11,934	11,746	11,718	12,011	12,598	12,768	12,156
Total tier 1 capital	131,089	129,625	127,499	131,229	129,862	129,127	128,008	123,290
TIER 2 CAPITAL								
Subordinated loans	26,495	26,096	17,745	14,469	17,431	17,293	17,354	17,392
Positive amounts resulting from the calculation of expected loss amounts	-	37	-	-	-	-	-	-
Tier 2 contribution in unconsolidated financial entities	-1,129	-1,129	-1,129	-1,129	-1,129	-1,129	-1,129	-1,129
Total tier 2 capital	25,366	25,004	16,616	13,340	16,302	16,164	16,225	16,263
Total own funds	156,455	154,629	144,115	144,569	146,164	145,291	144,233	139,553

Available Distributable Items (ADI)

SEK m	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016
Available Distributable Items (ADI)	103,093	102,457	115,753	101,971	101,639	116,529	115,240	96,742
Deducted dividend	2,611	624	14,581	3,420	2,482	2,595	9,721	5,020
Minimum capital requirement	-27,986	-27,466	-22,906	-21,141	-20,990	-22,026	-20,645	-20,001
Capital conservation buffer	-15,548	-15,259	-12,726	-11,745	-11,661	-12,236	-11,470	-11,112
Countercyclical capital buffer	-8,709	-8,168	-6,121	-5,477	-5,415	-5,524	-4,039	-4,162
Systemic risk buffer	0	0	-15,271	0	0	-14,684	-13,764	0
Total Available Distributable Items	53,462	52,188	73,310	67,028	66,055	64,654	75,043	66,487

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

Common equity tier 1 ratio, CRR

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

SEK m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Credit risk according to standardised approach	91,877	88,502	83,833	82,243	82,608	79,126	80,896	79,204
Credit risk according to IRB Approach	378,236	375,609	348,386	345,377	344,497	329,180	299,370	305,951
Market risk	13,906	11,978	10,310	12,437	10,004	11,705	10,910	10,216
Credit valuation adjustment risk (CVA)	5,811	5,877	4,890	5,743	5,477	7,832	7,429	8,122
Operational risk	63,932	63,932	61,613	61,613	61,613	61,613	60,182	60,182
Total risk exposure amount	553,762	545,898	509,032	507,413	504,199	489,456	458,787	463,675
Common equity tier 1 capital	118,404	117,691	115,753	119,511	117,851	116,529	115,240	111,134
Common equity tier 1 ratio, CRR	21.4%	21.6%	22.7%	23.6%	23.4%	23.8%	25.1%	24.0%

Capital adequacy analysis

	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016
Common equity tier 1 ratio, CRR	21.4%	21.6%	22.7%	23.6%	23.4%	23.8%	25.1%	24.0%
Tier 1 ratio, CRR	23.7%	23.7%	25.0%	25.9%	25.8%	26.4%	27.9%	26.6%
Total capital ratio, CRR	28.3%	28.3%	28.3%	28.5%	29.0%	29.7%	31.4%	30.1%
Own funds in relation to capital requirement according to Basel I floor			142%	144%	148%	149%	148%	144%

Capital requirement

SEK m	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016
Credit risk according to standardised approach	7,350	7,080	6,707	6,579	6,609	6,330	6,472	6,336
Credit risk according to IRB Approach	30,259	30,049	27,871	27,630	27,560	26,334	23,950	24,476
Total capital requirement for market risks	1,112	958	825	995	800	936	873	817
Credit valuation adjustment risk (CVA)	465	470	391	460	438	627	594	650
Operational risk	5,115	5,115	4,929	4,929	4,929	4,929	4,815	4,815
Total capital requirement	44,301	43,672	40,723	40,593	40,336	39,156	36,704	37,094
Adjustment according to Basel I floor			62,125	61,403	60,239	59,790	61,531	61,134
Capital requirement, Basel I floor			102,848	101,996	100,575	98,946	98,235	98,228
Total own funds, Basel I floor			146,472	146,815	148,436	147,561	145,760	141,120

Capital requirement market risks

SEK m	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016
Outright products								
Interest rate risk	1,086	937	808	973	784	916	854	800
<i>of which general risk</i>	827	698	572	649	497	616	598	651
<i>of which specific risk</i>	259	239	236	324	287	300	256	149
Equity price risk	10	9	9	6	6	6	4	5
<i>of which general risk</i>	4	3	3	1	1	2	1	1
<i>of which specific risk</i>	6	6	6	5	4	4	3	4
<i>of which mutual funds</i>	0	0	0	0	1	0	0	0
Exchange rate risk	-	-	-	-	-	-	-	-
Commodities risk	12	8	5	10	7	8	9	7
Options								
Scenario approach	4	4	3	6	3	6	6	5
<i>of which interest rate risk</i>	0	0	0	1	0	1	1	1
<i>of which equity risk</i>	4	4	3	5	3	5	5	4
<i>of which foreign exchange risk</i>	-	-	-	-	-	-	-	-
<i>of which commodity risk</i>	0	0	0	0	0	0	0	0
Securitisation (specific risk)	-	-	-	-	-	-	-	-
Settlement risk	0	0	0	-	0	-	0	0
Total capital requirement for market risks	1,112	958	825	995	800	936	873	817

Credit risks IRB approach

Exposure amount								
SEK m	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016
Sovereign and central banks	532,880	474,366	357,719	586,231	581,859			
Corporate	920,459	894,483	852,845	845,155	840,765	834,609	821,000	839,228
Corporate lending	898,228	871,623	835,665	823,026	818,366	807,818	798,330	810,827
<i>of which other loans foundation approach *</i>	122,266	116,290	109,608	107,830	109,110	107,315	116,048	121,732
<i>of which other loans advanced approach *</i>	775,962	755,333	726,057	715,196	709,256	700,503	682,282	689,095
<i>of which large companies</i>	163,283	158,459	152,189	147,880	149,881	148,270	126,774	139,070
<i>of which medium-sized companies</i>	85,723	83,805	80,590	81,358	78,803	78,917	81,640	78,575
<i>of which property companies</i>	526,957	513,069	493,278	485,958	480,572	473,316	473,868	471,450
Counterparty risk	22,231	22,860	17,180	22,129	22,399	26,791	22,670	28,401
Housing co-operative associations	208,464	203,522	195,265	191,056	186,293	181,339	187,897	183,160
Retail	1,068,240	1,048,003	1,026,668	1,015,343	1,000,376	990,618	982,270	975,181
Private individuals	1,043,446	1,022,925	1,001,733	989,914	974,568	964,069	955,346	947,847
<i>of which property loans</i>	979,538	946,488	925,491	912,824	897,973	883,931	874,253	865,890
<i>of which other loans</i>	63,908	76,437	76,242	77,090	76,595	80,138	81,093	81,957
Small companies	24,794	25,078	24,935	25,429	25,808	26,549	26,924	27,334
Institutions	96,451	87,550	72,223	74,545	86,065	103,285	105,185	106,414
Lending to institutions	19,319	17,679	16,332	15,048	15,523	17,498	20,066	15,985
Counterparty risk	77,132	69,871	55,891	59,497	70,542	85,787	85,119	90,429
<i>of which repos and securities loans</i>	21,160	22,733	7,667	14,707	18,069	18,505	14,070	27,810
<i>of which derivatives</i>	55,972	47,138	48,224	44,790	52,473	67,282	71,049	62,619
Equity exposures	1,294	1,541	1,512	2,362	2,128	1,389	1,340	1,352
<i>of which listed shares</i>	-	4	661	981	766	-	-	-
<i>of which other shares</i>	1,294	1,537	851	1,381	1,362	1,389	1,340	1,352
Non credit-obligation assets	2,288	2,251	2,238	2,404	2,353	2,363	2,387	2,323
Securitisation positions	22	21	20	20	21	22	22	22
Total IRB Approach	2,830,098	2,711,737	2,508,490	2,717,116	2,699,860	2,113,625	2,100,101	2,107,680

Risk-weighted exposure amount								
SEK m	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016
Sovereign and central banks	8,992	8,578	7,474	9,799	9,659			
Corporates	258,984	257,520	237,107	228,919	230,800	222,058	194,650	202,371
Corporate lending	255,474	254,083	233,707	225,363	226,639	218,014	190,709	197,569
<i>of which other loans foundation approach *</i>	37,014	35,167	32,467	29,053	30,858	28,684	35,946	36,719
<i>of which other loans advanced approach *</i>	218,460	218,916	201,240	196,310	195,781	189,330	154,763	160,850
<i>of which large companies</i>	62,834	63,434	58,176	55,072	55,131	53,222	57,176	63,228
<i>of which medium-sized companies</i>	37,899	38,264	37,839	38,401	37,042	36,516	32,486	31,333
<i>of which property companies</i>	117,727	117,218	105,225	102,837	103,608	99,592	65,101	66,289
Counterparty risk	3,510	3,437	3,400	3,556	4,161	4,044	3,941	4,802
Housing co-operative associations	10,171	10,650	9,974	10,164	8,871	8,591	7,555	7,062
Households	77,427	74,416	72,574	71,397	71,523	72,965	72,398	72,933
Private individuals	70,122	67,504	65,742	64,535	64,412	65,812	65,258	65,599
<i>of which property loans</i>	56,249	52,562	51,092	50,386	50,295	48,827	48,178	48,064
<i>of which other loans</i>	13,873	14,942	14,650	14,149	14,117	16,985	17,080	17,535
Small companies	7,305	6,912	6,832	6,862	7,111	7,153	7,140	7,334
Institutions	15,562	16,475	13,929	14,717	14,007	18,041	17,397	16,256
Lending to institutions	6,102	5,666	5,232	4,895	5,128	5,959	6,175	5,047
Counterparty risk	9,460	10,809	8,697	9,822	8,879	12,082	11,222	11,209
<i>of which repos and securities loans</i>	642	652	173	317	312	378	631	559
<i>of which derivatives</i>	8,818	10,157	8,524	9,506	8,567	11,704	10,591	10,650
Equity exposures	4,788	5,697	5,068	7,956	7,262	5,139	4,959	5,004
<i>of which listed shares</i>	-	12	1,916	2,844	2,220	-	-	-
<i>of which other shares</i>	4,788	5,685	3,152	5,112	5,042	5,139	4,959	5,004
Exposures without a counterparty	2,288	2,251	2,238	2,404	2,353	2,363	2,387	2,323
Securitisation positions	24	22	22	21	22	23	24	2
Total IRB approach	378,236	375,609	348,386	345,377	344,497	329,180	299,370	305,951

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

Capital requirement								
SEK m	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016
Sovereign and central banks	719	686	598	784	772			
Corporates	20,719	20,601	18,969	18,314	18,464	17,765	15,572	16,190
Corporate lending	20,438	20,326	18,697	18,030	18,131	17,441	15,257	15,806
<i>of which other loans foundation approach *</i>	2,961	2,813	2,598	2,325	2,469	2,295	2,876	2,938
<i>of which other loans advanced approach *</i>	17,477	17,513	16,099	15,705	15,662	15,146	12,381	12,868
<i>of which large companies</i>	5,027	5,075	4,654	4,406	4,411	4,258	4,574	5,058
<i>of which medium-sized companies</i>	3,032	3,061	3,027	3,072	2,963	2,921	2,599	2,507
<i>of which property companies</i>	9,418	9,377	8,418	8,227	8,288	7,967	5,208	5,303
Couterparty risk	281	275	272	284	333	324	315	384
Housing co-operative associations	814	853	798	813	710	687	604	565
Households	6,194	5,953	5,806	5,712	5,722	5,837	5,792	5,835
Private individuals	5,610	5,400	5,259	5,163	5,153	5,265	5,221	5,248
<i>of which property lending</i>	4,500	4,205	4,087	4,031	4,024	3,906	3,854	3,845
<i>of which other lending</i>	1,110	1,195	1,172	1,132	1,129	1,359	1,367	1,403
Small companies	584	553	547	549	569	572	571	587
Institutions	1,245	1,318	1,114	1,177	1,121	1,443	1,392	1,300
Lending to institutions	488	453	418	392	410	477	494	404
Couterparty risk	757	865	696	786	710	966	898	897
<i>of which repos and securities loans</i>	51	52	14	25	25	30	50	45
<i>of which derivatives</i>	705	813	682	760	685	936	848	852
Equity exposures	383	456	405	636	581	411	397	400
<i>of which listed shares</i>	-	1	153	227	178	-	-	-
<i>of which other shares</i>	383	455	252	409	403	411	397	400
Exposures without a counterparty	183	180	179	192	188	189	191	186
Securitisation positions	2	2	2	2	2	2	2	0
Total IRB approach	30,259	30,049	27,871	27,630	27,560	26,334	23,950	24,476

Average risk weight, %								
SEK m	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016
Sovereign and central banks	1.7	1.8	2.1	1.7	1.7			
Corporates	28.1	28.8	27.8	27.1	27.5	26.6	23.7	24.1
Corporate lending	28.4	29.2	28.0	27.4	27.7	27.0	23.9	24.4
<i>of which other loans foundation approach *</i>	30.3	30.2	29.6	26.9	28.3	26.7	31.0	30.2
<i>of which other loans advanced approach *</i>	28.2	29.0	27.7	27.4	27.6	27.0	22.7	23.3
<i>of which large companies</i>	38.5	40.0	38.2	37.2	36.8	35.9	45.1	45.5
<i>of which medium-sized companies</i>	44.2	45.7	47.0	47.2	47.0	46.3	39.8	39.9
<i>of which property companies</i>	22.3	22.8	21.3	21.2	21.6	21.0	13.7	14.1
Couterparty risk	15.8	15.0	19.8	16.1	18.6	15.1	17.4	16.9
Housing co-operative associations	4.9	5.2	5.1	5.3	4.8	4.7	4.0	3.9
Households	7.2	7.1	7.1	7.0	7.1	7.4	7.4	7.5
Private individuals	6.7	6.6	6.6	6.5	6.6	6.8	6.8	6.9
<i>of which property lending</i>	5.7	5.6	5.5	5.5	5.6	5.5	5.5	5.6
<i>of which other lending</i>	21.7	19.5	19.2	18.4	18.4	21.2	21.1	21.4
Small companies	29.5	27.6	27.4	27.0	27.6	26.9	26.5	26.8
Institutions	16.1	18.8	19.3	19.7	16.3	17.5	16.5	15.3
Lending to institutions	31.6	32.1	32.0	32.5	33.0	34.1	30.8	31.6
Couterparty risk	12.3	15.5	15.6	16.5	12.6	14.1	13.2	12.4
<i>of which repos and securities loans</i>	3.0	2.9	2.3	2.2	1.7	2.0	4.5	2.0
<i>of which derivatives</i>	15.8	21.5	17.7	21.2	16.3	17.4	14.9	17.0
Equity exposures	370.0	369.8	335.1	336.8	341.2	370.0	370.0	370.0
<i>of which listed shares</i>	-	290.0	290.0	290.0	290.0	-	-	-
<i>of which other shares</i>	370.0	370.0	370.0	370.0	370.0	370.0	370.0	370.0
Exposures without a counterparty	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Securitisation positions	106.0	100.0	106.0	106.0	106.0	106.0	105.9	7.4
Total IRB approach	13.4	13.9	13.9	12.7	12.8	15.6	14.3	14.5

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

Funding

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

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

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

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

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

Funding

SEK m (carrying amount)	30 Jun 2018	Of which up to 12 mths	Other maturities	Unspec. maturity
Deposits and borrowing from the public	1,126,480	148,829	9,575	968,076
Due to credit institutions	211,927	173,619	9,518	28,790
Issued securities	1,406,806	642,546	764,260	
<i>of which Bonds</i>	896,340			
<i>of which covered bonds (Stadshypotek)</i>	623,553			
<i>of which other bonds</i>	272,787			
<i>of which Certificates</i>	510,466			
<i>of which Certificate of deposits (CD:s)</i>	362,287			
<i>of which Commercial paper (CP:s)</i>	144,858			
Total	2,745,213	964,994	783,353	996,866
Subordinated liabilities	43,147			
Equity	138,279			
Total funding	2,926,639			

During the second quarter of 2018, the issued bond volume was SEK 68 billion. The volume of issued covered bonds was SEK 33 billion and 35 billion of senior bonds. Maturing bond volume during the quarter was SEK 43 billion. The volume of so called CD's (Certificates of Deposit) in USD amounted to USD 33.4 billion at the 30 of June 2018.

Long-term funding

SEK bn	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Issued during the quarter								
Senior bonds	35	8	0	12		10		23
Covered bonds	33	53	51	22	18	47	19	36
Subordinated loans		8	3					
Total bonds	68	69	54	34	18	57	19	59
Extendible notes								
Total issued	68	69	54	34	18	57	19	59
Maturing during the quarter	-43	-80	-18	-28	-69	-37	-5	-65
Net	25	-11	36	6	-51	20	14	-6

Maturity profile

30 June 2018	2018	2019	2020	2021	2022	2023	2024-
Senior bonds	8	64	63	69	51	15	5
Covered bonds	69	116	99	138	73	76	26
Total	77	180	162	207	124	91	31

Funding programmes as of June 30, 2018 – The Group

Programme (in millions)	Currency	Programme size	Utilised amount	Countervalue SEK m
ECP*	EUR	15,000	7,912	82,757
ECP (Stadshypotek)*	EUR	4,000	-	-
French Commercial Paper	EUR	7,500	3,413	35,699
Swedish Commercial Paper	SEK	25,000	-	-
Swedish Commercial Paper (Stadshypotek)	SEK	90,000	-	-
USCP	USD	15,000	2,883	25,900
AMTN	AUD	5,000	1,275	8,461
AMTCN (Stadshypotek)	AUD	5,000	-	-
EMTN*	USD	50,000	18,423	165,509
EMTCN (Stadshypotek)*	EUR	20,000	11,187	117,013
US 144A/3(a)(2)	USD	20,000	13,650	122,629
Stadshypotek US 144A	USD	15,000	3,750	33,689
Samurai	JPY	400,000	147,800	11,990
MTN*	SEK	100,000	6,937	6,937
General funding >1 Y*	USD	15,000	4,884	43,877
Extendible Notes	USD	15,000	-	-
Total				654,461
Total programme (or limited) amounts, SEK m		1,968,081		
Unutilised amount, SEK m		1,313,620		
Available amount		67%		

* 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

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
Jan 2018	GBP 750m 5Y FRN Covered bond 3M£ +22 bps
Feb 2018	EUR 750 m Tier 2 10NC5 Subordinated MS +80 bps
Mar 2018	EUR 750 m 5Y FXD Senior MS + 12 bps
May 2018	USD 1250 m 3Y FXD T + 65
May 2018	USD 1250 m 3Y FRN 3M \$L + 47 bp
Jun 2018	EUR 150 m 10Y FRN MS + 35 bp
Jun 2018	GBP 500 m 4Y FRN 3M L + 50 bp
Jun 2018	EUR 500 m 5Y MS + 23 bp, Green Bond

Non-Encumbered Assets (NEA)

30 June 2018		
SEK bn	NEA	Accumulated coverage ratio in % of unsecured funding*
Holdings with central banks and securities in the liquidity portfolio	632	64%
Mortgage loans	612	125%
Other household lending	186	144%
Property company lending lowest risk class (1-3)	298	174%
Other corporate lending lowest risk class (1-3)	159	190%
Loans to credit institutions lowest risk class (1-3)	20	192%
Other corporate lending	278	220%
Other assets	49	224%
Total non-encumbered assets (NEA)	2,234	224%
Encumbered assets without underlying liabilities**	61	
Encumbered assets with underlying liabilities	839	
Total assets, Group	3,134	

31 december 2017		
mdkr	IPT (NEA)	Ack. andel av icke säkerställd upplåning*
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%
Total non-encumbered assets (NEA)	1,876	224%
Encumbered assets without underlying liabilities**	61	
Encumbered assets with underlying liabilities	830	
Total assets, Group	2,767	

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

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

Assets pledged

30 June 2018	Central bank funding	Payment systems/ securities settlement	Repos	Covered bonds	Derivatives	Securities loans	Leases	Insurance agreements
Cash		2,597		5,000	3,600			3,423
Government instruments and bonds		52,322	9,499		1,438			6,451
Loans to the public				658,334			9,377	
Equities						4,031		569
Other								143,304
Total		54,919	9,499	663,334	5,038	4,031	9,377	153,747

Assets pledged according to CSA agreements for outstanding derivatives since 1 January 2012: Max: 50,676 Min: 5,160 Average: 11,893

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

STADSHYPOTEK

Of the total lending to the public in the Handelsbanken Group just below 60% constitutes mortgage lending in Stadshypotek.

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

The Swedish market is one of the largest covered bond markets in Europe. Bonds are issued on-tap on a continuous basis in a few benchmarks per issuer. Stadshypotek has seven outstanding benchmark loans, which mature between 2018 and 2022. These loans are arranged by five market makers and are non-callable bullet bonds with a fixed annual coupon. Only a small number of separate bond loans are issued, with respective final maturity dates set at intervals of about nine months. Concentrating large volumes into a small number of loans in this manner achieves good market liquidity.

Stadshypotek also issue covered bonds on the Norwegian market, and since 2016 also on the Euro market with assets in the new Finnish cover pool. Assets in the Swedish pool are also used for issuance on the Euro, USD and other markets.

At the end of the quarter, the non-domestic share of the outstanding covered bonds was 29%. The ratio of non-encumbered assets to unsecured wholesale funding was 224% at the end of the second quarter compared to 228% at the end of the previous quarter and 224% at the end of 2017.

Covered Bonds, outstanding issues

SEK bn (nominal amount)	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016
Swedish cover pool	560	560	567	547	528	558	562	550
<i>of which issues in SEK</i>	429	413	433	417	397	436	425	413
<i>of which issues in other currencies</i>	133	147	134	130	131	122	137	137
Norwegian cover pool	26	25	25	24	23	24	29	29
<i>of which issues in NOK</i>	26	25	25	24	23	24	29	29
Finnish cover pool	17	15	17	10	10	10		
<i>of which issues in EUR</i>	17	15	17	10	10	10		
Total	603	585	609	580	561	582	596	579

Cover Pool Data, Sweden

SEK m	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016
Stadshypotek total lending to the public in Sweden	1,084,397	1,066,629	1,051,541	1,033,062	1,017,891	996,758	983,160	967,739
Assets available for Cover Pool	1,000,775	989,217	967,320	952,522	938,560	926,050	902,862	895,299
Assets utilized for Cover Pool	611,145	610,509	618,744	596,654	586,719	629,441	626,458	616,378
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	53.2%	54.1%	53.8%	51.5%	50.7%	51.1%	50.0%	51.3%
LTV-distribution								
0-10%	23.8%	22.8%	22.9%	24.8%	25.4%	24.9%	25.5%	24.8%
10-20%	19.9%	19.7%	19.8%	20.5%	20.9%	20.8%	21.3%	20.9%
20-30%	16.8%	17.0%	17.1%	16.9%	17.0%	17.1%	17.4%	17.2%
30-40%	14.0%	14.3%	14.4%	13.8%	13.6%	13.8%	13.7%	13.7%
40-50%	11.1%	11.4%	11.4%	10.7%	10.4%	10.6%	10.2%	10.4%
50-60%	7.9%	8.1%	8.0%	7.4%	7.2%	7.3%	6.9%	7.3%
60-70%	5.0%	5.1%	5.0%	4.5%	4.3%	4.3%	4.0%	4.5%
70-75%	1.5%	1.5%	1.4%	1.3%	1.3%	1.2%	1.1%	1.3%
WA loan size, SEK	646,900	638,000	634,500	630,600	624,300	644,900	647,500	642,700
WA seasoning of Cover Pool, months	64	62	61	64	64	62	64	64
Interest index distribution								
Floating	49.0%	53.0%	55.0%	48.0%	46.7%	52.0%	47.0%	45.9%
Fixed rate	51.0%	47.0%	45.0%	52.0%	53.3%	48.0%	53.0%	54.2%

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

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

Market value					
SEK m	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017
Cash and balances with and other lending to central banks	436,279	376,513	265,234	488,559	489,210
Balances with banks and the National Debt Office, overnight	404	603	2,041	2,086	1,555
Securities issued by governments and public entities	139,314	101,672	132,385	114,761	123,699
Covered bonds	55,063	46,647	44,249	46,387	48,011
Securities issued by non-financial companies	483	302	141	262	934
Securities issued by financial companies	401	434	275	277	106
Total	631,944	526,171	444,325	652,332	663,515
<i>of which in SEK</i>	<i>165,423</i>	<i>152,986</i>	<i>142,452</i>	<i>197,104</i>	<i>135,228</i>
<i>of which in EUR</i>	<i>127,949</i>	<i>125,582</i>	<i>94,685</i>	<i>107,857</i>	<i>122,095</i>
<i>of which in USD</i>	<i>193,998</i>	<i>117,281</i>	<i>74,168</i>	<i>196,348</i>	<i>246,228</i>
<i>of which in other currencies</i>	<i>144,574</i>	<i>130,322</i>	<i>133,020</i>	<i>151,023</i>	<i>159,964</i>

30 June 2018					
Market value, SEK m	SEK	EUR	USD	Other	Total
Cash and balances with and other lending to central banks	17,040	119,820	166,704	132,715	436,279
Balances with other banks and the National Debt Office, overnight	160	18	21	205	404
Securities issued by governments	102,704	5,800	20,987	-	129,491
Securities issued by municipalities and other public entities	3,537	-	6,286	-	9,823
Covered bonds, external issuers	39,245	1,828	-	10,346	51,419
Own covered bonds	2,309	187	-	1,148	3,644
Securities issued by non-financial companies	270	70	-	143	483
Securities issued by financial companies	158	226	-	17	401
Total	165,423	127,949	193,998	144,574	631,944

Liquidity - key ratios

%	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016
Liquidity coverage ratio (LCR), %	146	142	139	148	136	169	142
Net stable funding ratio (NSFR), %	103	102	102	104	106	106	102

MATURITY ANALYSIS

Maturities for financial assets and liabilities

30 June 2018	Up to 30 days	31 days - 6 mths	6 - 12 mths	1 - 2 yrs	2 - 5 yrs	5 yrs -	Unspec. maturity	Total
Assets								
Cash and balances with central banks	436,278	-	-	-	-	-	-	436,278
Interest-bearing securities eligible as collateral with central banks	141,550	-	-	-	-	-	-	141,550
Bonds and other interest-bearing securities	61,560	-	-	-	-	-	-	61,560
Loans to credit institutions	30,889	1,862	310	222	1,577	2,055	2	36,917
-of which reverse repos	11,116	-	-	-	-	-	-	11,116
Loans to the public	40,295	270,702	187,610	203,237	416,399	1,072,481	-	2,190,724
-of which reverse repos	8,727	-	-	-	-	-	-	8,727
Other	24,934	-	-	-	-	-	242,390	267,324
-of which shares and participating interests	13,462	-	-	-	-	-	-	13,462
-of which claims on investment banking settlements	11,472	-	-	-	-	-	-	11,472
Total	735,506	272,564	187,920	203,459	417,976	1,074,536	242,392	3,134,353
Liabilities								
Due to credit institutions	93,969	71,997	7,653	4,053	505	4,561	28,790	211,528
-of which repos	-	-	-	-	-	-	-	0
-of which deposits from central banks	37,460	31,438	-	-	-	-	4,662	73,560
Deposits and borrowing from the public	107,193	37,938	3,698	889	2,179	5,454	968,076	1,125,427
-of which repos	13	-	-	-	-	-	-	13
Issued securities	96,634	378,875	167,037	219,079	496,276	40,625	-	1,398,526
-of which covered bonds	-	71,468	32,059	168,800	316,200	29,561	-	618,088
-of which certificates and other securities with original maturity of less than one year	83,412	279,660	43,220	-	-	-	-	406,292
-of which senior bonds and other securities with original maturity of more than one year	13,222	27,747	91,758	50,279	180,076	11,064	-	374,146
Subordinated liabilities	-	-	21,081	-	21,567	-	-	42,648
Other	15,538	-	-	-	-	-	340,686	356,224
-of which short positions	10,594	-	-	-	-	-	-	10,594
-of which investment banking settlement debts	4,944	-	-	-	-	-	-	4,944
Total	313,334	488,810	199,469	224,021	520,527	50,640	1,337,552	3,134,353

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

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

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

Maturities for assets and liabilities in USD

30 June 2018	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	166,789	-	-	-	-	-	-	166,789
Bonds and other interest-bearing securities	30,951	-	-	-	-	-	-	30,951
Loans to credit institutions	21,495	400	62	115	1,269	2,055	2	25,398
Loans to the public	3,875	8,361	3,415	1,150	10,510	1,720	-	29,031
Other, including derivatives	58,647	162,952	38,180	52,612	83,140	-	-	395,531
Total assets	281,757	171,713	41,657	53,877	94,919	3,775	2	647,700
Due to credit institutions	18,269	7,195	-	-	-	-	269	25,733
Deposits and borrowing from the public	86,118	7,687	633	30	-	-	23,256	117,724
Issued securities	65,735	188,723	82,532	59,588	85,845	-	-	482,423
Subordinated liabilities	-	-	-	-	10,795	-	-	10,795
Other, including derivatives	-	-	-	-	-	-	8,211	8,211
Total liabilities	170,122	203,605	83,165	59,618	96,640	-	31,736	644,886

Maturities for assets and liabilities in EUR

30 June 2018	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	119,810	-	-	-	-	-	-	119,810
Bonds and other interest-bearing securities	9,835	-	-	-	-	-	-	9,835
Loans to credit institutions	4,919	901	36	18	307	-	0	6,181
Loans to the public	4,089	25,251	13,318	20,473	72,872	93,388	-	229,391
Other, including derivatives	-	58,706	20,831	-	115,565	-	-	195,102
Total assets	138,653	84,858	34,185	20,491	188,744	93,388	0	560,319
Due to credit institutions	47,492	24,864	6,275	-	264	151	1,803	80,849
Deposits and borrowing from the public	4,966	7,823	125	313	-	-	112,353	125,580
Issued securities	15,807	61,212	55,222	347	130,401	34,043	-	297,032
Subordinated liabilities	-	-	15,633	-	7,817	-	-	23,450
Other, including derivatives	12,899	-	-	2,711	-	-	15,728	31,338
Total liabilities	81,164	93,899	77,255	3,371	138,482	34,194	129,884	558,249

Maturities for assets and liabilities in SEK

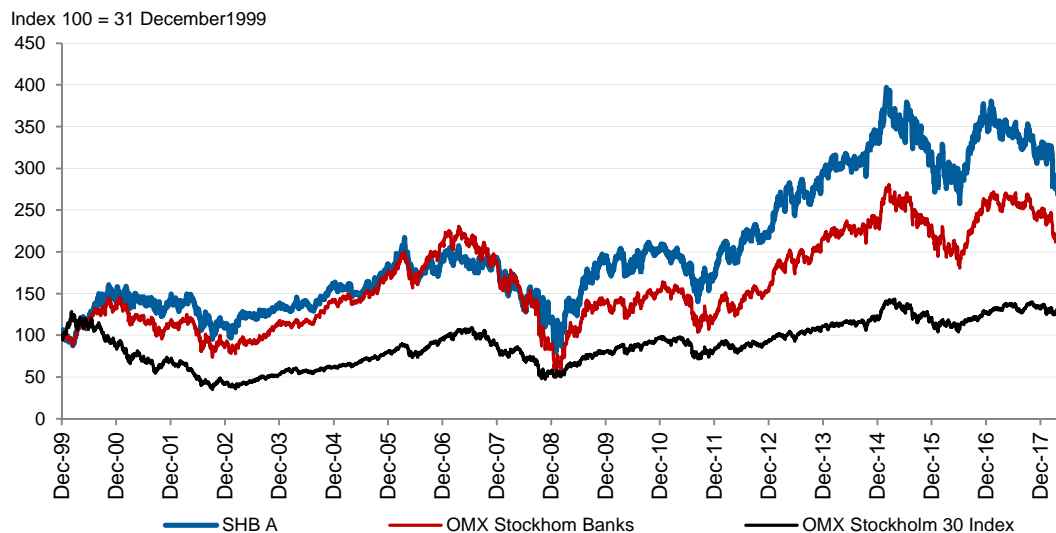
30 June 2018	Up to 1 mths	1 - 6 mths	6 - 12 mths	1 - 2 yrs	2 - 5 yrs	5 yrs -	Unspec. maturity	Total
Cash and balances with central banks	17,011	-	-	-	-	-	-	17,011
Bonds and other interest-bearing securities	159,296	-	-	-	-	-	-	159,296
Loans to credit institutions	2,369	7	1	54	-	-	-	2,431
Loans to the public	22,622	155,674	118,916	102,872	182,531	732,203	-	1,314,818
Total assets	201,298	155,681	118,917	102,926	182,531	732,203	-	1,493,556
Due to credit institutions	11,743	29,951	126	4,033	233	4,113	19,919	70,118
Deposits and borrowing from the public	8,696	5,178	2,743	528	2,146	5,443	570,405	595,139
Issued securities	1,071	69,689	13,892	146,291	226,852	3,926	-	461,721
Subordinated liabilities	-	-	5,449	-	2,955	-	-	8,404
Other, including derivatives	46,144	100,262	23,126	30,866	85,091	-	73,097	358,586
Total liabilities	67,654	205,080	45,336	181,718	317,277	13,482	663,421	1,493,968

Share and shareholders

The Handelsbanken share

	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016
Market capitalisation, end of period, SEK bn	194	203	218	239	234	239	246	229
Share price SHB class A, end of period, SEK	99.56	104.20	112.20	122.90	120.60	122.90	126.60	117.90
Ordinary dividend, SEK	-	-	5.50	-	-	-	5.00	-
Total dividend	-	-	7.50	-	-	-	5.00	-
Number of converted shares	1,609	-	-	-	-	22,151	3,294,729	5,009,634
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	1,944,175,160	1,944,173,551	1,944,173,551	1,944,173,551	1,944,173,551	1,944,173,551	1,944,151,400	1,940,856,671
Number of outstanding shares after dilution, end of period	1,976,962,335	1,975,753,103	1,974,525,521	1,974,776,264	1,975,025,212	1,975,278,248	1,974,290,244	1,974,528,804
Average number of shares converted during the period	831	-	22,151	22,151	22,151	17,718	36,343,029	30,547,119
Average holdings of own shares (repurchased and holdings in trading book)	-	-	-	-	-	-	-	-
Average number of outstanding shares	1,944,174,382	1,944,151,400	1,944,173,551	1,944,173,551	1,944,173,551	1,944,169,118	1,943,389,111	1,937,593,201
- after dilution	1,975,314,735	1,974,503,370	1,974,776,264	1,975,025,212	1,975,278,248	1,974,290,244	1,974,528,804	1,975,789,501

Share performance, since 31 Dec 1999



The largest Swedish shareholders

The largest Swedish shareholders			
30 June 2018	Number of shares	% of votes	% of capital
Oktogonen Foundation	201,072,046	10.5	10.3
Industrivärden	199,923,948	10.5	10.3
Lundberg-gruppen	65,575,000	3.4	3.4
Swedbank Robur funds	56,516,697	3.0	2.9
Alecta	50,769,000	2.7	2.6
Didner & Gerge funds	36,139,310	1.9	1.9
Handelsbanken funds	33,250,662	1.7	1.7
AFA Insurance	18,447,915	1.0	0.9
SEB funds	15,702,804	0.8	0.8
J. Wallanders & T. Hedelius stiftelse, T. Browaldhs stiftelse	13,000,000	0.7	0.7
SPP Fonder	12,188,910	0.6	0.6
Folksam	11,743,483	0.6	0.6
3rd National Swedish Pension Fund	10,227,732	0.5	0.5
Avanza Funds	8,872,958	0.5	0.5
4th National Swedish Pension Fund	5,786,789	0.3	0.3

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 (IAS 39)

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.

LOAN LOSS RATIO (IFRS 9)

Losses on loans to the public in relation to loans to the public at the beginning of the year.

LOAN LOSS RESERVE RATIO STAGE 1 LOANS TO THE PUBLIC (IFRS 9)

Provisions Stage 1 loans to the public in relation to gross loans to the public Stage 1.

LOAN LOSS RESERVE RATIO STAGE 2 LOANS TO THE PUBLIC (IFRS 9)

Provisions Stage 2 loans to the public in relation to gross loans to the public Stage 2.

LOAN LOSS RESERVE RATIO STAGE 3 LOANS TO THE PUBLIC (IFRS 9)

Provisions Stage 3 loans to the public in relation to gross loans to the public Stage 3.

IMPAIRED LOANS (IAS 39)

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 (IAS 39)

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 (IAS 39)

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.

PROPORTION OF LOANS TO THE PUBLIC STAGE 3 (IFRS 9)

Net loans to the public Stage 3 in relation to gross loans to the public.

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 (IAS 39)

Total provisions in relation to gross impaired loans.

TOTAL LOAN LOSS RESERVE RATIO LOANS TO THE PUBLIC (IFRS 9)

Total provisions loans to the public in relation to gross loans to the public.

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.

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

2019

6 February 2019

Highlights of Annual report 2018

27 March 2019

Annual General Meeting

17 April 2019

Interim report January – March 2019

17 July 2019

Interim report January – June 2019

23 October 2019

Interim report January – September 2019

Handelsbanken